
Customer Relationship Management Processes in Processed Foods Industry

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Abstract

CRM is built on the philosophy of relationship marketing that aims to create, retain, develop and enhance relationships with customers as well as to enhance the customer lifetime value with the organization and organizations profitability. Dynamic & Cut throat competitive business environment has forced food processing industry to implement such customer relationship management processes & practices which aims not only to attract, but also to retain their old customers. The goal is to improve the customer experience with the organization so that it enhances satisfaction and loyalty which in turn will lead to increased profits. Customer relationship management is wide business strategy adopted by most big organizations in food processing industry requires customer centric business approach to support effective marketing, sales, service and process. The study analyses CRM initiatives in the food processing Industry as the competitive environment for food processing organizations is changing rapidly. The food processing industry has emerged as a big component of the industrial sector in India and has been constantly adding to the revenue of our country. Food processing sector aims to cater the ever changing needs of present day customers.

Key Words: *Customer Relationship management, Food processing industry,*

Introduction

The International business environment has changed as the globalization is erasing the national boundaries and today companies are competing on a global market .This rapid change in global environment puts high demands on companies to quickly be able to adjust to new situations in order to stay competitively strong. No company in this integrated world will remain unaffected of what happens in the world economy (Brake, walker &Walker, 1995;Stanat,2002)

From the early 1980,s an alternative approach to marketing theory and practice was gaining power, namely relationship marketing. This shift from traditional marketing towards relationship marketing are occurring and several scholars are claiming this is paradigm shift in marketing (Gummesson,1997;Gronroos.1997;Parvatiar and sheth,1994). These changes has led the companies to switch to customer base structures. The key change is advent of Customer Relation Management.

CRM stands for Customer Relationship Management. It is a process or methodology used to learn more about customers' needs and behaviors in order to develop stronger relationships with them. There are many technological components to CRM, but thinking about CRM Software in primarily technological terms is a mistake. The more useful way to think about CRM is as a process that will help bring together lots of pieces of information about customers, sales, marketing effectiveness, responsiveness and market trends.CRM (customer relationship management) is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. For example, an enterprise might build a database about its customers that described relationships in sufficient detail so that management, salespeople, people providing service, and perhaps the customer directly could access information, match customer needs with product plans and offerings, remind customers of service requirements, know what other products a customer had purchased. CRM generally consists of:

) Helping an enterprise to enable its marketing departments to identify and target their best

customers, manage marketing campaigns and generate quality leads for the sales team.

- J) Assisting the organization to improve telesales, account, and sales management by optimizing information shared by multiple employees, and streamlining existing processes (for example, taking orders using mobile devices)
- J) Allowing the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profitable customers and providing them the highest level of service.
- J) 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.

From the above it can be said that Customer relationship management (CRM) 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, but 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 costs of marketing and client service. CRM describes a company-wide business strategy including customer-interface departments as well as other departments. Measuring and valuing customer relationships is critical to implementing this strategy.

Processed Foods Industry in India

Food processing is the transformation of cooked ingredients, by physical or chemical means into food, or of food into other forms. Food processing combines raw food ingredients to produce marketable food products that can be easily prepared and served by the consumer. Food processing typically involves activities such as mincing and macerating, liquefaction, emulsification, and cooking (such as boiling, broiling, frying, or grilling); pickling,

pasteurization, and many other kinds of preservation; and canning or other packaging.

“Food processing sector is one of the largest sectors in India in terms of production, growth, consumption, and export. India's food processing sector covers fruit and vegetables; spices; meat and poultry; milk and milk products, alcoholic beverages, fisheries, plantation, grain processing and other consumer product groups like confectionery, chocolates and cocoa products soya-based products, mineral water, high protein foods etc. Since liberalization in Aug'91 proposals for projects o, f have been proposed in various segments of the food and agro-processing industry. Besides this, Govt. has also approved proposals for joint ventures; foreign collaboration, industrial licenses and 100% export oriented units envisaging an investment. India's exports of Processed Food was Rs. 27,263.94 Crores in 2016-17, which including the share of products like Mango Pulp (Rs. 864.97 Crores/ 129.29 USD Millions), Dried and Preserved Vegetable (Rs. 1,088.55 Crores/ 162.88 USD Millions), Other Processed Fruit and Vegetable (Rs. 3,116.08 Crores/ 465.93 USD Millions), Pulses (Rs. 1,140.13 Crores/ 171.07 USD Millions), Groundnuts (Rs. 5,456.72 Crores/ 813.45 USD Millions), Guargum (Rs. 3,131.74 Crores/ 467.9 USD Millions), Jaggery & Confectionary (Rs. 1,471.64 Crores/ 220.04 USD Millions), Cocoa Products (Rs. 1,089.99 Crores/ 163.21 USD Millions), Cereal Preparations (Rs. 3,572.61 Crores/ 534.09 USD Millions), Alcoholic Beverages (Rs. 2,000.63 Crores/ 299 USD Millions), Miscellaneous Preparations (Rs. 2,570.48 Crores/ 384.53 USD Millions) and Milled Products (Rs. 817.68 Crores/ 122.33 USD Millions) The Indian food processing industry is primarily export orient. India's geographical situation gives it the unique advantage of connectivity to Europe, the Middle East, Japan, Singapore, Thailand, Malaysia and Korea. One such example indicating India's location advantage is the value of trade in agriculture and processed food between India and Gulf region. Retail, one of the largest sectors in the global economy (USD 7 Trillion), is going through a transition phase in India. One of the prime factors for non-competitiveness of the food processing industry is because of the cost and quality of marketing channels. Globally more than 72% of food sales occur through super stores. India presents a huge

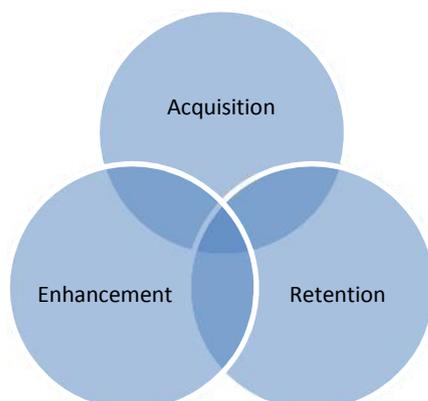
opportunity and is all set for a big retail revolution. India is the least saturated of global markets with a small organized retail and also the least competitive of all global markets.”(Source: Agricultural & Processed Food Products exports Development-Authority.)

Customer Relationship Management for the Food processing industry links an organization’s product and trade marketing to its sales operations, and addresses the needs of both strategic planning and sales execution. The CRM effectively helps the food and beverage industry in trade promotion management and sales execution, and will make the substantial difference.

CRM in food processing sector enables them to secure and strengthen their brand values by ensuring that all trade promotions, campaigns and sales activities are executed with the right brand messages at all times. The solution empowers sales representatives by providing the tools required to manage their changed roles in relation to retailers and maximizes value-added selling time by a higher degree of automation and improved decision support.

Literature study

Relationship marketing has been in vogue for more than two decades (Harker and Egan, 2006). Its advocates see it as an emerging paradigm that promises much in the way of customer satisfaction and loyalty (Sheth and Parvatiyar, 1995; Gummesson, 1999). Pepper and Rogers (1995) defines that CRM comprises three phases: acquiring, enhancing and retaining. Each phase supports enhances the understanding between company its customers.



The most basic definitions point to relationship marketing as attracting and keeping customers in the long term. The aim is to convert buyer behaviour and status from fleeting casual encounter, through marketing interventions, to committed relationships (Varey, 2002). Relationship marketing advocates contend that marketing can no longer only be about developing, selling and delivering products, where the emphasis was directed towards getting customers rather than keeping them. It is progressively more concerned with the development and maintenance of mutually satisfying relationships with customers (Buttle, 1996), and holds the promise of keeping customers loyal (Gummesson, 1994; Bulger, 1999). This pursuit is characterized by the quest to both fully understand and anticipate the customers’ needs, in a bid to develop long lasting and mutually *et al.* 1999). A two-way or dialogue marketing communications approach is needed to support the establishment, maintenance and enhancement of an interactions process if relationship marketing is to be successful (Sheth and Parvatiyar, 2000).

According to Bose (2002, p.15) CRM is defined as “an enterprise wide integration of technologies and functions such as data warehouse, Websites, intranet/extranet, telephone support system, accounting, sales, marketing and production”. According to Swift (2001, p.16) CRM is defined as “an enterprise approach for understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty and customer profitability”. From the above it is clear that managing the customer plays a very important role in CRM. So the customer relation Management in general operationally defined by authors as a management process of acquiring customers by understanding their requirements retaining customers by fulfilling their requirements more than expectations and attracting new customers through customer specific strategic marketing approaches.

The emergence of database and online communications technology (Dwyer et al, 1987; Pine et al; Palmer, 1999) opened the possibility of creating personal relationships with mass market. In the words of Gronroos (1999) the data base

technology provides the means to engage the customer who wanted individual treatment.

Research Methodology

Research is a systematic inquiry aimed at providing information to solve problems (cooper and Schindler,2002:14).Differing requirements of information, availability of time and need patterns have led to the developments of various types of research methods the need of any research method, however remains the same –to get information the reason behind the use of any method for research should justify the generation of optimum results. This study is based on primary data, which has been collected through questionnaire having statements to which respondents have to give their level of satisfaction ranging between 1-5 level and agreement ranging from strongly agrees to strongly disagree. Since it was not feasible to examine the entire universe the representative sample were selected from Delhi& Gurgaon. Respondents were asked to fill questionnaire personally. The scope covers only three major multinationals of beverage sector.

Objective of the Study

As the title suggest the main objective of the present study is to know the role of CRM in beverage industry of India. Other some affiliated objectives along with the broad objective are-

1. To know the perception of customer towards the CRM strategy in Food Processing industry of India.
2. To know the deficiency for lower degree of customer satisfaction

Data Analysis

To know the perception of customer towards organizations CRM strategy they were asked to evaluate they were asked to evaluate each factor first on statements ranging from not at all important to extremely important and then they have to evaluate their satisfaction level with each factor on 1-5 scale. There are other questions also which will be evaluated on customer's statements. The responses are analyzed by calculating the mean value and the results are presented in the subsequent discussion.

The Table 1, 2 &3 gives the demographic the profile –gender, age & Family income of the sample respondents. The Table- 4 shows the variables of CRM in food processing sector and the mean % of consumer satisfaction level. The Table-3 shows the overall perceptions of consumers towards organizations CRM strategy.

Demographic profile of the Respondents

Table-1, Gender

Valid	Gender	Frequency	Valid %	Cumulative %
	Male	164	62.59 %	62.59
	Female	98	37.41 %	100
Total		262		

Table 2 ,Age

Valid Category	Frequency	Valid %	Cumulative%
<20 yrs	52	19.8	19.8
21-30yrs	101	38.5	58.3
31-40yrs	56	21.5	79.8
41-50yrs	38	14.5	94.3
>50yrs	15	5.7	100
Total	262	100	

Table 3, Family Income (Per Annum)

Valid-	Frequency	Valid%	Cumulative%
1-2 lakh	13	4.9	4.9
2-3 lakh	68	25.9	30.8
3-5 lakh	106	40.5	71.3
>5 lakh	75	28.7	100
Total	262	100	

Table -4: Customer Satisfaction level for each variables in Food processing sector

Variables	Mean (Satisfaction Level)
Degree of ease in getting Product	3.5
Pricing of the products	3.4
Packaging	3.7
Quality of products	3.6
Personal attention	3.2
Complaint Management process	3.1
Quality of communication from company	2.9
Festival Schemes	3.8
Promotional Schemes	3.7
Credit schemes in case of bulk Purchase	2.8
Reliability	3.2
Company's advertising	3.4
Number of Customer touch points	2.7
Accuracy of information	3.8
Product Variety	3.6
Value For money	3.8
After sale help/Suggestions	3.1

Table-5: Overall perception of Customer

Strategy	Overall perception of Customer
Consumer are valuable and they are sole purpose of their existence	3.1
Organizations' understand the needs of Consumer	3.4
Organization wants to retain consumer	3.2
Organizations, wants to enhance relation with their customers	2.8
Organizations, wants to improve elements of service	3.4

Findings

On the basis of the variables and statements in the questionnaire the following are findings-

) The study reveals that the customers are highly satisfied with the variables like degree in ease in getting products, packaging, festival schemes ,promotional schemes accuracy of information ,product variety & value for money.

) The study reveals that overall perceptions of consumer towards Strategy of CRM is good except in the strategies like customers are valuable & organization wants to enhance relationship with the customers.

) The study also reveals that organizations need to improves in the variables like complaint management process, quality of communication from the organization, number of customer touch points & after sale help /suggestion process.

Conclusion

The organizations in food processing sector need to focus on variables like complaint management process, quality of communication from the organization, number of customer touch points & after sale help /suggestion process to have all the benefits of CRM .

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