

The Power of Customer Relationship Management in Enhancing Product Quality and Customer Satisfaction

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Abstract:

This paper investigates the relationship between Customer relationship Management (CRM) in Supply chain Management (SCM) and its strength to revamp product price and client pleasure of Indian manufacturing companies. Senior manufacturing managers had been interviewed making use of a structured survey instrument to gauge their perceptions of CRM, product performance overall and client satisfaction. Inferential statistical analyses had been carried out with the aid of utilizing statistics from 25 companies. Associations between CRM dimensions, product performance and client satisfaction had been analyzed via statistical techniques such as cluster analysis, Friedman's check. The findings of cluster evaluation and Friedman's test point out that 'High client pleasure achievers' possess greater tiers of CRM implementations and supply priorities to dimensions such as 'Measures & evaluates consumer satisfaction, 'Evaluates relationship with clients continuously' and 'Provides Follow up and after sale offerings than 'low consumer delight achievers'. The end result of the in part mediated that CRM well-known shows direct influence on purchaser satisfaction and additionally oblique impact mediated by way of product quality. Overall, findings of the study furnish a hanging demonstration of the significance of CRM in SCM to beautify product performance and client delight in Indian manufacturing companies.

Keywords: Supply chain management, customer relationship management, product quality, customer satisfaction, structural equation modeling.

Introduction

In nowadays aggressive enterprise environment, manufacturing businesses have recognized the want to grow to be extra client oriented in their supply chain management. According to Ganeshan and Harrison [1], supply chain administration (SCM) includes the things to do of procurement of materials, transformation of these substances into intermediate and completed products, and the distribution of these completed merchandise to customers. Christopher [2] described SCM as "the administration of upstream and downstream relationships with suppliers and clients to supply most beneficial patron cost at much less value to the supply chain as a whole". SCM involves features like distribution planning, demand forecasting, purchasing, requirement planning, manufacturing planning, warehousing, material handling, inventory, packaging, order processing, and transportation etc. All these features are viewed as foundations of SCM in modern commercial enterprise environment. As international competition increases, manufacturing groups need to be greater worried in how their clients do commercial enterprise to live on due to severe competition. They want to center of attention on consumer associated method that has an effect on improving product performance and consumer satisfaction. Customer relationship Management in

SCM is a complete new way of thinking, and consists of the integration of vision, culture, and approach to serve the consumer with excessive quality, low price and quick shipping time.

Increasing international competition, the needs of clients for greater product quality, larger product selection, and higher client carrier even as striving to include costs. Ideally, CRM is applied for the duration of the grant chain with the sign transferring backward from the client all the way returned to the two simplest uncooked substances [3]. The rising expenses of attracting new clients these days have led many Indian manufacturing agencies to undertake cooperative, at the same time relationship techniques with customers, decrease wastage and defects, enhance product excellent to hold or enhance overall performance and patron satisfaction. Supply chain administration has the doable to aid the agency in accomplishing each value and value advantage [2]. However, to obtain this, requires manufacturing organizations to revise their relationship with their customers.

Empirically, the essential targets of this paper are:

1. To empirically observe the significance of every CRM dimensions on performance
2. To empirically verify the significance of every Customer relationship Management indicator on product quality.
3. To empirically inspect whether or not Customer relationship Management has good sized have an effect on consumer satisfaction.

Literature Review

Research findings [2], [4], shows that tremendous provide chain administration leads to expanded patron delight and elevated organizational performance. However, in accordance to [5], empirical primarily based evidences on these contentions are nonetheless scarce. Having an aggressive gain normally implies that an agency can have decrease prices, greater quality, greater dependability and shorter shipping time when in contrast to its opponents [7]. [6] Studied the relationship between SCM practices, aggressive benefit and organizational overall performance and discovered that greater degrees of SCM exercise can lead to more suitable aggressive gain and accelerated organizational performance. The significance of CRM, on the different hand, used to be highlighted through [8]. They discovered empirical proof that client relationship has an effect on the effectiveness of SCM approach which led to economic and market performance. [9] Concluded that corporations with broader furnish chain integration - with clients and suppliers - confirmed greatest overall performance improvement. According to [10], the relationship between chain integration with monetary overall performance was once oblique and absolutely mediated by means of consumer carrier performance.

Customer relationship Management has been described in a number of ways. According to [13], CRM is “the strategic use of information, processes, technology, and humans to control the customer’s relationship with your business enterprise throughout the entire patron existence cycle.” [11] Described patron relationship administration as a set of firms’ things to do in managing its relationships with clients to enhance purchaser satisfaction. [14] Describe CRM as “a complete approach and manner of acquiring, retaining, and partnering with selective clients to create most excellent cost for the business enterprise and the customer. It includes the integration of marketing, sales, consumer service, and the supply-chain features of the agency to attain higher

efficiencies and effectiveness in handing over purchaser value”. [12] Give an explanation for CRM as an “enterprise method to grasp and influencing purchaser conduct via significant communications in order to enhance patron acquisition, patron retention, consumer loyalty, and patron profitability”. Specifically, CRM measures in this learn about was once operationalized primarily based upon 5 extraordinary sorts of things to do that producers usually used to combine their operations with clients specifically ‘evaluates relationships with clients continuously’, ‘facilitates and helps instantaneous customers’, ‘measures and evaluates consumer pleasure and expectation’, ‘provide observe up and after sale offerings to customers’ and ‘involve clients in product and manner designs’.

Hypotheses

A structural equation model is used in this learn about to analyze the structural impact of Customer relationship Management (CRM) on overall performance result. This learns about proposes that Customer relationship Management (CRM) has necessary affect on product great overall performance and client satisfaction. Therefore, the following fundamental hypotheses are investigated:

H₁ : Customer relationship Management has a advantageous structural impact on product quality

H₂ : Customer relationship Management has a advantageous structural impact on purchaser satisfaction

H₃ : Product Quality has a wonderful structural impact on patron satisfaction

Research Methodology

Sample corporations have been chosen from manufacturing agencies in India. The sampling body used to be retrieved from the Indian Manufacturers Directory. 25 responses had been acquired and had been analyzed the use of the SPSS package. The important reason of the research was to measure senior fantastic managers’ or manufacturing manager’s understanding of Customer relationship Management exercise in SCM and to achieve perception into the advantages of enforcing Customer relationship Management in the manufacturing industry. The purpose is to apprehend and disclose determinants of Customer relationship Management in SCM that can decorate product great and consumer satisfaction. Face to face interviews with manufacturing managers had been carried out for checking the records accuracy, validating the consequence of evaluation and creating an appreciation of sensible elements of purchaser relationship administration concepts adoption. This paper was once section of a large lookup on the affect of SCM on overall performance and competitiveness. The instrument developed about structured survey questionnaire which consists of three foremost parts. The first section contains a number of questions concerning companies’ heritage or profiles. The second phase consists of questions on SCM along with Customer relationship Management (CRM). The third and ultimate phase accommodates questions or statements concerning performances and competitiveness. To allow respondents to point out their answers, seven–point interval scales have been used for the questionnaire related to the degree of Customer Relationship Management (CRM). The respondents have been requested to point out Customer relationship Management (CRM) primarily based on the scale of 1 (Strongly disagree) to 7 (Strongly agree) on the statements of the close-ended questions the usage of interval or Likert-liked measurements.

Cluster Analysis and Friedman’s Rank Test

The cluster evaluation and Friedman’s rank check had been carried out with the goal of finding out which two of the CRM dimensions have been given excessive priorities through excessive patron pleasure achievers. Since purchaser pride was once a very significance effect in CRM, the following evaluation was once primarily based on consumer pride clustering. The end result from cluster evaluation statistically segmented these manufacturing organizations into two clusters based totally on consumer delight size and have been labeled in this find out about as “High patron delight achievers” and “Low patron pride achievers”. The end result from Table 1 recommended that greater stages of CRM practices have been realized in “High client pleasure achievers” than “Low consumer delight achievers”. “High client pleasure achievers” set excessive priorities on CRM dimensions such as ‘Measures & evaluates consumer satisfaction’, ‘Evaluates relationship with clients continuously’ and ‘Provides observe up and after sale services. However, each clusters nevertheless observed difficulties in involving clients in product and technique designs. The findings advised what dimensions or plans to put in force with company’s restricted assets in bettering patron satisfaction.

Table 1: Rankings of CRM Dimensions Based on Customer Satisfaction Clustering

Customer relationship management (CRM)	High customer satisfaction achievers (n = 132, chi-square = 21.213, significant = 0.000, overall cluster’s mean = 4.56)				Low customer satisfaction achievers (n = 18, chi-square = 15.342, significant = 0.001, overall cluster’s mean = 3.82)			
	Friedman’s Test	Rank	Mean	Std. Dev.	Friedman’s Test	Rank	Mean	Std. Dev.
Measures & evaluates customer satisfaction	2.94	1	4.832	1.101	3.21	2	4.854	1.234
Facilitates and assists our customers	2.78	3	4.768	0.999	2.99	4	4.539	1.176
Evaluates relationship with customers continuously	3.07	2	4.807	1.014	3.21	3	4.821	1.037
Provides Follow up and after sale services	3.01	4	4.541	1.026	3.21	1	4.906	1.017
Involve customers in product and process designs	2.17	5	4.359	1.260	2.38	5	3.529	1.482

Conclusion and Implications

For present day organizations, actually handing over a high-quality product or provider to a client is no longer enough. To be successful, groups ought to attempt to set up and keep stable relationships with prospects, customers, partners, and stakeholders. Companies allocate huge assets to patron pleasure dimension and improvement. Customers are seeking fairness with product and provider providers. If they experience that they've paid a charge that equals the pleasant they've received, all is proper with the marketplace. However, if the pleasant of their buy is at an intense -- much less than or increased than they predicted it to be -- clients experience influenced to regain stability in the buyer-seller equation. This paper tries to look into the structural relationships between CRM, product exceptional and consumer delight inside the Malaysia context. It seeks to make clear a variety of confusions in this location and to provide an

overview of what desires to be performed to beautify product fantastic and purchaser satisfaction. The findings and evidences of learn about lead to various conclusions:

1. CRM has fantastic and great impact on product fantastic and patron delight mainly although dimensions specifically ‘Evaluates relationship with clients continuously, ‘Facilitates and assists our clients and ‘Measures & evaluates consumer satisfaction’.
2. ‘High client delight achievers’ possess higher degrees of CRM dimensions such as Measures & consider consumer satisfaction, Evaluate relationship with clients continuously and ‘Provides observe up and after sale services’ than ‘low purchaser pleasure achievers’. But each cluster nonetheless journey difficulties in permitting clients to take part in product and method designs.

In conclusion, we can say that CRM and best are two faces of the identical coin - Delivering what the purchaser needs, when the patron wishes except error, with the absolute best high-quality of product and service: While Quality is about "how and what" (how to supply the merchandise and services) thing of the CRM, the talent and facts availability for the proper shipping technique is the "who and when" (whom to deliver) phase of CRM. Quality is about introduction and CRM is about serving. CRM systematically connects the aggressive cycle of client remarks into the advertising process, therefore contributing to strategic competitiveness of the firm. Therefore, the findings of this lookup can be very fruitful to Malaysian companies in strategizing for patron satisfaction. Empirical research, for this reason far, on CRM amongst Malaysian firms, have no longer studied the linkage between CRM and it's have an impact on product exceptional and patron satisfaction.

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