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A STUDY ON EVALUATION OF CRM & CMR WITH SPECIAL REFERENCE TO YARN MARKETING IN TIRUPUR DISTRICT, TAMILNADU,INDIA

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Abstract: *Today, maintaining and managing customer relationship influence core business decisions and customer satisfaction is no longer enough but the customers has to be delighted. This could be well established by the process of learning to understand the values that are important to individual customers and using that knowledge to deliver benefits the customer really wants and making it easier for the customer to do business with the seller. And this is meant by CRM and is practiced as a mantra among Tirupur yarn traders/marketers. Though conceptually sound, most of the CRM implementations are failure stories. Hence a study was undertaken, to discover what's wrong with the existing system of CRM in yarn marketing and what has to be done to fill the gap between what is expected by the customers of yarn and what actually is provided by the yarn dealers in Tirupur District, an active cluster of knitwear industry in Tamilnadu, India.*

The Methodology adopted was descriptive and the data needed for the study was collected from a sample of 230 yarn dealers using self structured questionnaires. The analysis was made on four crucial factors namely strengths, weaknesses, opportunities and threats using Likert's scaling technique on the basis of which mean, standard deviation and variance was calculated. Based on findings, suggestions were recommended to strengthen the existing scenario and to make the yarn dealers overcome the negative gaps and emerge as a winner in the competitive environment.

Keywords: *CRM (Customer Relationship Management), CMR (Customer Managed Relationship), Yarn Marketing , SWOT*

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1. INTRODUCTION

CRM, Customer Relationship Management- the good old tool for managing the customer relationship by targeting specific customers failed to understand what the customers really wants from a business relationship. Today customers don't want to be targeted like hunted animals. Customers want companies to make their lives easier and less stressful by not forcing them to do anything they don't want to do. With product and service options exploding on the internet and through multichannel purchase opportunities, the balance of power has shifted to the customer, and the customer wants control. The time has passed for customer relationship management (CRM); its time for transition to customer empowerment and switch to customer management of relationships (CMR) (Newell Frederick, 2003). With this introductory background an attempt was made to evaluate CRM in the field of yarn marketing, the business that solely depends on customer relationship in Tirupur district, an active cluster of knitwear industry in Tamilnadu, India.

1.1 Tirupur – The Banian City:

Tirupur rightly called as the "Knitwear Capital of India" is a textile town in Coimbatore District of Tamilnadu and is popularly known as Banian city/Knit city. Export import Policy of 2002-07 makes laudable tribute to Tirupur for its contribution to the export efforts and calls it a 'Town of Export Excellence'. The rich availability of raw materials, being in close proximity to Coimbatore which is a major centre of cotton spinning industry in the country makes Tirupur being able to access its basic raw materials quickly and as and when required. It has nearly 3000 exporting firms, which symbolizes the spirit of entrepreneurship in the country. The Tirupur district is rated as the most important potential future growth by leading global markets knitting and stitching units. Today Tirupur has become an important and active cluster of knitwear industry in India. The annual export earnings of Tirupur hosiery industry is of the order of Rs.12000 crores. (Report on Indian Textile Industry, 2010). The share of Tirupur in the annual value of knitwear exports from India is around 36 percent. Knitwear and ancillary industry in Tirupur together provide employment either directly or indirectly to nearly 5.5 lakh people.

1.2 Yarn – The Robust raw material:

Yarn - the robust raw material of Knitwear occupies a pivotal place in Tirupur business in the form of marketing and trading. Many are engaged in yarn trading as middlemen, facilitating

the flow of this rich raw material from production units say Spinning mill, to the Garment manufacturers in return of remuneration in the form of commission. This form of business needs a strong customer base that each customer is viewed as an asset and as such it is customer driven. The stronger and more worthy the yarn buyers, the more easy is the business and in turn the profit.

2. PROBLEM IDENTIFIED AND DEFINED:

Today, maintaining and managing customer relationship influence core business decisions and customer satisfaction is no longer enough but the customers has to be delighted. This could be well established by the process of learning to understand the values that are important to individual customers and using that knowledge to deliver benefits the customer really wants and making it easier for the customer to do business with the seller. And this is meant by CRM and is practiced as a mantra among Tirupur yarn traders/marketers.

Though conceptually sound, most of the CRM implementations are failure stories. Why?? Probably because, most of the times, the organization wants the CRM deployed quickly and the returns are expected soon, the vision remains unclear, the management of customers appears to be a herculean task. They fail to understand what the customers really want and how CRM can be a driving force to better manage the relationships. For things to happen and results to be proven the study was undertaken, ***to discover what's wrong with the existing system of CRM in yarn marketing and what has to be done to fill the gap between what is expected by the customers of yarn and what actually is provided by the yarn dealers.***

3. REVIEW OF LITERATURES:

Although previous researches on customer relationship are not directly related to assessing and evaluating CRM and CMR among yarn marketers, yet a number of academics have conducted research in the related area. In **1999, Coltman, Devinney and Midgley** examined the impact of customer relationship management (CRM) on firm performance using a hierarchical construct model and the results reveal why some CRM programs are more successful than others and what capabilities are required to support success. **Kumar, Katherine and Parasuraman(2006),** examined the notion that firms that firms seek to maximize customer lifetime value and customer equity, the authors identify eight key

challenges that firms and researchers face in understanding, managing, and implementing successful customer management strategies. **Satoshi Ueno(2006)** attempts to cast light on the true nature of CRM and to explore how it should be dealt with it in the future. It closed with a remark that CRM is not a system , but a philosophy. If it is utilized it with care and attention, it will have a positive effect on a number of organizations. **Bohling and et al(2006)** concluded that Successful implementation of CRM depends on a number of factors such as: fit between a firm's CRM strategy, programs, marketing strategy, intraorganizational and inter organizational cooperation and coordination among entities involved in implementation. **Peter C.Verhoef (2010)** propounded the fact that customer management (CM) research has evolved and has a significant impact on the marketing discipline. In an increasingly networked society where customers can interact easily with other customers and firms through social networks and other new media, the customer engagement is an important new development and is considered as a behavioral manifestation toward the brand or firm that goes beyond transactions.

Christine A.Vogt(2011) studied in tourism industry and provides an overview of customer relationship management (CRM) and in relation to the strategic marketing and research about travel and tourism products. The study concluded with the findings that CRM is widely used in the tourism industry, with loyalty programs keeping customers returning and travel websites yielding a large volume of e-transactions. According to **Khalid Haslina Huda (2011),** Customer relationship management has the potential for achieving success and growth for organizations in an environment of extensive competition and rapid technological development. CRM enables organizations to know their customers better and to build sustainable relationships with them. In **2012, Jana,Martina et al** aimed at mappingthe current state to ensure the principal of customer orientation and utilizing of CRM in organizations and industrial enterprises. **Hill (2012)** emphasized the fact: to create customers for life, customers who will become advocates, the company's need to believe in offering what's best for your customers, not just what's best for your bottom line of the company. **Jakabova (2012)** added that understanding of the main components of any CRM initiative is very essential for its success. People, Technology and process are the three main components of CRM.

To sum up there is no comprehensive study on analyzing the impact of CRM in yarn marketing and in identifying the existing gaps therefore there is an imperative need for an in-depth study in this area.

4. METHODOLOGY OF THE STUDY:

The research design for the present study is Descriptive, as it aims to describe, record, analyze and interpret the conditions that exist in the yarn market in Tirupur district. Data needed for the study was collected from primary source using self structured questionnaires. The population being infinite and undefined, the number of samples was limited to 300 in number. Area sampling was adopted wherein the entire Tirupur district was divided into east, west, north and south to get a representative sample and from each segment the sample units were selected on the basis of convenience. A Pilot study was conducted through informal discussions with the yarn marketers/ dealers and as a result broad divisions of Gaps were identified and categorised namely Strengths, Weaknesses, Opportunities and Treats of yarn marketing in Tirupur. Out of the total 300 samples collected only 230 responses were found to be valid on the basis of consistency of responses and therefore taken fit for analysis. The statistical tools used for analysis were Likert's scaling technique using point analysis on the basis of which mean, standard deviation and variance were calculated.

5. FINDINGS & RESEARCH IMPLICATIONS:

On analyzing the following are the identified strengths and weaknesses and the environmental opportunities and threats of the yarn business in Tirupur. This would help in studying what's not working under the CRM initiative and what has to be further improved for better performances among yarn marketers at Tirupur.

5.1 Identified Strengths: Accordingly the yarn dealers scores high rate of mean in the following

determinants and is shown in the following table 5.1 and Chart 5.1: delivery in right time and place(3.65), holding direct contact with customers(2.83), ability to recognize customers(3.81), lending full support to the customers(3.75), effort in fulfillment of the orders(3.97), performance of dealers and spinning mill in coordination(4.30).

5.2 Notable weaknesses: The table 5.2 and chart 5.2 depicts the deficiency of services of yarn dealers in the following areas: fulfillment of the orders(2.27), lack of proper channel of

communication between the Spinning mill and the yarn buyers(2.52), Transparency in operation (2.55), received complaints (4.13), maintaining long term relationship with buyers(2.23), absence of systematic and orderly approach(4.40), lack of trust among the parties involved (4.09) and loyalty of customers to yarn dealers(2.47).

5.3 Challenges foreseen: It is inferred from the following table 5.3 and chart 5.3, that the following are some of the notable challenges likely to be faced by the yarn dealers: Small scale units to meet global competition (4.30), Government interruption through policy implications (3.75), fluctuating market condition resulting in depletion of yarn prices(3.97) and dynamic, risky and uncertain nature of yarn market(3.81).

5.4 Viable Opportunities: The following table 5.4 and chart 5.4 depicts that buyer/seller relationship is the core strength of yarn marketing (3.65) and if strengthened success is highly ensured. Again huge market potential exists in Tirupur (3.97) and if managed properly, great prospects would turnout.

Table No: 5.1 Table showing Strengths of the Yarn Dealers

I	**Strengths**	SA	A	N	DA	SDA	TOTAL (N)	Mean	Std. Deviation	Variance
1	Delivery in right time and place	75	63	42	38	12	230	3.65	1.241	1.539
2	Holding direct contact with customers	22	35	35	70	68	230	2.83	1.353	1.830
3	Ability to recognize customers	85	65	35	27	18	230	3.81	1.173	1.375
4	Lending full support to the customers	86	62	33	25	24	230	3.75	1.301	1.692
5	Effort in fulfillment of the orders	112	80	6	18	14	230	3.97	1.318	1.737
6	Coordination among dealers and spinning mill	104	78	11	18	19	230	4.30	1.178	1.388

Table No: 5.2 Table showing the Weaknesses of Yarn Dealers

II	Weaknesses	SA	A	N	DA	SDA	TOTAL (N)	Mean	Std. Deviation	Variance
1	Fulfillment of the orders	18	12	30	112	58	230	2.27	1.125	1.265
2	Lack of proper channel of communication	22	35	35	70	68	230	2.52	1.331	1.770
3	Transparency in operation	32	30	30	85	53	230	2.55	1.362	1.856
4	Received complaints	118	76	5	17	14	230	4.13	1.284	1.648
5	Maintaining long term relationship	18	12	30	112	58	230	2.23	1.289	1.661
6	Absence of systematic/orderly approach	150	45	15	12	8	230	4.40	1.027	1.054
7	Lack of trust among the parties involved	120	72	7	19	14	230	4.09	1.266	1.603
8	Loyalty of customers to yarn dealers	18	12	30	112	58	230	2.27	1.125	1.265

Table No: 5.3 Table showing the Challenges to be faced by Yarn Dealers

II	Challenges	SA	A	N	DA	SDA	TOTAL (N)	Mean	Std. Deviation	Variance
1	Global competition	104	78	11	18	19	230	4.30	1.178	1.388
2	Government interruption by policy implications	86	62	33	25	24	230	3.75	1.301	1.692
3	Fluctuating market condition	112	80	6	18	14	230	3.97	1.305	1.702
4	Dynamic, risky and uncertain nature	85	65	35	27	18	230	3.81	1.173	1.375

Table No: 5.4 Table showing the viable opportunities in Yarn business

II	Opportunities	SA	A	N	DA	SDA	TOTAL (N)	Mean	Std. Deviation	Variance
1	Strength of yarn marketing identified is	75	63	42	38	12	230	3.65	1.241	1.539
2	Huge market potential	85	65	35	27	18	230	3.97	1.318	1.737

Chart No: 5.1

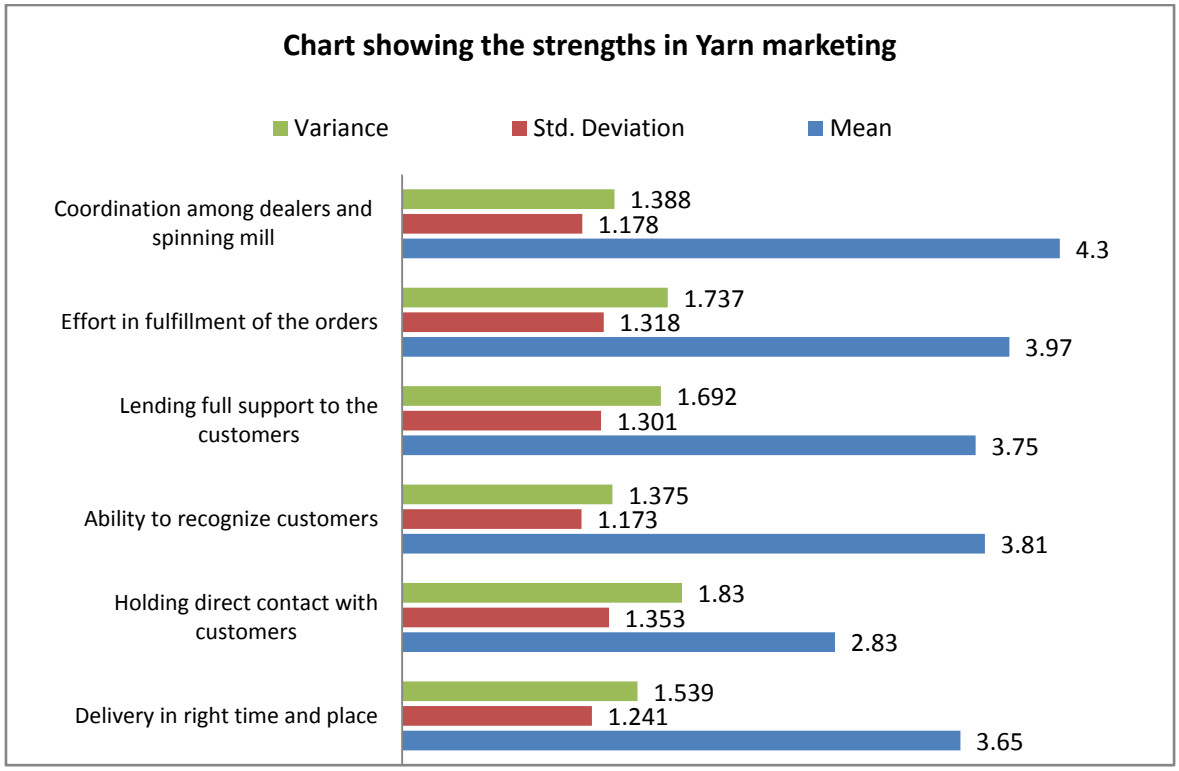


Chart No: 5.2

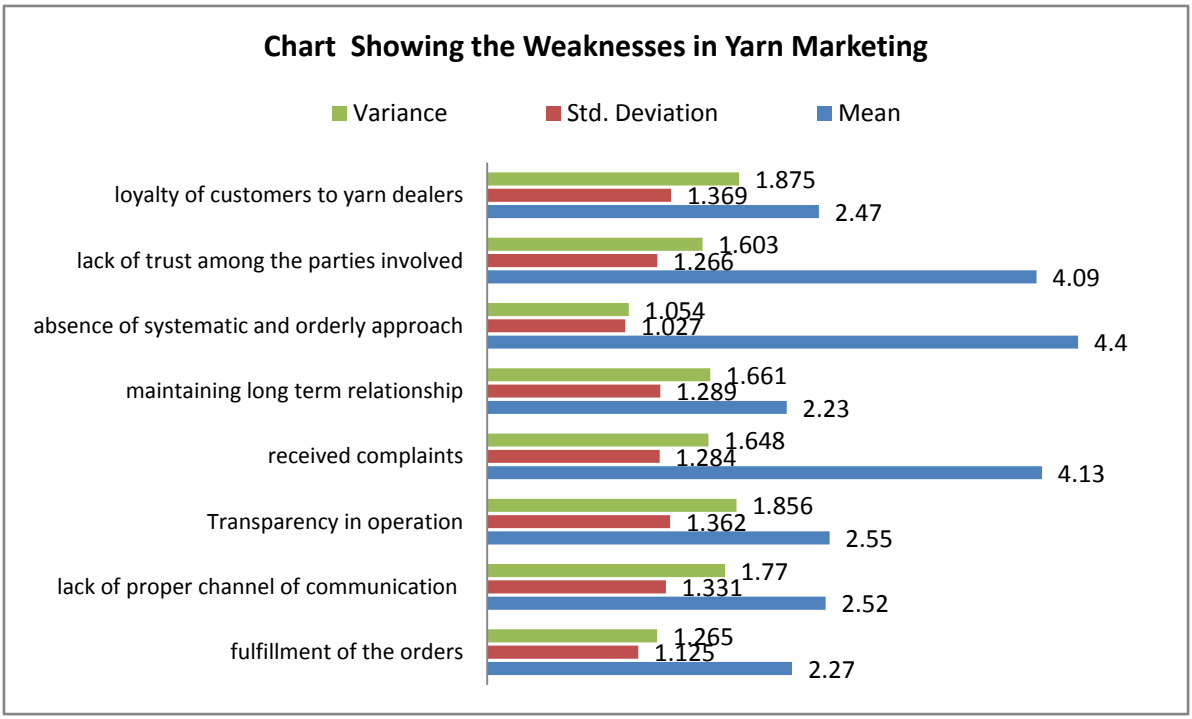


Chart No: 5.3

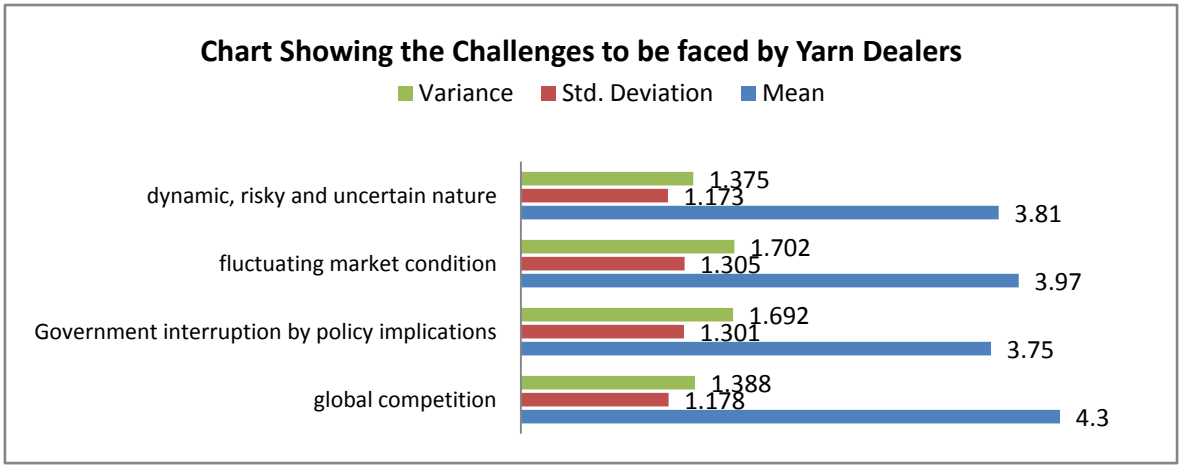
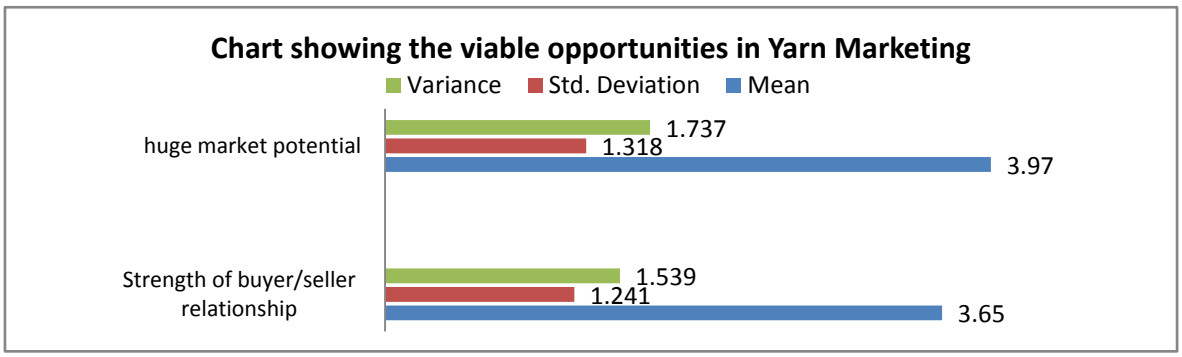


Chart No: 5.4



5.5 Research implications: The business climate of today is changing faster than its ever changed before. To increase market share, individual customers must want to come back, time and again spend more time with the dealer than the competitors. This means that share of customers is more important than share of market. Hence the need to recast the discipline of *CRM(Customer Relationship Management) as CMR(Customer Managed Relationship)*- which would make the business better both for the customers as well as the sellers.

"CMR is about creating an experience, personalizing the interaction with individual's suctomers in ways directed by the customer and hereby developing relationships".

In short the CMR differs from CRM in the following ways and hence the gap to be bridged.

- In case of CRM, the company is in control whereas in CMR the customer is in control.
- CRM makes business better for the company and CMR makes business better for the customer.
- CRM tracks customer by transaction and CMR understands customer's unique needs.

- CRM forces customers to do and what the dealer believe they want and CMR believes in let customers tell dealers what they care about.
- CRM treats buyers as segment and CMR treats customers as individuals.
- Under CRM sellers don't authorize the buyers to take decisions but under CMR buyers feel empowered.
- CRM is organised around products/ services whereas CMR is organised around customers.

6. CONCLUSION & RECOMMENDATIONS:

To sum up the present study is an attempt to discover what's wrong with the existing system of CRM in yarn marketing and what has to be done to fill the gap between what is expected by the customers of yarn and what actually is provided by the yarn dealers. The analysis was made on four crucial factors namely strengths, weaknesses, opportunities and threats on the basis of which the following suggestions are recommended to strengthen the existing scenario:

- Customer engagement, enablement and empowerment
- Linking customers, yarn dealers and spinning mill as a team
- Aligning the strategy of the buyer and the yarn dealer in line with the profitable objectives of the spinning mill.
- Develping trust- driving down the vision to the execution level, making sure the entire work force believes in CMR initiatives.
- An open exchange of information and feedback among buyer, yarn dealer and spinning mill
- Customized services and messages those are timely and relevant for the buyer.
- Make it easier for buyers to buy yarn.
- Resolve each buyer's problem in a single interaction.
- Provide buyer a consistent and upto date 360 degree view of the relationships- across product lines, interactions, touch points and channels.

The yarn dealers on overcoming their negative gaps would emerge as a winner in the competitive environment.

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