

# To Study the Effect of Customer Relationship Management on Business Performance

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**ABSTRACT:** Each sector of the economy and industry, non-profit organizations and government institutions use Customer Relationship Management benefits in work with its customers or clients. Different CRM strategies, depending on one or the other economic sector, are often different, and they are in connection with products and services offered to customers. The study reveals the effect of Customer Relationship Management on business performance on G.A.S Crop Science Company which is an agribusiness firm. The purpose of the study was to know the effect of CRM on business performance. Descriptive research design was used for the study. The sample size for the study was 120 ordinary farmers from the Bardoli city.

**Keywords:** - Customer Relationship Management, Business Performance, Customer Satisfaction.

## INTRODUCTION

Each sector of the economy and industry, non-profit organizations and government institutions use CRM benefits in work with its customers or clients. Different CRM strategies, depending on one or the other economic sector, are often different, and they are in connection with products and services offered to customers. CRM as mere communication on the part of the organization to understand the customer's behavior.

Customer satisfaction has important implications for the economic performance of firms because it has the ability to increase customer loyalty and usage behavior and reduce customer complaints and the likelihood of customer defection. The implementation of a CRM approach is likely to have an effect on customer satisfaction and customer knowledge for a variety of different reasons.

Firstly, firms are able to customize their offerings for each customer. By accumulating information across customer interactions and processing this information to discover hidden patterns, CRM applications help firms customize their offerings to suit the individual tastes of their customers. This customization enhances the perceived quality of products and services from a customer's viewpoint, and because perceived quality is a determinant of customer satisfaction, it follows that CRM applications indirectly affect customer satisfaction. CRM applications also enable firms to provide timely, accurate processing of customer orders and requests and the ongoing management of customer accounts.

With Customer relationship management systems customers are served better on day to day process and with more reliable information their demand of self service from companies will decrease. If there is less need to interact with the company for different problems, customer satisfaction level increases. These central benefits of CRM will be connected hypothetically to the three kinds of equity that are relationship, value and brand, and in the end to customer equity.

One of the most important features of such Customer Relationship Management modules is the decrease of the human factor impact and reduction of expenses. The system automates a lot of processes such as:

- It can bring together and show the best purchase offers;
- Available sales options considering logistics and transportation to the destination;
- It can keep count on the efficiency of work of each manager;
- It allows you to work remotely;
- Each user has access only to his database.

## RESEARCH OBJECTIVE

The primary research objective of the study aim to know the effect of Customer Relationship management program on Business performance and secondary objective of the study aims to know the study of CRM practices, to study the effect of CRM on business performance and to study the effect of CRM on consumer satisfaction.

## Literature Review

Dr. Hisham sayed soliman(2012) Customer Relationship Management and its relationship to the business performance. The objective of the study was indicating the extent to which CRM affects the business performance in the organization subject to the study. Interview style to collect data which contained 20 phrases on likert hexagon scale to measure CRM. Likert scales were used as the method of research. The study concluded positive relationship between CRM and business performance.

Milovic.B (2012) Application of Customer Relationship Management in Agribusiness firm. The objective of the study was to know the importance of IT development of customer relationship management strategy. The development of information technology in agricultural organizations and easier and cheaper access to it, enables the development of electronic relationships with customers (e-CRM) which simplifies and automates the dialogue with customers and provides an answer to their requests in real time, which leads to increase of customer loyalty and satisfaction. Secondary data were collected for the study. It was concluded Agricultural organizations must create a customer knowledge base so their products and services could meet current customer needs and desires. In addition to the current, agricultural organizations need to pay attention on potential and unexpressed customer needs and desires in order to use gained information and to adapt their offer with the goal of giving satisfaction to the customers.

## RESEARCH METHODOLOGY

### Problem Statement:

“Effect of Customer Relationship Management on Business Performance”

Descriptive research design were followed for this study. A Descriptive research design is the one which is description of the state of affairs as it exist at present. It includes survey and fact finding enquires of different kind. This research design is used to find out the respondents opinion about products offered. For the research study primary data collection method was used to get information from customers by filling up the questionnaire. Questionnaire was as instrument in survey for the primary data collection.

### DATA ANALYSIS:

Frequency Distribution and T-test analysis was conducted to examine the effect of customer relationship management on business firms.

Q.1 Are you a current customer of G.A.S Crop Science?

#### Are you a current customer of G.A.S Crop science?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	98	81.7	81.7	81.7
Valid no	22	18.3	18.3	100.0
Total	120	100.0	100.0	

Table: 1

Interpretation: There are 98 respondents who are the current customers of the GAS crop science company and there are 22 respondents who are not the current customers of the GAS Crop science company.

Q-2 why you use G.A.S Micro Ferti product

#### Why you use GAS Micro Ferti product?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	20	16.7	16.7	16.7
Valid low price	5	4.2	4.2	20.8
Valid good quality	54	45.0	45.0	65.8
Valid quick result	19	15.8	15.8	81.7
Valid easily available	20	16.7	16.7	98.3
Valid unavailability of other brands	2	1.7	1.7	100.0
Total	120	100.0	100.0	

Table: 2

Interpretation: There are 54 respondents who use the company's product because of good quality of the product. There are 20 respondents who use the product because of easy availability of the product in the market. There are 19 people who use the product because of low price. There are 5 respondents who use this product because of low price of the product. And 2 respondents who use

the product because of unavailability of other good brands. Still there are 20 respondents who are not current customer of the company.

Q-3 how often do you purchase from G.A.S ferti product?

**How often do you purchase from G.A.S Ferti product?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	15	12.5	12.5	12.5
anytime	32	26.7	26.7	39.2
Valid pre-purchase	17	14.2	14.2	53.3
when needed	56	46.7	46.7	100.0
Total	120	100.0	100.0	

Table: 3

Interpretation: There are 32 respondents who purchase the product anytime, 17 respondents who pre-purchase the products that means they buy the products in advance. There are 56 respondents who purchase the product when they actually need it.

Q-4 from where do you get suggestion for buying company's product?

**From where do you get suggestion for buying company's product?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	11	9.2	9.2	9.2
progressive farmer	42	35.0	35.0	44.2
Valid agriculture firms	44	36.7	36.7	80.8
kissan call centre	23	19.2	19.2	100.0
Total	120	100.0	100.0	

Table: 4

Interpretation: There are 42 respondents who get suggestion for buying the product from progressive farmers. There are 44 respondents who get suggestion from Agriculture farmer, 23 respondents who get suggestions from kissan call centre.

Q-5 what is your opinion about quality of GAS micro ferti product?

**What is your opinion about quality of GAS Micro Ferti Product?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	13	10.8	10.8	10.8
excellent	27	22.5	22.5	33.3
Valid good	52	43.3	43.3	76.7
moderate	24	20.0	20.0	96.7
poor	4	3.3	3.3	100.0
Total	120	100.0	100.0	

Table: 5

Interpretation: There are 27 respondents who think that the quality of GAS micro ferti product is excellent, 52 respondents think that the quality is good, 24 respondents think that the quality is moderate and 4 people are think the quality is poor.

Q-6 Below you are presented with the list of statements about G.A.S Crop Science Company. Please indicate to what extent you agree with them by ticking the appropriate option next to each statement.

**Customer satisfaction****One-Sample Test**

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customer Satisfaction	.776	119	.439	.05833	-.0904	.2071

Table: 6

Ho: Customer is satisfied with quality of the product.

H1: Customer is not satisfied with quality of the product.

From the above table we can identify that significant vale 0.439 is greater than significant level 0.05 so null hypothesis is accepted and alternative hypothesis is rejected which means customer is satisfied with quality of the product.

**Satisfied with quality of the product of G.A.S Crop science****One-Sample Test**

	Test Value = 2					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfied with quality of the product of G.A.S Crop science	2.057	119	.042	.17500	.0066	.3434

Table: 7

Ho: Customer is not satisfied with quality of the product.

H1: Customer is satisfied with quality of the product.

From the above table we can identify that significant vale 0.042 is smaller than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is satisfied with quality of the product.

**Satisfied with the overall product range offered by them.****One-Sample Test**

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfied with the overall product range offered by them	4.575	119	.000	.35833	.2033	.5134

Table:8

Ho: Customer is not satisfied with the overall product range offered.

H1: Customer is satisfied with the overall product range offered.

From the above table we can identify that significant vale 0.000 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is satisfied with overall product range offer by the company.

Satisfied with after sales services provided by them.

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Satisfied with after sales services provided by them.	2.514	119	.013	.24167	.0513	.4320

Table: 9

Ho: Customer is not satisfied with the after sales service provided by the company.

H1: Customer is satisfied with after sales services provided by the company.

From the above table we can identify that significant vale 0.013 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is satisfied with the after sales services provided by the company.

#### Promotion

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Promotion	4.622	119	.000	.36667	.2096	.5237

Table: 10

Ho: Customer is not satisfied with promotional activities offered by the company.

H1: Customer is satisfied with promotional activities offered by the company.

From the above table we can identify that significant vale 0.000 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is satisfied with promotional activities offered by the company.

**Benefited with the promotional offers provided by the company.**

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Benefited with the promotional offers provided by the company.	4.193	119	.000	.39167	.2067	.5766

Table: 11

Ho: Customer is not benefited with the promotional offers provided by the company.

H1: Customer is benefited with the promotional offers provided by the company.

From the above table we can identify that significant vale 0.000 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is benefited with the promotional offers provided by the company.

The promotional offers from the company provide a good value for money.

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The promotional offers from the company provide a good value for money.	4.156	119	.000	.35000	.1832	.5168

Table: 12

Ho: Customer is not satisfied with the promotional offers from the company provide a good value for money.

H1: Customer is satisfied with the promotional offers from the company provide a good value for money.

From the above table we can identify that significant vale 0.000 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer is satisfied with the promotional offers from the company provide a good value for money.

Customers are informed about the latest and forthcoming offers on the various product.

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customers are informed about the latest and forthcoming offers on the various product.	4.533	119	.000	.44167	.2487	.6346

Table: 13

Ho: Customers are not informed about the latest and forthcoming offers on the various products.

H1: Customers are informed about the latest and forthcoming offers on the various products.

From the above table we can identify that significant vale 0.000 is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer are informed about the latest and forthcoming offers on the various products.

The company is reliable because it is mainly concerned with consumer's interest.

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The company is reliable because it is mainly concerned with consumer's interest.	5.515	119	.000	.47500	.3045	.6455

Table: 14

Ho: Customers are not reliable on the company because it is mainly concerned with customer's interest.

H1: Customers are reliable on the company because it is mainly concerned with customer's interest.

From the above table we can identify that significant value 0.000 which is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customer are reliable on the company because it is mainly concerned with customer's interest.

**Customers are provided various benefits on purchase of products.**

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Customers are provided various benefits on purchase of products.	3.657	119	.000	.33333	.1528	.5138

Table: 15

Ho: Customers are not provided various benefits on purchase of products.

H1: Customers are provided various benefits on purchase of products.

From the above table we can identify that significant value 0.000 which is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customers are provided various benefits on purchase of products.

**After Sales services are provided.**

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
After Sales services are provided.	3.282	119	.001	.29167	.1157	.4676

Table:16

Ho: Customers are not provided various benefits on purchase of products.

H1: Customers are provided various benefits on purchase of products.

From the above table we can identify that significant value 0.001 which is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customers are provided various benefits on purchase of products

**You are aware of various products offered by G.A.S Crop science.**

#### One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper

## One-Sample Test

	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
You are aware of various products offered by G.A.S Crop science.	4.699	119	.000	.47500	.2748	.6752

Table:17

Ho: Customers are not aware of various products offered by the company.

H1: Customers are aware of various products offered by the company.

From the above table we can identify that significant value 0.000 which is less than significant level 0.05 so null hypothesis is rejected and alternative hypothesis is accepted which means customers are aware of various products offered by the company.

Q-7 Are your suggestion have been implemented by the company?

## Are your suggestion have been implemented by the company?

	Frequency	Percent	Valid Percent	Cumulative Percent
0	8	6.7	6.7	6.7
Valid yes	91	75.8	75.8	82.5
no	21	17.5	17.5	100.0
Total	120	100.0	100.0	

Table:18

There are 91 respondents who think their suggestion are been implemented by the company. And there 21 respondents who think their suggestion are not implement by company.

Q-8 Are you satisfied with the quality of the products sell by G.A.S Crop science?

## Are you satisfied with the quality of the products sell by G.A.S Crop science?

	Frequency	Percent	Valid Percent	Cumulative Percent
0	9	7.5	7.5	7.5
Valid yes	100	83.3	83.3	90.8
no	11	9.2	9.2	100.0
Total	120	100.0	100.0	

Table:19

Interpretation: There are 100 respondents who are satisfied with the quality of the products sell by the company, and there are 11 respondents who are not satisfied with the quality of the product offered by the company.

## FINDINGS:

There were 120 respondents and all of them were farmers. Out of 120 respondents 12.5% were under the age group 20-30yrs, 33.3% were under the age group 30-40yrs, 44.2% were above than 50yrs. 8.3% of farmers were HSC, 48.3% of farmers have done SSC, 10% of farmers have left their graduate, 23.3% of farmers have done their graduation, and 10% of farmers have completed their post-graduation. 8% of farmers are have income under 10000, 12.5% of farmers are having income from 20000-30000, 20.8% of farmers are having income from 30000-40000, 12.5% of farmers are having income from 30000-50000, and 12.5% of farmers have income



above 50000. There are 81.7% of respondents who are the current customer of the company, and 18.3% of respondents are not the customers of the company. There 4.2% of farmers use the micro ferti product because of low price, 45% of farmers use the product because of good quality, 15.8% of farmers use the product because of quick result, 16.7% of farmers use the product because of easily availability of product, and 1.7% of farmers use this product because they're not much aware about another brand. There 12.5% of farmers purchase the micro ferti product anytime, 14.2% of farmers pre-purchase the product that is in advance, and 46.7% of farmers purchase the product whenever they need it. There are 35% of farmers who get suggestions for buying the product from progressive farmer, 36.7% of farmers get suggestions from Agriculture University, 19.2% of the farmers get suggestions from kissan call centre.

### CONCLUSION:

Customer Relationship Management By analyzing the data it is sure that customer relationship management gives positive impact on the GAS Crop science company performance. From the study it is also derived that the respondent are mainly the farmers who are the customers of the GAS Company. Most of the farmers are the current customers of the company and they are satisfied with the overall product and quality of the product. The company provides superior quality, superior service, product differentiation, and innovation, customized offer of products and services, as well as lower prices. The company is doing well to retain its customer.

### REFERENCE

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