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“A Study on necessity of Customer Relationship Management for Sustainability of Competitive advantage.”

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Abstract :

Every activity of Business firms is focused towards customer as Customer today is the most important factor of Success. This concept gave rise to Customer Relationship Management. CRM plays very important role in creating and retaining the Competitive advantage of Business Firms. In this Research Study it is been observed that how effective implementation of CRM helps to gain Speed, Quality & flexibility in products and how it helps in Sustaining competitive advantage. Today's World is commercial World with high Competition for everyone in the Market. Competition is prevailing in every section of the business whether it is Production, Sales, Marketing etc. It is not an easy Task to gain the competitive advantage for any Business Organization. Customer being the main focus of the market enjoys the attention of all the Business Organization

Key Words: CRM, Competitive advantage, Customer, Sustaining Competitive Advantage.

Objectives of Study:

1. To Study the importance of Sustainable competitive advantage
2. To Study the importance of the CRM in Sustainable Competitive advantage

Introduction:

Companies are surviving in a market which is full of competition. There is always a difference among the Strategies of Companies which make a more successful then other. In Order to have difference in success rate there must be a huge difference between the Strategies of Companies. In this environment of intensive competition it is necessary for companies to be aware of their own Strength and Opportunities which prevails in market. And CRM plays important role for achieving Survival goal of the Company. CRM can explained as Customer focus approach of Companies where companies looks up at Customer-Company Relationship from wide perspective starting from planning of production cost to every aspects of Business and also carefully analyzing consumer behavior and make all possible efforts to fulfill the needs of Customers.

Competitive advantage is the total of definite differences among companies which gives superiority to the company over others. This shows capabilities if the Company in the sector where others are unsuccessful company become successful. A Sustainable growth or development or sustainable supremacy exists when company collects more gains for it investment as compare to others with the same investment and will also not be able to match the gains in near future. According to Finlay(2000), sustainability depends upon three factors resistance, Transparency and repeatability.

Hypothesis of the Study:

CRM is important for the sustainability of Success of Business Firms.

Collection of Data :

Data for the Research is collected by Primary and Secondary Source. Primary Data is collected through the customers of various section through Survey method. In Survey Method also Descriptive Survey Method is used to answer Question like How many respondents think CRM is important factor. Secondary Data was obtained from various Publication, Websites, newspaper articles etc.

Findings of the Study:

Through Secondary Data the classic example of Mercedes Benz. Mercedes Benz is one of the World know brand. Its technical perfection, innovative ideas, modern designs make it as a World know name in automobile Industry. But Mercedes Benz had also faced problem of change in competitive structure in late 1990s and in early 2000s. Mercedes Benz in this particular period experienced Competition from other brands like BMW, Jaguar and Lexus. Many of these brands were expanding rapidly on cost of Mercedes Benz.

Research suggested that Customers of Mercedes Benz where not happy with the service they were receiving. Even though the technical quality of the cars was high but the customers were complaining about the level of service. There was a frequent complaint from the Customers about the inconsistency between the communication they received and the service which is delivered.

So as a Solution to this problem Mercedes Benz decided in 2000 to adopt new distribution model for Mercedes Benz passenger cars and accordingly re- organized the market into 35 new larger geographical areas by inviting the number of existing dealerships to enter into new retailer agreements.

This dealership created a specific market area for Mercedes Benz. A project management team was also formed consisting of Managers of Marketing and Operations. The Project management teams identified the key CRM processes and determine how each process would be implemented throughout the new retail Structure. Every aspect of Customer Relationship was carefully examined in order to create Value opportunity for the Customers and Market Areas and the Company as well.

Mercedes Benz worked out on each of the critical customer processes which includes the following :

1. Prospect Management : through enquiry through to sale
2. Keeping Close Contacts with Customers.
3. Managing the Complaints of Customers.
4. Acknowledging complaints as an opportunity for improvement.

Results

The CRM techniques applied worked for Mercedes Benz and sales started being improved compare to the previous records. The significant expenditure on CRM by the company was justified by impressive financial

returns and improved Customer Relationship. The program continued and in two years Customers reported improvements in critical service quality measures. There was full reorganization in the company and among the workers of Benz that the future of Mercedes Benz lies in continuing journey of CRM for matching the highly acclaimed product with outstanding customer experiences.

To support this results and for further analysis a small survey conducted among 70 people who were interested in talking car loan from various banks and some questions related to CRM are placed to them through schedule Questionnaire. The response rate of respondents was good as out of 70 persons 50 have given there response. The following is Data Analysis and its Intrepretation :

Data Analysis & Interpretation:

1. Preference to the different factors while purchasing new Car.

<u>FACTORS</u>	<u>RESPONSE OF</u> <u>PERFERENCE</u>
DESIGN	20/50
PRICE	38/50
CUSTOMER SERVICES & CRM	15/50
DURABILTY	25/50

2. Preference for continuing the same Brand or Company Car in Long Term.

<u>FACTORS</u>	<u>RESPONSE OF</u> <u>PERFERENCE</u>
DESIGN	15/50
PRICE	35/50
CUSTOMER SERVICES & CRM	30/50
DURABILTY	30/50

(PRICE relates to Current Market Price in the Table)

From the above data we can understand that the same 50 respondents has given their response on every factors of preferences. In the initial stage of purchasing car the preference was mainly towards Price and Durability followed by Design. The Customer Services and CRM factor was on the last preference at the time of buying the car. But when the same set of respondents asked about continuing the same brand car for long run the response changes to some extent. The preference towards Customer Services and CRM increased which

clearly indicates that the Customer give positive response and develop a loyalty towards Company if good Customer Service is provided by the company.

Conclusion :

Sustainability of Business Organization depends on the response of Costumers and the positive response of customers depends upon the CRM techniques and Customer Services implemented and provided by the company respectively. A better CRM policies and efficient implement of the same can help companies to have a competitive advantage on others and to sustain the profitability of Business in long run and this is evident from the study of example of Mercedes Benz and also from the response which is analyzed in this study. So it is said to be proved from the above response and from the Mercedes Benz example that CRM is important for sustainability of successful Business.

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