



## A study of CRM in BSNL: West Godavari district

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### Abstract

Customer relationship management has become a very important aspect of marketing philosophy in the recent past the companies, institutions and organizations of any sector in India, several research studies have been conducted both in India and abroad on the philosophy on the practices of CRM. The Present study which made an attempt to analyze the CRM Practices of select public and private sector companies in India is an effort to understand the CRM. Studies of this type in different sectors are necessary to add value to the knowledge of CRM. In this paper an attempt is made to present the CRM practices in BSNL.

**Keywords:** CRM, BSNL, customer

### 1. Introduction

A firm in the market economy survives by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern. Many companies today have a customer focus (or market orientation). This implies that the company focuses its activities and products on customer demands. Generally there are three ways of doing this:

- a) The customer-driven approach,
- b) The sense of identifying market changes and
- c) The product innovation approach.

In the *customer-driven approach*, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of a market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no point spending R&D funds developing products that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs.

### 2. Evolution and Development of CRM

The practice of CRM can be traced to the period of pre-industrial revolution, where producers of agricultural products and their customers interacted directly. The advent of middlemen resulted in a setback to the direct interactions between producers and customers making the process more of transaction oriented one rather than relationship oriented. The recent surge in CRM is due to the growth of service industry (banking, insurance, air travel etc) and the advent of sophisticated telecommunication technology and information technology, resulting in the direct contact between the customers and marketers/ producers. Another important factor, contributing to the development of CRM is the intense competition between the organizations that has forced

marketers to be more concerned with customer retention and loyalty. Customer expectations with the availability of advanced product features and services are changing rapidly. Co-operative and collaborative relationship with customers is the best way to deal with the scenario.

### 3. CRM Definition

Rigby *et al.* (2002) [6] state that most executives cannot readily define CRM, and Greenberg (2002) quotes ten different definitions provided by leading CRM software development business CEOs. Early definitions of CRM focused on the acquisition and long-term retention of customers Patricia B. Seybold. CRM as a business strategy is another common definition:

*"CRM is an approach or business strategy which provides seamless integration of every area of business that touches the customer"*.

### 4. Review of Literature (Studies Related To the Practice of CRM)

In their paper, titled

1. "A Longitudinal Study of Complaining Customers' Evaluations of Multiple Service Failures and Recovery Efforts" Ravi Dhar and Rashi Glazer (Journal of Marketing), have presented a twenty month long longitudinal field study that investigates within- subject evaluation of overall satisfaction with the firm, word-of-mouth (WOM) recommendations and repurchase intent at key intervals following two customer-initiated complaints and ensuing service recovery efforts. The findings suggest that though satisfactory recoveries can produce a 'recovery paradox' after one failure, they do not produce such paradoxical increases after two failures. In their article,
2. "The Impact of Customer Relationship Characteristics on Profitable Life Time Duration", Peter C. Verhoef have made the following observations: American firm AT&T analyzes its relationships with its customers and tracks in

particular retention and termination characteristics. By analyzing the factors that drive retention, AT & T is much more efficient in keeping customers who are at a risk of defection and it was also able to better pin point the customers in its acquisition campaigns. It is considerably more profitable to keep and satisfy existing customers than to renew a strongly churning customer base constantly, given the discrepancies between concept and reality in relationship marketing, it is important to study the concept of customer management and customer life time for two reasons:

- a) First a better understanding is needed related to the facets of customer management orientation.
  - b) The second reason is that although the importance of an analysis of dynamic customer – firm relationship is hardly disputed, empirical evidence is scarce.
3. “Consumer – Company Identification: A Frame work for Understanding Consumers’ Relationships with Companies”, Werener J. Reinartz and V. Kumar have studied the conditions under which consumers enter into strong, committed and meaningful relationships with certain companies, becoming champions of these companies and their products. The authors of the article have conducted research in both individual and organizational psychology to elaborate on the nature of customer- company identification and articulate their consumer level conceptual frame work, which offers propositions regarding the key determinants and consequences of such identification in the market place.
  4. “Understanding the Effect of Customer Relationship Management Efforts on Consumer Retention and Customer Share Development” Werner Reinartz and V. Kumar, has observed that firms aim to build close relationships with customers to enhance Customers’ Relationship perceptions (CRPs). Customer relationship perceptions are considered as evaluations of relationship strength and a supplier’s offerings, and customer share development is the change in customer share between two periods. In this context Customer share is defined as the ratio of a customer’s purchases of a particular category of products or services from supplier X to the customer’s total purchases of that category of products or services from all suppliers. In the article titled
  5. “The Mismanagement of Customer Loyalty”, Mohanbir Sawhney have reported research findings that the relationship between loyalty and profitability is much weaker- and subtler- than what the proponents of loyalty programs claim. Instead of loyalty alone, companies need to find out ways to measure the relationship between loyalty and profitability so that they can identify the customers on whom more focus is required. As per the study conducted by the authors, it was revealed that when customers are sorted according to their profitability and longevity, it became evident that the relationship between loyalty and profits is by no means assured. In the article
  6. “Clueing in Customers”, Dareel I K. Rigby, Fredrick F. Reichheld, and Phil Schefter have observed that when customers lack the expertise to judge a company’s offerings, they start focusing on, people, facilities, and processes for evidence of quality. The authors conducted a

five- month study of evidence management at the Mayo Clinic. They interviewed more than 1,000 patients and employees, observed hundreds of doctor visits, and stayed in the organization’s many hospitals. Their experiences led them to identify best practices applicable to just about any company, in particular those that sell intangible or technically complex products. The authors express their opinion that companies need to determine what kind of an image they want to create among the customers, and then they should ensure that their employees and facilities consistently show customers evidence of that image.

## 5. Objectives of the Study

The present Study is organized with following objectives: -

1. To examine the evolution, growth, structure and recent trends in the Telecom Sector in India and in BSNL.
2. To the profile of BSNL where the present study is organized.
3. To analyze and evaluate the CRM practices followed in BSNL in W.G.DT.
4. To elicit the views of customers on CRM practices followed by BSNL in W.G.DT.
5. To analyse the process of CRM from conceptual stage to actual implementation stage.
6. To offer findings suggestions and conclusions of the study.

## 6. Methodology of the Study

The following is the methodology adopted for the study:

### 1) Source of Data Collection

The data is collected with the help of both Primary and secondary sources. The information relating to BSNL has obtained from the headquarters of the BSNL and other information from the RTTC, NATFAMGOUCHBOLE, Hyderabad and few text books, magazines and websites were also consulted for the collection of data. The views of customers were collected with the help of the structured questionnaires’.

### 2) Method of Data Collection

A structured questionnaires’ which consists of 28 questions for customers were prepared and administered to the sample customers in the West Godavari District.

### 3) Sample

The prepared questionnaires are Pre-tested and final draft of questionnaires is prepared. The Questionnaires are distributed to 300 customers. After series of interactions with them the questionnaires are returned from 268 customers.

### 7. Data Analysis

The data is analysed with the help of percentages. Charts and graphs are used to interpret the data. The data is further subjected to statistical analysis with the help of the tools like F, T, Anova etc.

### 8. Findings

1. The profiles of respondents of all customers reveal that a majority of the respondents are males, Businessmen and students. About 40% of respondents belongs to the age

- group of 40 – 60 years and majority of respondents are graduates and post graduates.
2. About 50% of the respondents of all customers expressed that they are advised by friends and relatives and advertisements / Adds of the company BSNL.
  3. When respondents visited the BSNL Office half of them not received this information correctly and which has become a source of dissatisfaction.
  4. Phone contact has become a major source for getting latest information which is convenient to the customers.
  5. About 70% of respondents of customers observed that information available in CSCs, customer care units which are fair and transparent.
  6. Friendliness of staff at CSCs, customer care units are another important issue which is related the customer's satisfaction.
  7. The overall customers are found to be very much satisfactory as 75% customers are rated as good and fair.
  8. Attention paid by staff was also good and fair to 75% of respondents. Staff was also found to be courteous in dealing with the customers.
  9. More than 80% of the respondents of each of the customers have given a favourable response.

#### **9. Suggestions**

1. After the study of the CRM in BSNL it is found that it would be useful to conceive a model that would act as a generic model for creation
2. Maintenance and improve the meaningful relationships with the customers
3. It is also found that there is no specific of particular common solution or infrastructure if created would suit CRM initiative' sacrossall the organisations.
4. Department has to disclose all the packages from time to time through conducting Road-shows programs and conducting public meetings, through brochures etc.,
5. It is also found that in BSNL Team management is essential. In this context that an attempt is made to conceptualize a model, on the basis of the study made in BSNL.

#### **10. Conclusion**

Customer Relationship Management has become a very important aspect of marketing philosophy in the recent past companies, institutions and organisations of any sector either private or public sector in India. In this context several research studies have been conducted both in India and abroad on the philosophy on the practices of CRM. The present study which made an attempt an-analyze the CRM practices of select public and private sector companies and BSNL in India is an effort to understand the CRM. Studies of this type in different sectors are necessary to add value to the knowledge of CRM.

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