A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT IN COOPERATIVE SILK SOCIETIES WITH SPECIAL REFERENCE TO KANCHIPURAM (SILK CITY) IN TAMILNADU

Mr. M. Murugan,

Assistant Professor, SCSVMV University, Kanchipuram**,** Tamil Nadu. & Research Scholar, M.S. University, Tirunelveli, India.

Dr. S.A. Senthil Kumar,

Associate Professor and Research Guide, Central University of Pondicherry, Karaikal Campus, Pondicherry (UT), India.

ABSTRACT

A study was conducted among 50 respondents to find out their opinion about cooperative silk societies in Kanchipuram (silk city) with special emphasis on Customer Relationship Management. It was ascertained that there is a relationship between purchasing silk sarees and quality check-up and that customers are loyal to the brands they purchase.

Keywords: CRM; Co-operative silk society; Service quality; Service gap.

Introduction:

CRM is an interesting phenomenon that drives people to change their lifestyle as well as standard of living. It is a process or methodology that is used to learn more about customers' needs and behaviors in order to develop stronger relationships with the customers. CRM helps businesses use technology and human resources to gain insight into the behavior of customers and the value of those customers. It is a widely implemented strategy for managing a company's interactions with customers, clients and prospective customers. CRM can help a business acquire new customers through contact management, selling, and fulfillment. This research work had been carried out in Kanchipuram silk societies to understand the service quality.

There are many technological components to CRM, but thinking about CRM in primarily technological terms is a mistake. The more useful way to think about CRM is, as a process that will help bringing together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends. It 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, and 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 cost of marketing and client service.

Review of Literature:

Zablah et al. (2004) have classified the CRM definitions in the context of process,strategy**,** philosophy, capability or as a technological tool. These elements have toreceive equal focus to gain success with CRM implementation. On the other hand, Glazer (1997) defines CRM as a strategic bridge between information technology and marketing strategies aimed at building long-term relationships and profitability.This requires "information-intensive strategies" (Glazer, 1997). CRM has often been seen, though incorrectly, as being synonymous with technology (Reinartz etal., 2004). This paper, as suggested earlier opines that CRM is more similar to

service marketing, the difference perhaps being in the nature use of technology. But efforts to incorporate CRM technology have not always resulted in success. A key reason for this failure is viewing CRM as a technology initiative (Kale, 2004).Apart from technology, employees of an organization form an important part of CRM, where employees' interaction with the data and technology processes and systems is critical in determining the return on investment on these processes and Rahman & Azhar252 systems (Boulding et al., 2005). Payne and Frow (2005) identified a shift in CRMperspectives from a technology-only focus to a holistic customer-oriented approach that incorporates other strategic aspects of CRM as well. The above brief suggeststhat CRM activities cover all aspects that fall within four major areas: strategy,people, processes and technology, which is similar to the observation made inservice marketing literature.

Jagdish N. Sheth and Atul Parvatiyar (1995) in their article ,The Evolution of relationship marketing. They trace the

history of marketing practices and illustrate how the advent of mass production, the emergence of middlemen, and the separation of the producer from the consumer in the Industrial era led to a transactional focus of marketing. Now, due to technological advances, direct marketing is staging a comeback, leading to a relationship orientation. The authors contend that with the evolution of Relationship Marketing, the hitherto prominent exchange paradigm of marketing will be insufficient to explain the growing marketing phenomena of collaborative involvement of customers in the production process. An alternate paradigm of marketing needs to be developed that is more process rather than outcome oriented, and emphasizes value creation.

- Lawler, P. Vandepeutte & D. Anderson (2006) in their article A study of customer relationship management (CRM) on apparel European Web sites. Customer relationship management and data mining are critical differentials that enable competitive edge for firms focused on increasing customer market share. Though investment in marketing, sales and service innovation can be constrained due to economic and cultural considerations, the initial analysis of the study indicates common European consumer apparel sites enable higher content depth, navigational context and help, consumer communication, and commerce efficiency. However, the study concurrently indicates lower customer customization and mining, lifestyle connection and marketing, and consumer community interaction, on the sites. The analysis, conducted as an assignment by adult students at a leading European university, contributes insight into the limitation of customer relationship management and data mining investment on the Web.

- Wit elibrary publications (2006) in their publications. The value of knowledge management and customer relationship management is well recognized by many leading companies. Employees in the textile industry report that to provide customer complaint information and to share internally the best practice information ,can have benefits for hard measures such as customer retention, cost savings, and market share and for soft measures such as customer satisfaction, market leadership, customer loyalty, and customer and employee productivity.

- Wit elibrary publications (2006) in their publications CRM and ERP in the Textile Industry. CRM software and ERP software are both important for the textile industry. CRM stands for customer relationship management, and ERP is short for enterprise resource planning. Both of these are vital when a company hopes to succeed in a business such as the textile industry. CRM can ensure that the customers of a business are treated in such a way that they want to return. It's important to always have a good CRM tool in your arsenal, whether you are need a small business CRM solution or a more robust web based CRM solution. It keeps track of their names, their

information, what they have purchased, and other issues. In addition, some CRM software programs also suggest what to offer to a customer, and the business can send out emails that let customers know about upcoming offers and important sales. Some customers might find this to be an intrusion, but many individuals like it because they feel as though the business remembers them.

Phases of CRM:

The three phases in which CRM support the relationship between a business and its customers are

To Acquire: CRM can help a business acquire new customers through contact   management, selling, and fulfillment

To Enhance: web-enabled CRM combined with customer service tools offers customers service from a team of sales and service specialists, which offers customers the convenience of one-stop shopping.

To Retain: CRM software and databases enable a business to identify and reward its loyal customers and further develop its targeted marketing and relationship marketing initiatives.
CRM Business Cycle As shown in the diagram below, any organization starts with the acquisition of customers.

3.1 Acquisition and Retaining:

Acquisition is a vital stage in building customer relationship. For purpose of customer acquisition an organization is likely to focus its attention the suspects, enquiries, lapsed customers, former customers, competitor's customers referrals, and the existing buyers. From these the organizations need to acquire customers and prospective customers and retain valuable customers.

3.2 Understand and Differentiate:

Organizations cannot have a relationship with customers unless they understand them...what they value, what types of service are important to them, how and when they like to interact and what they want to buy. True understanding is based on a combination of detailed analysis and interaction. Several activities are important:
Profiling to understand demographics, purchase patterns and channel preference. Segmentation to identify logical unique groups of customers that tend to look alike and behave in a similar fashion. While the promise of one-one marketing sounds good, we have not seen many organizations that have mastered the art of treating each customer uniquely. Identification of actionable segments is a practical place to start.
Primary research to capture needs and attitudes. Customer valuation to understand profitability, as well as lifetime value or long term potential. Value may also be based on the customer's ability or inclination to

refer other profitable customers. Customers need to see that the company is tailoring service and communications based on what they have learned independently and on what the customers have told them.

3.3 Develop and Customize:

In the product world of yesterday, companies developed products and services and expected customers to buy them. In a customer – focused world, product and channel development has to follow the customer's lead. Organizations are increasingly developing products and services, and even new channels based on customer needs and service expectations.

3.4 Interact and Deliver:

Interaction is also a critical component of a successful CRM initiative. It is important to remember that interaction doesn't just occur through marketing and sales channels and media; customers interact in many different ways with many different areas of the organization, including distribution and shipping, customer service and online. With access to information and appropriate training, organizations will be prepared to
steadily increase the value they deliver to customers.
"Quality is when your customers come back, not your products" - Mrs.Thatcher.

There are three parts of application architecture of CRM.
1.   Operational CRM:

Operational CRM means supporting the so-called "front office" business processes, which include customer contact (sales, marketing and service). Tasks resulting from these processes are forwarded to employees responsible for them, as well as the information necessary for carrying out the tasks and interfaces to back-end applications are being provided and activities with customers are being documented for further reference.

2.   Analytical CRM:

In analytical CRM, data gathered within operational CRM are analyzed to segment customers or to identify cross- and up-selling potential. Data collection and analysis is viewed as a continuing and iterative process. Ideally, business decisions are refined over time, based on feedback from earlier analysis and decisions. Business Intelligence offers some more functionality as separate application software.

3.   Collaborative CRM:

Collaborative CRM facilitates interactions with customers through all channels (personal, letter, fax, phone, web, e-mail) and supports co-ordination of employee teams and channels. It is a solution that brings people, processes and data together so companies can better serve and retain their customers. The data/activities can be structured,

unstructured, conversational, and/or transactional in nature.
Collaborative CRM provides the following benefits:
➢ Enables efficient productive customer interactions across all communications channels.
➢ Enables web collaboration to reduce customer service costs.
➢ Integrates call centers enabling multi-channel personal customer interaction.

Integrates view of the customer while interaction at the transaction level. CRM has to two typical implementation methods: on-premise and on-demand/hosted. Each method has its advantages and disadvantages as described below.

On-premise CRM is appropriate for:

Companies seeking to implement highly customized customer-management practices
Companies that need specialized data structures
➢ Companies with complex or real-time integration requirements
➢ Companies with available in-house IT resources and support systems
➢ Companies who can afford the up-front capital investment and fixed costs
➢ Companies who deal with sensitive data that don't want other parties to see

On-demand/hosted CRM is appropriate for:

➢ Customers seeking to implement standard processes from a variety of industries and companies .
➢ Companies that are able to use standard data structures
➢ Companies with more basic integration requirements
➢ Companies with limited technical resources and support personnel
➢ Companies seeking variable pricing and lower up-front costs
➢ Companies dealing with non-proprietary data
➢ Providing employees with the information and processes necessary to know their customers, understand and identify customer needs and effectively build relationships between the company, its customer base, and distribution partners.

Many organizations turn to CRM software to help them manage their customer relationships. CRM technology is offered on-premise, on-demand or through Software as a Service (SaaS) CRM, depending on the vendor. Recently, mobile CRM and the open source CRM software model have also become more popular.
What is CRM or Customer Relationship Management? CRM is the acronym for the term "customer relationship management". CRM is the common terminology used to describe the managing of prospects all the way through the entire sales process. CRM is often an entire data system that can either be manipulated manually, such as an index card system or a computer automated system. There is specially designed software for customer relationship management (CRM) that can be either installed directly

into a computer or through a web based system that is accessible only online. CRM systems are useful in that they enable the management of the entire prospect/customer details such as the names, addresses, phone numbers, call records and purchase history and more. Other uses include planning of appointments, schedule of call back times and other sales related activities. Automated CRM, depending on the system, can be for only one user, or for several users to have access to customer accounts

Service Quality:

Customers judge the value of the service in terms of Service Quality. (i.e,) Balancing Customer Perceptions and Expectations
- ✓ **Reliability**: Ability to perform the promised service dependably and accurately.
- ✓ **Responsiveness**: Willingness to help customers and provide prompt service.
- ✓ **Assurance**: Knowledge and courtesy of employees and their ability to inspire trust and confidence.
- ✓ **Empathy**: Caring and individualized attention.
- ✓ **Tangibles**: Physical facilities, equipment and appearance of personnel

Relative Importance of Service Quality Domensions
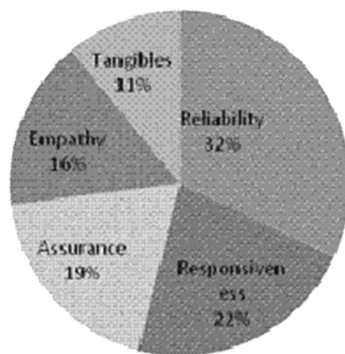
Cooperative Silk Society In Kanchipuram:

In Kanchipuram, Silk Sarees are sold either through Co-operative societies or by private merchants. From the viewpoint of the consumer, these two sources are almost the same, with a few small differences. As most of the large cooperative societies are government-run and They have a very small profit margin. Also, the profits reach the weaver directly. Hence, cooperative societies are usually less expensive. Private merchants commonly have a larger profit margin. They also have other costs like advertising, middle agents, etc. Hence, customers expect their prices to be higher.

Here's an insider tip. Sometimes, you might find that sarees `are cheaper with a private merchant than with a co-operative society. Such a thing happens because the saree is weaved "cheaper" by using one or two strands of silk

thread instead of three. There is nothing wrong in this practice. The saree is just not as strong or heavy as it is expected to be. Private merchants follow this practice to cater to customers who want wonderful sarees at lower prices.

However, one could find that the variety of designs and colors available in cooperative societies is very limited. Normally, the cooperative societies do not undertake risky experiments with new colors or grand designs. Private merchants, on the other hand, offer a much wider choice - the distinguishing characteristic of private enterprise. So, if you are looking for a grand saree and are willing to pay the price for it, you can find it with a private merchant. Such sarees usually start at Rs.15, 000 and go as high as a couple of hundred thousands. An interesting fact is that some Kanchipuram-based Silk merchants even hold several Guinness records for some fantastic, unique sarees. Sometimes, both Private and Cooperative merchants take up custom orders. Many of them have albums of designs and colors to choose from. There is, however, one condition they place on such orders - the customer has to order multiple (usually multiples of 3) sarees. There is a reason for this. Handlooms do not usually weave one saree at a time. A single setup of yarn is normally 3 times as long as a regular saree. Hence, the output is typically 3 sarees in a single run. If the saree is less expensive and the particular design is in good demand, they will be able to accept custom orders for 1 saree and sell the other 2 through their showrooms. But, if the customer orders a very expensive saree or a design that is in poor demand, the merchants insist that the customer buy all 3 sarees. Almost all Silk Cooperative Society Showrooms and most Private Showrooms are located in and around the entire stretch of Gandhi Road. Many Private Showrooms are also located in Mettu Street.

The occasion of marriage for a South Indian bride is incomplete without a Kanchipuram saree in her trosseau. Among the wide range of silk sarees available in India, from the Benares silk saree to the Patola from Patan, the Kanchipuram saree holds a special position. The strength and magnificence of the Kanchipuram saree makes it one of the favourites among ladies all over the world.

Here is the list of few large silk societies in Kanchipuram:
- Kamatchi Amman Silk Society
- Arignar Anna Silk Society
- Kanchipuram Silk Society
- Murugan Silk Society
- Varadharaja Swamy Silk Society
- Pallavar Silk Society
- Tiruvalluvar Society

Objectives of The Study:

Primary objectives:
- ✓ To study the customer perception about cooperative society**.**

Secondary objectives:

Analysis of Data

Table No.	Descriptive Study	Percentage of Respondents				
		SA	A	N	DS	SDA
1.	I am aware about the Silk Sarees Co-operative society at Kanchipuram	45	5	-	-	-
2.	I think that the quality of silk sarees is good in co-operative society	23	12	5	6	4
3.	We visit Kanchipuram for taking silk sarees as it's cheap	14	12	6	8	10
4.	The service in the co-operative silk society is good	5	31	6	6	2
5.	I recommend co-operative silk society to my friends and relatives	21	21	3	3	2
6.	I think no quality checkup is required for co-operative silk society	23	12	5	6	4
7.	I always take sarees from co-operative silk society	31	6	6	2	5
8.	I think the designer sarees are good in co-operative silk society	7	15	03	15	10
9.	I think the cost is comparatively less in co-operative silk society	14	15	11	8	2
10.	I think the fringe benefits like discounts& rebate are less in co-operative silk society	41	4	3	-	2
11.	The Co-operative silk society service is not up to the level	23	12	5	6	4
12.	The co-operative silk society are not showing interest in creating brand loyalty among customers	5	31	2	6	2
13.	The advertisement of co-operative silk society is not up to the level and the reach is also low	3	7	20	17	3
14.	The brokers problem is less in co-operative silk society	43	4	1	2	-
15.	I'm not a repeated customer to co-operative silk society even though I purchase silk sarees often	3	1	-	15	31

✓ To identify the loyalty of the customer towards cooperative society.
✓ To study the fringe benefits that the customer expect from the silk saree manufacturers.

Research Methodology:

Both primary & secondary sources of data were utilized for the present study. The study is based on the field survey conducted with the help of a well-structured questionnaire. The secondary data were also collected from Book, Magazines & Internet.

Sampling Technique:

Sampling Unit   : The sampling unit was limited to Kanchipuram town.

As the calculated value of Chi Square is less than Table value H$_o$ is rejected hence there is association between the purchasing silk sarees and the quality checkup.

Findings:

Sampling size   : 50 respondents
Statistical tools used : percentage analysis & chi-square
Limitations:

✓ The study is restricted Kanchipuram town so it cannot be generalized.
✓ Due to time constraints the limited no. of respondents has been contacted for the study.

Chi-square:

Ho: There is no association between purchasing silk sarees and quality checkup.
H1: There is an association between purchasing silk sarees and quality checkup.

• 45% of the respondents are strongly agree that they are aware of cooperative silk society.
• 23% of the respondents strongly agree that the quality of silk is good in cooperative silk society

Particulars	SA	A	N	DA	SD	TOTAL
Purchasing silk sarees in cooperative silk society	31	6	6	2	5	50
No requirement for quality checkup	23	12	5	6	4	50
Total	54	18	11	8	9	100

Calculated value of $\chi 2 = 5.387$
Table value $= 9.48$
Degree of freedom $= 4, \alpha = 0.05$

- 14% of the respondents strongly agree that they visit Kanchipuram for buying silk sarees, as it is cheap.
- 31% of the respondents agree that the service quality is good in cooperative silk society
- 21% of the respondents strongly agree that they will recommend cooperative silk society for their friends and relatives.
- 23% of the respondents strongly agree that no quality checkup is required in cooperative silk society
- 31% of the respondents prefer cooperative silk society
- 33% of the respondents agree that the designer sarees are good in cooperative silk society
- 15% of the respondents agree that the cost is comparatively less in cooperative silk society.
- 41% of the respondents strongly agree that the fringe benefit is less in cooperative silk society
- 23% of the respondents strongly agree that the service is not up to the level
- 33% of the respondents agree that the cooperative silk societies are not showing interest in creating brand loyalty.
- 20% of the respondents feels that the reach is very low for silk society
- 43% of the respondents strongly agree that brokers charge is less
- 31% of the respondents disagree that they are not the repeated customers.

Conclusion:

"Change alone is the only word that will never change " due to the time constraint in this fast moving world. But CRM has brought changes in the current scenario. In Kanchipuram, the silk society plays a vital role in enhancing the economy and it gives life to many cooperative silk societies, as their contribution was heavy for stabilizing the economy.

References:

[1] Wit elibrary publications (2006): CRM and ERP in the Textile Industry.
[2] Lawler,P.Vandepeutte&D.Anderson(2006): A study of customer relationship management (CRM) on apparel European Web sites.
[3] Sugnadhi.R.K. (2003), CRM, (New Age International Publishers), New Delhi
[4] Berry, Leonard, A: Improving Service Quality: Lessons Learned, Journal of Academy of Management Executives, Vol. 8 No. 2. 1994.
[5] Gureja, Gopal, K, Creating Customer Value, Tata Mc Graw Hill, New Delhi, 1997.
[6] Akan,p 1995 . Dimensions of service quality: Expectations of Turkish Consumers from services. Bogazici University, Istanbul, Turkey.
[7] Brady, M.K Robertson, c.j., 2001. Searching for consensus on the antecedent role of service quality and satisfaction. Journal of Business Research 51(1) 53-60.
[8] Jha, S.M, Services Marketing, Himalaya Publishing House, Mumbai.
[9] Gureja, Gopal, K, Creating Customer Value, Tata Mc Graw Hill, New Delhi.
[10] Andicine .P (1995), The Essence of services Marketing, New Delhi
[11] Kotler, P. (1999), Marketing Management: The millennium edition.

******