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CUSTOMER RELATIONSHIP MANAGEMENT (CRM) – NEW PERSPECTIVES

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Abstract

This paper aims to study the Implementation and Effectiveness of Customer Relationship Management (CRM) in the Indian tractors industry. The study is conducted through an extensive literature review and primary data collection from industry experts and customers. The paper covers the current state of CRM in the industry, the challenges faced in implementation, and the benefits of effective CRM. The results of the study indicate that while the industry has recognized the importance of CRM, there are still significant challenges in implementation, particularly in terms of technology adoption and employee participation. However, effective implementation of CRM can lead to increased customer satisfaction, loyalty, and profitability for tractor manufacturers.

Keywords: CRM, Indian tractors industry, customer satisfaction, loyalty, profitability.

INTRODUCTION

The Indian tractor industry plays a crucial role in the country's agriculture sector, which is the primary source of livelihood for a significant portion of the population. The industry has witnessed significant growth over the past few decades, with several domestic and international players entering the market. In such a competitive environment, maintaining customer relationships becomes critical for the success of tractor manufacturers. CRM is a strategic approach to managing customer interactions and relationships, with the aim of improving customer satisfaction, loyalty, and profitability.

Business Analysts have observed a sea change in the approach of the corporate sector towards Customer Relationship Management and Customer Retention Strategies, in the current times as compared to the past few decades. With the cutthroat competition in the market, business houses have realized the exceedingly high CAC (**Customer Acquisition Cost**) whereas **Customer Retention Strategy** can provide multiple times greater ROI (**Return on Investment**) in the business.

Why CAC is extremely difficult and costly? It is the Customers' market today and not the Sellers' market. The customer is the King. Customers have multiple choices and buying options, both online and offline. There are facilities like free home delivery, lightning-speed delivery, 'cash on delivery', and EMI options. These attractions are over and above discounts and incentives. Earlier sellers had a total focus on creating new customers and making the first sale. Even tractor manufacturers focused on one-time sales, considering that the next sale shall be, maybe a decade later. Today it is an established fact that if a customer is satisfied with a product; then for repeat purchase, most likely s/he may not explore the competition but shall approach the same manufacturer! The customer too looks for a 'comfort zone' of old acquaintance.

The new wisdom says that long-time revenue prospects lie not in the OE product but in its accessories, word of mouth,

Spare Parts Sales, Periodic Services, Customer Satisfaction, Customer Retention, and Repeat Sales.

LITERATURE REVIEW

The literature review covers the current state of CRM in the Indian tractor industry, the challenges faced in implementation, and the benefits of effective CRM. The industry's current state of CRM is characterized by a high level of awareness and recognition of its importance.

The major tractor brands in India (not in any particular order) are:

1. Mahindra Tractors
2. TAFE
3. Swaraj
4. John Deere
5. Powertrac and Farmtrac from Escorts
6. Sonalika Tractors
7. New Holland

Data from these brands are available in the public domain also. Several tractor manufacturers have invested in CRM systems and processes to improve customer interactions and relationships. However, the implementation of CRM faces significant challenges, particularly in terms of technology adoption and employee participation. Tractor manufacturers often struggle with integrating different systems and data sources to provide a unified view of the customer. Additionally, employees may lack the necessary skills and training to effectively use CRM systems and processes.

The benefits of effective CRM in the Indian tractor industry are significant. Studies have shown that effective CRM can lead to increased customer satisfaction, loyalty, and profitability. Improved customer satisfaction can result in higher sales volume and repeat purchases, while increased customer loyalty can lead to reduced **churn rates**¹ and higher customer

lifetime value. Effective CRM can also lead to cost savings through more efficient customer service processes and targeted marketing campaigns. In the current context, organizations need to move out of the traditional way of operating and get into alignment with the Ideal Modern Strategic Model. What is done is more like re-modelling rather than reconstructing the business mechanism. The Strong, sound, and consistent pillars (features of the business model) are retained, but useful new business tools and techniques are appended. Paraphernalia is then modernized. 2

METHODOLOGY

The study employs a mixed-methods approach, combining a literature review with primary data collection from industry experts and customers. The primary data collection is conducted through in-depth interviews with industry experts and a survey of customers. The survey covers various aspects of customer interactions with tractor manufacturers, including their satisfaction levels, loyalty, and perceptions of CRM implementation.

GIST OF SURVEY OF CRM LEVELS OF COMPANIES

In order to provide a 'World Class Customer Care Experience', and to remain seamlessly connected with their Customers and Dealers; **Swaraj Tractors** have developed a 24x7 On-line System, integrated on Cloud and accessible through Android/iPhone/ Web. This software has been named **CDMS** (Customer Dealer Management System). Swaraj has got this software patented in the USA. Accessibility of various Applications and Reports to different concerned managers in Sales/Services/ Spares/ Accounts and IT-Support is controlled on a need-to-know basis, as per their Assigned Roles.

Farmers and Customers get access to an extended functionality of this Software on their mobile phones. It is called the '**Mera Swaraj App**'. Here customers are able to interact with the Dealership/ Company and also get News, Advise, and Information about new products and recent Updates. On this App, they are also able to book their due scheduled Services and give feedback after the completion of an Activity. They also have a toll-free number for guidance, queries, and complaints. Based on the scheduled **Time Lapse Matrix**, all unresolved complaints automatically get highlighted and escalated. Enquiries at dealer points get captured and the Pre-Sales Team gets activated. Each transaction happens in Real Time on a cloud-based environment and all event history gets recorded for the future. Not to be left behind, International Tractors (Sonalika) have **DMS** (Dealer Management System). It is majorly operated as a Web Application. It has separate modules for Sales, Service, and Spares. The Pre-Sales System in Sonalika is also called **ITL-TMS** (Territory Management System). This is for Enquiry Capture and Lead Management System.

John Deere too has devised world-class software for the most efficient customer-connect and issue resolution. It is also a two-way communication tool where field problems and company updates are exchanged. It is termed **CCMS**; which stands for **Case and Contact Management System**. Here dealers can

place their feedback, complaints, and grievance regarding Main Product/ Parts/

Regulatory Policies/ Quality/ Packaging or Pricing. The three main modules of **CCMS** are:

1. DTAC – Dealer Technical Assistance Center
2. DPAC – Dealer Parts Assistance Center
3. DMAC – Dealer Marketing Assistance Center

Dealers can upload photographs, the voice of customers, feedback, complaint, or market input. The main objective is to locate an issue and resolve it fast. The case reaches the concerned action group fast. In **CCMS** the user can set a priority level and the response rate can be measured (which is not easily possible in email data). The extension of this **CCMS** software for customers in the form of a mobile App has been called **Anubhuti** meaning 'Experience' in Hindi. In this App the customer can even order spare parts, View Service Due Dates, do advance bookings of Tractor Services with dealers, and many such features. For complaint resolution, a toll-free number is also provided.

The Structured Data Repository of **CCMS** enables data mining, and helps in post-operation analysis to build modules for improving performances. Another tool available to dealers is **SPM** (Service and parts Management system). Here the dealer can look for the availability of obsolete items, non-available parts, alternative parts, alternative kits, etc. on the sites of other dealers and various other depots of **JD** (John Deere). All other companies also have a compatible infrastructure to provide service and good experience to their customers to remain well connected with them and to retain their patronage.

RESULTS

The results of the study indicate that while the industry has recognized the importance of CRM, there are significant challenges in implementation. The survey results show that customers are generally satisfied with their interactions with tractor manufacturers, but there is scope for improvement in areas such as personalized service and post-sales support. The challenges in implementation are primarily related to technology adoption and employee participation. Tractor manufacturers often struggle with integrating different systems and data sources to provide a unified view of the customer. Additionally, employees may lack the necessary skills and training to effectively use CRM systems and processes.

CONCLUSION

Too many times we settle into a way of thinking and accept limitations that need not be placed upon us. Embrace change and it will change you. The truth is that most people are more comfortable with old problems than new solutions. The good thing is that people can change and that is the greatest motivation of all. Nothing sparks the fires of desire more than the realization that we do not have to stay the same. Fall in love with the challenge of change and watch the desire to change grow in us! ³

Change for the better is essential. Organizations need to adapt to changing times. However implementing change involves difficulty in selling your ideas, convincing others, ensuring that others have understood the way you wanted them to understand, managing personal interests, perceptions, mindsets, and apprehensions, providing training on the use of new tools, managing HR turnover and promptly replace them with equally efficient staff for uninterrupted quality service. Much more needs to be and can be done in the field of CRM in the tractor Industry. We need to look at things not as they are but as they possibly can be! Visualization adds value to everything. A big thinker always visualizes what can be done in the future. He isn't stuck with the present.⁴

The study concludes that effective implementation of CRM can lead to increased customer satisfaction, loyalty, and profitability for tractor manufacturers in the Indian tractors industry.

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stop subscribing to a service

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