



CUSTOMER RELATIONSHIP MANAGEMENT - ITS CHALLENGES AND OPPORTUNITIES – A STUDY ON HPCL (LPG) AND OTHER THAN HPCL (LPG) DISTRIBUTORS IN KHAMMAM DISTRICT

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INTRODUCTION

Today, by the time customers walk into your business most already know what they want and how much they are willing to pay with easy access to mountains of Information, today's customers do their homework and they now have the upper hand in most of the transactions. In response sellers bending over backwards to improve offering and services trying to be all things to all buyers, sellers face the harsh reality that brings an old adage to life. "You can please some of the people some of the time, but you cannot please all the people all of the time" – Today, Customer Relationship Management (CRM) is key that fulfils the promise of helping series – please all of the people most of the times. Now, if the companies would like to retain their customers, the golden path and the only path is to make your customer loyal to your products/services. There is where CRM comes into picture. Building loyalty into customers involves understanding the various ways that they are different and using that knowledge to tailor appropriate behaviour towards those customers. CRM is about acquiring, developing and retaining satisfied loyal customers; achieving profitable growth and creating economic value in a company's brand.

Today CRM is a discipline as well as a set of discrete software and technologies, which focuses on automating and improving the business process associated with Managing Customer Relationships in the area on Sales, marketing, customer services and support. CRM helps companies understand establish and nature long-term relationship with client as well as help in retaining current customers.

At present more and more companies are adopting various CRM practices, as CRM promises numerous benefits, including shorter sales-cycles, integrated customer feedback, improved communication improve response, improved customer knowledge, improved efficiency, better customer tracking, enhanced customer satisfaction and increased loyalty.

Intensifying competition and technological development business induced to reduce costs and improve their effectiveness. Business process re-engineering, automation and downsizing reduced the manpower costs. Financial restricting and efficient fund management reduced the financial costs. Production and operation costs have been reduced through Total Quality Management (TQM), Just-in-Time (JIT) Inventory, Flexible Manufacturing System (FMS) and Efficient Supply Chain Management (SCM). However, reduction alone is no longer enough or in necessarily effective strategies. In facing the competitive threats such as new entrants, pricing pressures, technology along with the related costs and also including the time lag in procuring, maintaining and strengthening one's market; more and more organization are realizing that the traditions marketing model is no longer effective.

CRM has done a solid job of giving line-of-business managers better technology for process implementation and incrementally better data. However, the overall ROI (Return on Investment) is limited due to a lack of actionable insight that is only through. The better uses information.

According to our HPCL (LPG) Industry the key drives for implementing CRM are –

1. To Gaining Customer Confidence and Loyalty.
2. To providing personalized service to customers.
3. Acquiring better knowledge to customers.
4. Differential themselves from the completion.

The above drivers, CRM can remain a key strategic tool for marketers in giving competitive advantage.

II. HPCL (LPG Gas) FOCUS TOWARDS TECHNOLOGY

HPCL building long-term business relationships with customers. It is best described on the blending of internal business processes. Sales, Marketing and Customer Support with technology. It's not just another trend but very much aligned to the marketing concept of building collaboration, mutually satisfying relationship with customers. It combines sales for automation on (all under one roof) 24 hours HPCL are the Online booking, delivery message, customer complaints and cancellation of booking and other remarks for helpline desk and other application (DCMS Software) to integrate tool, for Serving customers before and after the ales. The ultimate goal of CRM is to meet and exceed customer expectation create a



positive customer experience and build customer loyalty while the use of technology is central to CRM. Exclusive reliance of technology without building an internal culture that enable companies to use customer data to build, relationship will make it extremely difficult to achieve customer manager and marketing goals.

III. HPCL (LPG) Opportunities and challenges towards CRM

Marketing is in transition channels are multi traditional markets are breaking up and reforming the 'brand' competition is intense; customer satisfaction and product and service innovation only realize that term competitive gain. The resource like the internet data ware houses. Become fully integrated competitive weapon.

Marketing turning into a surgically precise tool sales happening faster and more often. Customer satisfaction taking a big leap forward, Revenue and efficiency would only go up, customer loyalty and profitability rises CRM is well defined series of function sketch, process and technology, which together allow companies to move profitability manage customer as 'Tangible' Assets.

Research indicates that the firm is cases to absorb new technologies that provide the competitive edge, use of technology in rightfully to redesign business process. Its improves supply-chain management (SCM) and value provided to the customer, and some key consideration of CRM are –

1. Adopt a customer – centric view place the customer at the centre of all business process and make the process of fostering and capturing customers introduction critical to successfully enable core business objectives.
2. Develop a long-term strategic vision.
3. Build an organizational culture that fits with strategy and ensure that all members of the staff are proactively involved in CRM process.
4. CRM means one voice, one goal, and one strategy that communicate with the customers.
5. Create policies for gathering customer data.
6. Co-Ordinate customer contacts and information.
7. Initiate real-time responsiveness

OBJECTIVES OF STUDY

The main objectives of the present study are to examine the Consumer Relationship Management practices in HPCL (LPG) and other than HPCL (LPG) in Khammam District. The sub-objectives of present study as follows:

1. To examine customer satisfaction rating/services.
2. To study Better communication system.
3. To analyse the behaviour staff.
4. To examine customer loyalty.
5. To offer suggestion to improve the CRM.

METHODOLOGY

The present study is based on both Primary and Secondary data. The Primary Date was collected through questionnaire and personal interviews conducted with selected sample. The secondary date was collected from the books, Journals and various websites.

Sample Design

In order to evaluate the CRM practices in LPG – HPCL and Other than HPCL (LPG) Agencies in Khammam (District) has been choose, 1000 sample randomly, in that 500 are HPCL and 500 Non-HPCL are taken.

Tools of Analysis

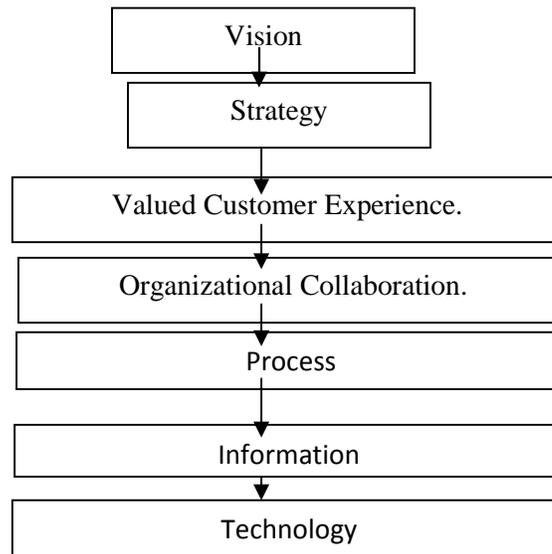
While analyzing the collected data various statistical techniques are applied majority used in chi-square test have been completed.

The process invites total commitment on the part of the entire organization in evolving and implementing relationship strategies that rewarding to all concerned. CRM promises to help companies get to know there customers well enough to understand their needs and desires.

BUILDING BLOCKS OF CRM

Achieving the long term value of Customer Relationship Management require a strategy involving the business approach of enterprises growing number of enterprise are tracking CRM at this level. With most CRM initiates consisting of this Building Blocks presented in the Fig.No.I

Figure No.I
BUILDING BLOCKS OF CRM



CONCEPT OF CUSTOMER RELATIONSHIP MANAGEMENT

Concept of Customer Relationship Management and foremost a business strategy one that help a company tighten its business practices across organization while forging an iron rod connection with its customer. It is not only a response to competitive pressures facing every industry. It is also considered a strategic imperative, gathering executive level attention and equality lofty budget.

In the Business to consumer (B2C) space, CRM means keeping pace with a saving your main impatient consumer base that is close than ever to finding your main competition and more willing than ever to share their bad experience with your prospects. As for the business to business (B2B) segment. Optimizing supplier and partner communications is more critical that ever making it all work together and seam largely involves nothing short of organization choreography.

The company the best practice CRM is the one that understands how to improve business practice and customer relationship by using CRM technology and customer data as part of an overarching programme that also involves process and organizational charges. With ultimate aim of different itself through superior customer relationship companies are realizing that without customers products don't sell and revenue do not materialize. They have been forced to become smarter about selling and that means becoming smarter about coho's buying. Companies are reading that competitive writing on the wall and technology for the leg up.

CRM is the infrastructure that enable the delineation of an increase in customer value, and the correct means by which to motivate valuable customers to remain loyal – indeed to buy as an relationship marketing attracts, maintaining and enhances customer relationship and sequence of activities are performed to CRM.

Developing core services to build customer relationship, augmenting core services with extra benefits, enhancing customer loyalty and find tuning internal marketing to promote external marketing success.

Relationship of marketing as “a tool to take current and new customers into regularly parceling client and this progressively moves them through being strong supporters of the company and its products to finally being active. Selling by using psychological rather than economic inducements to attract the retain customers. So it seeks to personalize and appeals to the hearty minds and purses of the mass customers.

CRM is an “Ongoing process of Identifying and creating new values with individual customers and then sharing the benefits from this, over a lifetime of association”. It involves understanding focusing and management of ongoing collaboration between supplier and selected customers for mutual value creation and sharing through inter-dependence and organization alignment.

The CRM is generally in operationally as “Management process of acquiring customers by understanding their requirement retaining customers by fulfilling their requirements more than their exceptions and attracting new customers through customer specific strategic marketing approach.

ABOUT HPCL

HPCL is a Government of India Enterprise with a Navratna Status, and a Forbes 2000 and Global Fortune 500 Company. It had originally been incorporated as a company under the Indian Companies Act 1913. It is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), India.

HPCL owns & operates 2 major refineries producing a wide variety of petroleum fuels & specialties, in Mumbai (West Coast) 6.5 Million Metric Tonnes per Annum (MMTPA) capacity and the other in Visakhapatnam, (East Coast) with a capacity of 8.3 MMTPA. HPCL also owns and operates the largest Lube Refinery in the country producing Lube Base Oils of International standards, with a capacity of 428 TMT. This Lube Refinery accounts for over 40 Percent of the India’s Total Lube Base Oil Production. Presently HPCL produces over 300+ grades of Lubes, Specialities and Greases. HPCL in collaboration with M/s. Mittal Energy Investments Pte. Ltd. is operating a 9 MMTPA capacity Refinery at Bathinda in Punjab and also holds an equal of about 16.95 Percent in the 15 MMTPA Mangalore Refinery and Petrochemicals Ltd. (MRPL).

HPCL has the second largest share of product pipelines in India with a pipeline network of more than 2,500 Kms. for transportation of petroleum products and a vast marketing network consisting of 13 Zonal Offices in major cities and 101 Regional Offices facilitated by a Supply & Distribution.

HPCL is committed to achieve the economic, ecological & social responsibility objectives of sustainable development consistently through varied operations and activities. HPCL’s focus areas are in the fields of Child Care, Education, Health Care, Skill Development & Community Development, touching lives of weaker section of society.

HP GAS, the HPCL brand of Liquefied petroleum Gas (LPG), popularly known as cooking gas, is a mixture of hydrocarbons which are gaseous at normal temperature, but can be liquefied at moderate pressure, and can be stored in cylinders as a liquid under pressure, and is drawn out and used as gas.

ANALYSIS OF CUSTOMER RELATIONSHIP MANAGEMENT HPCL (LPG) GAS AND OTHER THAN HPCL OUTLETS.

CRM is identifying the relative importance of each factor, the respondent of some of all oil companies of HPCL (LPG) and other than Non HPCL have been argued on five point scale with rating O – Very Poor, 1- Poor, 2 – Average, 3 – Good, 4 – Very Good. In order to quantify the response the score have been assist to these rating mention below.

Response	Score Value
1) Very Poor	0
2) Poor	1
3) Average	2
4) Good	3
5) Very Good	4

I. Customer Satisfaction Contributing Factor towards Customer Relationship Management:

To examine the relationship the LPG HPCL customer and other than HPCL customers towards customer satisfaction rating impact Customer Relationship Management. The distribution of response in the following Table-1

CUSTOMER SATISFACTION

ResponseLPG	RATING					Total
	V.G.	G	A	P	V.P.	
HPCL	300(30.00)	150(15.00)	50(5.00)	--	--	500(50.00)
Non-HPCL	250(25.00)	150(15.00)	100(10.00)	--	--	500(50.00)
Total	550(55.00)	350(35.00)	150(15.00)	--	--	1000(100.00)

VP=Very Poor P=Poor A=Average G=Good V.G.=Very Good

Source : Compiled from Questionnaire Data.

Note : Parenthesis indicates percentage.

Chi-Square value 22.2

Degree of freedom (r-1) (c-1)

$$(2-1) (5-1) =$$

$$(1) (4) = 4$$

Table Value 1 Percent Level χ^2 0.01 = 15.1

Table Value 5 Percent Level χ^2 0.05 = 11.1

From the Table 1. It is observed that the HPCL Category customer perceived that 30.00 percent agree the servicing of delivery and booking, other information indicated on CRM. 15 percent of respondent rated Good and only 5 percent perceived average satisfactory towards CRM. In the other HPCL (Non-HPCL) category majority of respondent i.e. 25 percent rating very good, 15 percent rated god and only 10 Percent are average satisfaction.

In overall both company customer rated 55 Percent are very good, 30 Percent are rated god and only 15 Percent average satisfactory. The results of chi-square test obtained for this data that the calculator value is greater than the Table value of the chi-square at both level of significant. Therefore, they hypothesis is rejected it means that there is relationship between the customer satisfactory and CRM at both companies.

II. Communication System towards Customer Relationship Management

To examine the relationship between the HPCL and Non-HPCL customers with their communication system in CRM the distribution of responses in the following Table-2

COMMUNICATION SYSTEM

Response LPG	RATING					
	V.G.	G	A	P	V.P.	Total
HPCL	145(14.50)	255(25.50)	100(10.00)	--	--	500(50.00)
Non-HPCL	150(15.00)	220(22.00)	110(11.00)	20(2.00)	--	500(50.00)
Total	295(29.50)	475(47.50)	210(21.00)	20(2.00)	--	1000(100.00)

Source : Compiled from Questionnaire Data.

Note : Parenthesis indicates percentage.

Chi-Square value 12.41

Table OF Chi-square at 5 Percent level : 12.64

Table of Chi-Square at 1 Percent Level : 13.21

From the Table 2. It is observed that the HPCL (LPG) Customer Category 255 respondents received the communication system 'Good' and 145 responses are 'Very Good and only 100 respondents felt average. With Non-HPCL (LPG) customer felt 220 responses Good, 150 respondents perceived Very Good and only 110 respondents felt average in the communication system. The communication system means 'Online Booking, Messages delivery and compliant of customers feedback system are very important to the HPCL and Non HPCL companies.

The results are of chi-square tested and observed the chi-square value 12.41 and the table Value of chi-square is 5 Percent and 1 Percent levels are 12.64 and 13.21 the hypothesis accepted. It concludes that communication is one of the main essential factors of CRM.

III. Behaviour of Staff Contributing factor towards CRM:

To examine the relationship respondents of HPCL (LPG) and non HPCL Company's staff behaviour is directly related to CRM. The distribution of response is represented in the following Table 3.

Table-3 Behaviour of Staff Contributing Factor towards CRM

Respondents	RATING					
	V.G.	G	A	P	V.P.	Total
HPCL	300(30.00)	200(20.50)	--	--	--	500(50.00)
Non-HPCL	250(25.00)	250(25.00)	--	--	--	500(50.00)
Total	550(55.00)	450(45.00)	--	--	--	1000(100.00)

Source : Compiled from Questionnaire Data.

Note : Parenthesis indicates percentage.

Degree of freedom(r-1) (c-1)

$$(z-1) (5-1) = 4$$

Table Value 1 Percent level χ^2 0.01 = 15.1

Table Value 5 Percent level χ^2 0.05 = 11.1

Table-3 it is observed that the majority i.e. 300 respondents of (LPG) HPCL staff behaviour is very good perceived by customer, and 200 are Good, among Non HPCL category 250 respondents perceived Very Good towards staff behaviour and remaining 250 are Good in Behaviour. In the HPCL and Non HPCL employees behaviour strongly Good towards customers services. This chi-square tested applied towards behaviour. The table value is greater than the calculated value of chi-square so, the hypothesis is accepted. Hence it can be said that the behaviour of staff is contributing towards CRM is very effectively.

IV. Customer loyalty factor towards Customer Relationship Management

To examine the relationship between the Companies HPCL (LPG) and Non-HPCL (LPG) towards CRM related to customer loyalty. The distribution of responses is represented in the following table-4.

Table-4, Customer Loyalty Factor towards CRM

Response	RATING					Total
	V.G.	G	A	P	V.P.	
HPCL	330(33.00)	170(17.00)	--	--	--	500(50.00)
Non-HPCL	280(28.00)	220(22.00)	--	--	--	500(50.00)
Total	610(61.10)	390(39.00)	--	--	--	1000(100.00)

Source : Compiled from Questionnaire Data.

Note : Parenthesis indicates percentage.

Table 4 reveals the majority of respondent 610 (61 Percent) perceived to Very Good opinion towards customer loyalty. In that 330 (33 Percent) are HPCL (LPG) and 280 (28 Percent) LPG Non HPCL company are towards customer loyalty, remaining 390 (39 Percent) respondents of both companies perceive customer loyalty was 'Good'. In that 220 (22 Percent) are (LPG) Non-HPCL and 170 (17 Percent) are HPCL. When chi-square test is applied calculated value is less than the Table value of chi-square at both level 15.1 and 11.1. Hence hypothesis accepted. It can be inferred that there is strong relationship between customer's loyalty and CRM. Customer loyalty behind customer's satisfaction and brand image of product/service to entirely satisfy the customers in long run.

CONCLUSION AND SUGGESTIONS

In this concluding chapter, the manor findings that have emerged from the study are presented by a few suggestions in the light of the major findings. With regards the LPG HPCL category customers perceived that 30 Percent strongly agree the services of delivery of refill, Booking and other information indicates on CRM, 15 Percent of respondent rated Good and only 5 Percent perceived Average satisfaction towards CRM. In the other than HPCL (Non HPCL) Category customers of respondents i.e. 25 Percent rating Very Good, 15 Percent rated Good and only 10 Percent are Average satisfaction, the result of chi-square tested obtained results of hypothesis rejected. It mean that there is strong relationship between the customer satisfaction and CRM at both companies.

The HPCL and Non-HPCL employees behaviour strongly Good towards their potential customers.

The Chi-square tested the hypothesis accepted. Hence it can be said that the behaviour of staff is contributing towards CRM is very effectively.

An examination of the distribution reveals that majority of respondent 610 (61 Percent) perceived to 'Very Good' opinion towards customer loyalty in that 330 (33 Percent) are HPCL and 280 (28 Percent) are Non-HPCL companies towards felt customer loyalty. Remaining 390 (39 Percent) respondents of both companies perceived Good rating. In that 220 (22 Percent) are Non-HPCL and 170 (17 Percent) are HPCL respondents, when chi-square test is applied at both level of significance, the hypothesis accepted. It can be informed that ther is strong relation between.

An examination of the distribution of LPG-HPCL and Non-HPCL customer category 255 respondents perceived the communication system Good and 145 respondents are rated Very Good and only 100 Respondents felt average. In the Non-HPCL customer felt 220 are Good, 150 respondent perceived 'Very Good', 110 average in the communication system.



The result of chi-square tested and resulted at both level of significance 1 Percent and 5 Percent at level, the hypothesis accepted. It concluded that communication is one of the main essential factor of CRM. An Analysis of behaviour of staff related CRM of both companies. The distribution level the majority 300 respondent of HPCL staf behaviour is 'Very Good' with their customer and 200 are Good, among them Non HPCL category, 250 respondents perceived 'Very Good' towards staff behaviour and remaining 250 are Good.

Customer Loyalty and CRM: Customer loyalty builds long term customer commitment and Branch Image of product/service to satisfy the entire customer in long run.

SUGGESTION

In the light of the above findings. The following suggestions have been offered to make CRM is more meaningful, effective instruments for the improvement of HPCL.

In order to get better results. There must be a greater awareness in market towards CRM.

Firstly there organization came forward to satisfy the customer needs and desires, then only companies generate their image in market potential through customer relationship management. Almost every company provide importance to their customer, then believe customer is the Boss, and he is superior. HPCL gives respect to the customers, every company to increase business to create new customers, then only the potential business was developed.

Secondly the communication system is very important media to attract the customer in service motto, Online Booking, Generation cash memo, delivery of refill, and other messages, regards their CTC (DBTL), the effective communication, maintain strong feedback system by HPCL.

Thirdly behavior of employee in distribution and plant. The mode of behaviour pertain way of approaching response towards customer is important the employee are always in 'Good manner' of response towards customer in refill booking/delivery and safety provisions by HPCL and other companies. Employees behaviour staff is very good towards their customers.

Fourthly customer loyalty, in sense when companies satisfy their existing and potential customers towards service and product quality and quantity it crater image of product or brand image. The brand image product increase their sales potential and profitability so, HPCL Company is one of the Narration Company in India.

Give up LPG Subsidy-contribute Nation Building:

Our Prime Minister Namenda Modi new slogan – "Give it up" to exhort the better off sections of society to forego their LPG subsidy that can be utilized in providing subsidized LPG connections to the poor.

Urging the well-off to give up their IPG subsidy he said "gas cylinder surrendered by them would be transferred to the por who use wood for cooking. If one core people give up their LPG subsidy. One more poor people will benefit as they will be give new LPG cylinders instead.

I (Dr.V.Maheshwar) initiate join in give it movements in my HP Gas. Give it up is mandatory for giving up LPG subsidy by me also. I pledge to join in Nation Building movement and therefore I am voluntarily giving up LPG subsidy. So everyone want join give it up to make help to poor who use wood for cooking, to transfer LPG cylinder to them.

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