EFFECTIVENESS OF CRM ON CUSTOMER SATISFACTION: A STUDY ON EMPOWERING CUSTOMER RELATIONSHIP MANAGEMENT IN FOOTWEAR INDUSTRY   WITH SPECIAL REFERENCE TO ADHIL FOOTWEAR (P) LTD, DINDIGUL

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ABSTRACT

"The purpose of business is to create and keep a customer." **- Peter Drucker**
'Market is a kingdom and Customer is the king'. This is a renowned maxim pursued by the Indian companies in true spirit. This study is to know the extent of satisfaction of the customers on the various factors in the company. To identify the factors that lead to the increase in retention rate of the customers. And to know how the company is making better understanding regarding the needs and wants of the customers. Also to study the effectiveness of the assistance providing by the company to the customers for increasing the retention rate. To know what the customers perceive as the plus quality of the company. To identify the way through which the company is identifying, Contacting, attracting, directing, and acquiring new customers. To suggest measures to improve customer relationship management in Adhil Footwear (P) Ltd, Dindigul. The population is 150 and sample size is 75 and convenience method of sampling is used and Tools applied are Chi-square method, Percentage analysis and Regression method.

Key Words: Customer satisfaction, retention and customer perception and so on.

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INTRODUCTION:

"The purpose of business is to create and keep a customer.**"**   **- Peter Drucker**

"A business absolutely devoted to Customer Service Excellence will have only one worry about profits. They will be embarrassingly large."

Sir Henry Ford

Today in the footwear industry, the reflection of how consumers` perceptions make a good brand impression on customers has become more and more important. Image can be held in memory by various associations (McDonald, 2003; Keller, 2008), with it being stated that it is a shared subconscious mental picture (Reizebos, 2003). As price often sends quality cues to customers, low prices of a product reflect the perceptions of quality (Jobber, 2010), underlining that repeat purchases at certain footwear stores do not depend on quality but on price. Customers often use their perceived value to compare the differences between perceived benefits and sacrifices (McDougall and Levesque, 2000)

'Market is a kingdom and Customer is the king'. This is a renowned maxim pursued by the Indian companies in true spirit. With the advancement in modern technology, customers are becoming more and more informed about their need and want. Now a day's social media is educating them and they scout around for best product, brand name, product quality, operation and service support. Marketing has thus, undergone a paradigm shift and has come up to the point of establishing relationship with customer. It is not just retaining the existing customers but even attracting new customers has become a biggest challenge. This is the main reason why companies are their focus from being product-centric to customer-centric.

Customer Relationship Management (CRM) is a widely implemented strategy for managing a company's interactions with customers, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes-principally sales activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Customer

relationship management describes a company-wide business strategy including customer-interface departments as well as other departments. Measuring and valuing customer relationships is critical to implementing this strategy.

Customer Relationship Management can be defined as a business philosophy and set of strategies, programs, and systems that focuses on identifying and building loyalty with a marketer's profitable customers. It is based on the business philosophy that all customers are not profitable in the same way and marketers' can increase their profitability by building relationships with their better customers. The goal is to develop a base of loyal customers who patronize the retailer frequently.

"Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer".

By choosing Customer Relationship Management system a company will get the following advantages:

- Quality and efficiency
- Decrease in overall sales
- Decision support
- Enterprise ability

Like other companies **Adhil Footwear** group is also concentrating on creating a better customer relationship by providing various facilities to the customers

Why CRM?

Statistics show that the average U.S. Company loses approximately 25 percent of its customers every year, often times not even knowing why. And it costs a lot more to get a new customer than it does to keep the ones you have. According to a Harward Business Review study:

❖ A satisfied customer in 10 years will bring 100 more customers to the company.

❖ It costs 7 times more to attract a new customer than to serve an old one.

❖ 20% of the company's loyal customers account for 80% of its revenue (Pareto's principal).

❖ On an average a customer tells 9-10 people about a problem.

❖ The chances of selling to an existing customer are 1 in 2; the chances of selling to a new customer are 1 in 16.

CRM holds a lot of promise for improving customer loyalty resulting in top and bottom line benefits. According to Bain & Co. research, when companies retain just five percent more of their customers, corporate profits can be boosted a minimum of 25 percent. Whether it's improving forecasting capabilities, establishing support policies or simply keeping your customers, CRM might just be the answer for an organization.

NEED OF THE STUDY

- To know whether the Marketing department is getting assistance from other departments in creating good customer relationship.
- To know the extent of satisfaction of the customers on the various factors in the company.
- To identify the factors that lead to the increase in retention rate of the customers.

OBJECTIVES OF THE STUDY

The main objective of this study is to analyze the customer relationship management in Adhil Footwear private ltd, Dindigul. The following are the more specific objectives.

1. to know how the company is making better understanding regarding the needs and wants of the customers;
2. to study the effectiveness of the assistance providing by the company to the customers for increasing the retention rate;
3. to know what the customers perceive as the plus quality of the company;
4. to identify the way through which the company is identifying, Contacting, attracting, directing, and acquiring new customers; and
5. to suggest measures to improve customer relationship management in Adhil Footwear.

SCOPE OF THE STUDY

This analysis will give a clear head view of the customer acquisition and retention strategies opted by the company. The study will also give an overview of the factors contributing to the dissatisfaction of the customers. Two questionnaires were prepared and were made to fill by the employees and by the customers of the company. These forms are the main source of information that acted as the base for the analysis of the study. The area of research was focused on ADHIL FOOTWEAR.

Main products

- ❖ Imported raw hides, which undergo physic-chemical transformations in Albania before being re-exported
- ❖ Domestic raw hides – mainly bovine hides exported processed wet-blue or unprocessed.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically

RESEARCH DESIGN

The research design is the blue print for filling and answering questions of specific research problem. A research design is purely the framework or a plan for a study that guides the collection and analysis of the data

The research design constitutes the blueprint for the collection, measurement, and analysis of data. And research design is the plan and structure of investigation so conceived as to obtain to research questions. The plan is the overall scheme or program of the research.

Here, the research was based on Descriptive Research Design. If the research is concerned with findings out who, what, where, when, or how much, then the study is called as descriptive research study.

DATA COLLECTION

The task of data collection begins after a research problem has been defined and research design plan chalked out. Both primary data and secondary data are taken into account for the purpose of the study. The source of data is under tow categories via, Primary Data and Secondary Data.

Primary Data

The primary data are those which are collected a fresh and for the first time, and thus happened to be original in character.

Sampling method

A sample is a sub-set of the population. It comprises some members selected from the population

Population

Population refers to the entire group of people, events, or other things of interest that the researcher wishes to investigate. Population is 150 employees

Sample size

Due to time and resource constraints the sample size was taken as 75 employees in consultation with the company and project guide.

Sampling design

The sampling design we used here is, non-probability sampling design in that specifically, convenience method is used.

Non-probability is that sampling procedure which does not afford any basis for estimated the probability that each item in the population has of being included in the sample. Non-probability samples that are un-restricted are called convenience samples. They are the reliable design but normally the cheapest and easiest to conduct. Researchers of field workers have the freedom to choose whomever they find, thus the name convenience sample has number controls to ensure precision it may still be a useful procedure.

STATISTICAL TOOLS AND TECHNIQUES:

1. Chi-square analysis
2. Regression
3. Percentage analysis

CHI-SQUARE

Chi-square analysis in statistics is to test the goodness of fit to verify the distribution of observed data with assumed theoretical distribution. Therefore it is a measure to study the divergence of actual and expected frequencies. The formula for computing chi-square is as follows.

$$\text{Chi-square} = \sum \{(O-E)^2 / E\}$$

The calculated value of chi-square is compared with the table of chi-square for the given degrees of freedom at the specified level of significance. If the calculated value is greater than the tabulated value then the difference between the observed frequency and the expected frequency are significant. The degrees of freedom is (n-2) where 'n' is number of observed frequencies and in case of contingency table the degrees of freedom is (C-1)   (R-1) where C is number of columns and R is number of rows.

REGRESSION ANALYSIS

Simple regression is used to examine the relationship between one dependent and one independent variable. Performing an analysis, the regression statistics can be used to predict the dependent variable when the independent variable known

Regression goes beyond correlation by adding prediction capabilities

$$r = \pm\sqrt{bxy * byx}$$

NULL HYPOTHESES TESTED

Hypothesis 1: There is no difference between the relationship the customers having with the company and the company's frequent contacts with the customers is formulated and tested.

Hypothesis 2: There is no relationship between the employee assistance for the customers and the customer overall rating on Adhil Footwear on the scale of 10 is formulated and tested.

Hypothesis 3: There is no relationship between employee responses for the queries of the customers and the customer rating on Adhil Footwear is formulated and tested.

FINDINGS OF THE STUDY

❖ Most of the respondents(32%) fall under the age group of 30-34

❖ Most of the customers (54.7%) are males.

❖ It is inferred that most of the customers are married.

❖ The study infers that most of the customers (40.7%) having below 5 lakhs as their annual income.

❖ It is inferred that most of the customers (51.3%) are doing business as their occupation.

❖ Most of the customers (46%) selected Adhil Footwear for their product because of the features of the product they are offering**.**

❖ Majority of the customers (50%) came to know about the company through advertisements.

❖ In regression analysis 1, it shows that there is a positive relationship between the employee assistance for the customers and thecustomer overall rating on Adhil Footwear on the scale of 10.

❖ In Chi-square test we got the result that there is no significant difference between the relationship the customers having with the company and the company's frequent contacts with the customers.

SUGGESTIONS

❖ The company can concentrate more on the telephonic services and other mediums for making a better communication with the customers.

❖ The company can focus more on the internal and external facilities like the parking area, internal furnishing etc which will satisfy the customers and thereby enhancing the customer relationship.

❖ The company can appoint a marketing team for conducting surveys to identify the needs and wants of the customers. Proper analysis of the survey will help the company to produce more customer-centric products.

❖ The company can provide a suggestion box for the customers which will help the company to know the expectations of the customers and can work accordingly.

❖ The marketing team can check the reach of the advertisement to the customers and they can make necessary changes accordingly.

❖ The company can arrange employee meeting at regular intervals under a proper leadership to analyse the negative responses of the customers for the certain factors of the company and such a meeting will help the company to turn the dissatisfying factors into satisfying factors.

❖ The company can implement a measuring criteria or validation method to identify the customer satisfaction.The company can provide a suggestion box for the employees. These suggestion boxes will help to bring out excellent customer relationship

CONCLUSIONS

The main aim of any organization is to earn profit. But to attain maximum profit, the organization should concentrate more on customers and the ways to retain them for the long run. From the study it is identified that the company is good in providing its services to the customers except the telephonic services and the internal - external facilities offered to the customers. If the company will improve these two things the customer satisfaction on the service quality of the company will definitely improve. The company can provide a liitle more attention on the employees ability to handle the customers,efficiency of the advertisements etc the company can raise the retention rate of the customers. And this will also help the company to acquire new customers.

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