

Customer Relationship Management Factors and Value Chain Model

Alka Rani¹, Dr. Jitendra Singh Rathore²

¹Research Scholar, Banasthali Vidyapith

²Guide, Banasthali Vidyapith

ABSTRACT

CRM is an acronym for the phrase "customer relationship management," which stands for "customer relationship management system." Gartner first used the phrase "customer relationship management" in 2005. An key component of the CRM approach is the CRM systems that collect information from a range of different communication channels, such as a company's website, telephone, email, live chat, marketing materials, social media, and more according to a variety of distinct marketing aspects. This aspect of the CRM strategy is very vital to its overall functioning. When it comes to doing business, one of the most difficult tasks that might arise is trying to determine the precise needs of a customer. In order for enterprises to become familiar with the problem recognition of clients, interviewing tactics are implemented. At the beginning of the procedure, the focus is placed on the customer in order to devise a strategy for maintaining a lucrative and significant long-term collaboration between the two parties. This plan is established in order to keep the client at the centre of the procedure.

Keywords: Customer, Relationship, Management, Factors, Value, Chain, Model

INTRODUCTION

Customer relationship management, which is more often referred to by its acronym CRM, is a strategy that companies are increasingly turning to in order to manage the interactions they have with customers, clients, and sales prospects. Customer relationship management (CRM) is a word that refers to the practises, strategies, and technologies that businesses use to manage and analyse customer interactions and data across the customer lifecycle, with the goal of increasing business relationships with customers. CRM is an acronym for the phrase "customer relationship management," which stands for "customer relationship management system." Gartner first used the phrase "customer relationship management" in 2005. An key component of the CRM approach is the CRM systems that collect information from a range of different communication channels, such as a company's website, telephone, email, live chat, marketing materials, social media, and more according to a variety of distinct marketing aspects. This aspect of the CRM strategy is very vital to its overall functioning. Customer relationship management (CRM) is a form of business strategy that is seen to have the ability to enhance a company's earnings and revenues while also enhancing the degree of customer pleasure. CRM accomplishes this by arranging corporate activities around the many categories of customers that a company serves. As can be seen, it is very necessary for companies to have a comprehensive grasp of the CRM process in order for them to properly apply it in a manner that is adapted to their very own specifications. This can be accomplished through successful training and education.

Indian Automobile Industry

The automobile industry, which is one of the most significant economic sectors in India and is among the largest in the world, is among the largest in the world. According to the findings of a study that was conducted by the India Brand Equity Foundation (IBEF). The industry is responsible for 7.1% of the country's total Gross Domestic Product (GDP) contribution. The two-wheeler sector of the car industry in India holds the highest market share, accounting for 81% of the total market. This is because India has a relatively young population and a growing middle class, both of which contribute to this trend. The increased interest displayed by firms in reaching the market in rural regions was another aspect that contributed to the expansion of the industry. This desire was another factor that contributed to the growth of the industry. The Passenger Vehicle (PV) market as a whole owns a portion of the market that is equal to thirteen percent. India is also a top exporter of autos, and there are optimistic expectations for the continued growth of the country's export industry in the near future. When compared to the same time period in 2015, the number of commercial cars that were sent abroad experienced a rise of 18.36% during the months of April and January of 2016. In addition, it is anticipated that India will seize the top spot in the global market for both two-wheeled vehicles and four-wheeled vehicles by the year 2020. This is expected to occur as a direct result of a number of actions that have been done by the government of India as well as the primary participants in the automotive sector in the Indian market.

Customer Relationship Management Factors

When it comes to doing business, one of the most difficult tasks that might arise is trying to determine the precise needs of a customer. In order for enterprises to become familiar with the problem recognition of clients, interviewing tactics are implemented. It is useful to keep track of the changes in the preferences of a client, including their likes and dislikes, so that one may provide better service to that consumer.

- **Customer orientation**

"The first and most important step that an organization must take and function it must fulfill is to concentrate on the existing requirements, projected wants, wishes, and issues of its clients. In addition to this, a company has to be familiar with the markets they serve, the products they offer, their competitors, and their customers. According to (Webster, 1994), "Everyone's role is defined in terms of how it contributes to create and deliver value for the customer, and internal procedures are created and managed to ensure responsiveness to customer need and maximum efficiency in value delivery"

- **Customer Knowledge**

Because of the variety of consumers' likes and tastes, it is difficult to group them into a demographic that is reasonably consistent so that marketing strategies may be developed for them. The customer anticipates that their particular requirements will be catered to in an individualized fashion. In order to determine what a client requires, customer relationship management makes use of the appropriate data mining tools and data warehousing procedures.

- **Customer Interaction**

"A variety of channels of communication will be established in order to guarantee that contact with the client is carried out in the most efficient manner possible. This will be done in order to meet the requirements of the customer. These are the two categories that may be employed. The phrase "internal processes" refers to the management of business operations that take place within an organisation,

whereas the term "external processes" refers to the interactions that take place between a firm and its customers and suppliers. Both of these groups are considered to be "external processes."

CRM Value Chain Model

In the year 2004, Francis Buttle conceived up and created what would later become known as the CRM Value Chain Model. It divides the entire procedure of managing client relationships into two parts: the major phases, and the secondary or supporting stages.

At the beginning of the procedure, the focus is placed on the customer in order to devise a strategy for maintaining a lucrative and significant long-term collaboration between the two parties. This plan is established in order to keep the client at the centre of the procedure.

The primary stage has been divided into five separate stages, starting with an analysis of the client portfolio, moving on to the development of a customer intimacy network and the construction of a value offer, and finally concluding with the management of the customer lifetime. Each of these stages is followed by an analysis of the client portfolio.

OBJECTIVES OF THE STUDY

1. To study on Customer Relationship Management Factors
2. To study on CRM Value Chain Model

RESEARCH METHOD

Technique of Sampling

The process of selecting a subset of the whole population for the purposes of scientific research is referred to as sampling. The study in question makes use of stratified sampling, which is a non-probability sampling methodology, as the sample method in order to collect the data that is required for analysis.

Table 1 Sample Customer and Sales Executive Distribution Among Selected Automakers

Sr. No.	Name of the Company	Customers		Sales Executives	
		Sample Size	Percentage	Sample Size	Percentage
1	Maruti Suzuki	64	12.8	15	10
2	Hyundai	53	10.6	15	10
3	Mahindra and Mahindra	48	9.6	15	10
4	Tata Motors	50	10.0	15	10
5	Toyota	52	10.4	15	10
6	Honda	52	10.4	15	10
7	Ford	50	10.0	15	10
8	Chevrolet	46	9.2	15	10
9	Renault	43	8.6	15	10
10	Volkswagen	42	8.4	15	10
Total		500	100	150	100

The distribution of customers according to the company is shown in Table 3.2. Among the 500 individuals who participated in the survey, 64 (12.8%) are customers of Maruti Suzuki, 53 (10.6%) are

customers of Hyundai Company, 48 (9.6%) are customers of Tata Motors, 52 (10.4%) are customers of Toyota, 52 (10.4%) are customers of Honda, 50 (10%) are customers of Ford, 46 (9.2%) are customers of Chevrolet, 43 (8.6%) are customers of Renault, and 42 (8.4%) are customers of Volkswagen. Furthermore, the sample group of sales executives is uniformly distributed among a very small number of selected firms.

Data Collection

A popular variance-based structural equation modeling (SEM) method in the social sciences and industry is partial least squares (PLS) route modeling. Use PLS software for customer measurement on customer happiness and loyalty as well as CRM aspects for data collecting..

Assessment of the Sales Executive's Perception of CRM Procedures

In light of the fact that the objectives of the research include the workers' perspectives, data has also been gathered from them. The ways that are utilized to assess the views of workers on the CRM processes that their automobile company employs are discussed in this part. These approaches will help to enhance interactions with customers.

Data Gathering

A structured questionnaire is used in order to aid in the collection of the primary data. A wide range of publications, such as books, journals, magazines, newspapers, and websites, are used in the collection of secondary data about customer relationship management technology and the automobile industry in India.

Scale of Measurement

Separately, a structured questionnaire has been developed in order to meet the objectives of determining the dealer sales executives' impressions of the CRM practices of automobile companies and assessing the initiative of automobile businesses in embracing innovation and cutting-edge technology in order to adopt CRM. The final draft of the questionnaire. Within the first part of the questionnaire, the demographic section is addressed. This area includes questions on the respondent's name, location, gender, education level, and monthly income. The first question concerns the preference of the sales agents with regard to the automobile manufacturer for whom they are working. The second question concerns the length of time that the responder has been employed by the particular automobile company in question. The third inquiry takes into consideration the perspectives of sales executives on the key factors that have an impact on brand purchases in the automobile industry.

Reliability Examination

A thorough assessment of the dependability of the research apparatus was carried out prior to the analysis of findings. For the purpose of determining the degree of internal consistency of the item grouping, the reliability coefficient known as Cronbach's alpha was used. Both newly developed scales and scales that have already been used are considered to have satisfied the condition for internal consistency if their alpha values are 0.60 or higher, respectively. The dependability co-efficient (α) for sales executives' and customers' perspectives are shown in Table that exhibits the derived values.

Table 2 Test of Reliability for Respondents' Perceptions of CRM Practices

Respondents	No. of Items	No. of Respondents	Cronbach's Alpha
Customers	38	500	.833
Sales Executives	31	150	.711

Note: Alpha values of 0.70 and above are satisfactory and reliable.

DATA ANALYSIS

A Clear Analysis Of The Profile Of Sales Executives

A research that provides a descriptive analysis of sales executives has been carried out, and it is based on their demographic profile. The study gathers information from sales professionals who come from a variety of backgrounds, such as gender, income, and educational attainment. Additionally, the research investigates the length of time they have worked for the car company and the category they belong to.

Table 3 The profile of sales executives' demographics

Profile	Category	Frequency	Percentage
Gender	Male	108	72.0
	Female	42	28.0
Monthly Income	Below Rs. 25000	71	47.3
	Rs. 25000 – Rs. 50000	62	41.4
	Rs. 50000 – Rs.75000	17	11.3
Education	Under Graduate	4	2.7
	Graduate	65	43.3
	Post Graduate	50	33.3
	Professional	31	20.7
Area	Urban	150	100.0
	Rural	0	00.0
Length of service in Automobile company	Less than 3 years	59	39.3
	3-6 years	66	44.0
	6-9 years	25	16.7

The following table presents the demographic profile of 150 respondents, including information about their location, length of service with their specific car company, gender, monthly wage, and level of education. As can be seen from the statistics shown above, out of the total of 150 respondents, 108 (72%) are male and 42 (28%) are female. Seventy-one (47.3%) of the respondents had monthly earnings that were less than Rs. 25,000, sixty-two (41.4%) of them fit into the income group that ranges from Rs. 25000 to Rs. 50000, and seventeen (11.3%) of them fall into the income group that ranges from Rs. 50000 to Rs. 75000. As a consequence of this, 47.3% of respondents, which constitutes the majority, find themselves in the income bracket of less than \$25,000.

In addition, the data shows that among the respondents, four individuals (2.7%) were undergraduates, sixty-five individuals (43.3%) were graduates, fifty individuals (33.3%) were postgraduates, and thirty-one individuals (20.7%) had professional degrees. As a consequence of this, it was established that the majority of respondents, which consisted of 43.3%, were graduates. Furthermore, all of the people that

participated in the survey are coming from urban regions. Moreover, 59 respondents (39.3%) said that they had worked for their automobile company for a period of time that was less than three years, 66 respondents (44%) had worked there for a period of time that was between three and six years, and 25 respondents (16.7%) had worked there for a period of time that was between six and nine years. The majority of respondents, which accounts for 44% of the sample, are individuals who have been employed by their specific automobile company for a period of time ranging from three to six years.

Table 4 Bartlett's Test and KMO

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.773
Bartlett's Test of Sphericity	Approx. Chi-Square	6382.019
	Df	703
	Sig.	.000

Table shows the outcomes of the sphericity tests that were carried out by Bartlett and KMO. With regard to Hair et al. (2011), the following is one possible interpretation of the test's measurements: 0.90 or higher stands for "above marvellous," 0.8 or higher stands for "meritorious," 0.7 or higher stands for "above middling," 0.6 or higher stands for "mediocre," 0.5 or higher stands for "miserable," and 0.5 or below stands for "unacceptable." It was discovered that the total sample adequacy measure was 0.773, which is a reasonable result and may be acceptable depending on the circumstances. In light of this, it was proved that factor analysis could be carried out on the data set.

Bartlett's test is a statistical method that determines the degree to which the variables are connected to one another. The results of the Bartlett's Test of Sphericity seem to show that the significant value is less than 0.05, with a value of .000 ($p < 0.05$). This is indicated by the findings that are presented in Table . It is possible to draw the conclusion that there exist connections between the variables and that the correlation matrix is not an identity matrix given that the value is significant. The importance of the Chi square is also shown to be significant. On the basis of each and every one of these criteria, it may be concluded that the data is appropriate for factor analysis. Initially, in order to provide a more comprehensive examination of perception, each of the statements was subjected to Exploratory Factor Analysis (EFA).

Analysing The Construct Validity

This section discusses the validity study of the scale that was presented before. The validity of the instrument is determined by the degree to which the scale is able to accurately measure the characteristics that the instrument is designed to evaluate. Combined, convergent validity and discriminant validity are the two most important criteria in establishing construct validity. Measure validity is established when these two types of validity are combined. convergent validity validity On the other hand, convergent validity refers to the degree of correlation that exists between the measure in question and the other measures. In order to determine whether or not an item is convergently valid, the Average Variance Extracted (AVE) from each item that does account for a latent idea that it represents is used. The average variance extracted (AVE) must be more than 0.50 in order to establish convergent validity. The results shown in Table 4.8 indicate that all of the latent variables have AVEs that are more than 0.50, with the exception of customer loyalty, which has an AVE of .497, which is extremely close to 5. As a consequence of this, it is not difficult to proceed with the ongoing structural

model study. The conclusion that can be drawn from this is that all of the constructs have the characteristic of convergent validity.

Table 5 Validity and Convergent Reliability

Sr. No.	Factor	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
1	Assurance	0.751	0.836	0.562
2	Customer Loyalty	0.831	0.873	0.497
3	Customer Satisfaction	0.841	0.894	0.678
4	Employee Interest	0.687	0.821	0.606
5	Loyalty Programs	0.719	0.836	0.633
6	Rapport	0.772	0.834	0.508
7	Relationship Strengthening	0.69	0.826	0.614
8	Reliability	0.806	0.864	0.564
9	Technology	0.726	0.817	0.537

PLS SEM MODEL:

Measurements Model

The statistical examination of the research model's validity, reliability, and potential biases is covered in this part. The reliability of the latent variables—variables inferred from observable variables—was evaluated using the Composite Reliability (CR) and Cronbach's Alpha (CI) coefficients; a score of at least 0.7 indicates high reliability. As suggested by Cheung et al. (2023), the results in Table 4.60 showed good dependability, with CI values over 0.7 and CR values more than 0.7. Factor loadings greater than 0.50 were used to assess precision, which takes the validity of the constructs into account and indicates good convergent validity. Additionally, the constructions' factor loading findings are displayed in the Table. With the exception of CK5, which was removed from the research, all of the factor loadings above the cut-off value of 0.5, indicating strong convergent validity, according to the data? According to Table , all constructs have Average Variance Extracted (AVE) values greater than 0.5, in accordance with the recommendation of Sarstedt et al. (2022).

Table 6 all constructs have Average Variance Extracted (AVE) values

Constructs	Factor Loading	CI	CR(rho_a)	CR(rho_c)	AVE
Customer Knowledge		0.896	0.899	0.923	0.707
CK1	0.809				
CK2	0.887				
CK3	0.881				
CK4	0.834				
CK5	Deleted				
CK6	0.791				
Customer interaction		0.828	0.833	0.886	0.660
CI1	0.844				

CI2	0.837				
CI3	0.814				
CI4	0.750				
Customer value		0.797	0.802	0.88	0.710
CV 1	0.876				
CV 2	0.850				
CV 3	0.800				
Customer Satisfaction		0.779	0.790	0.856	0.597
CS1	0.801				
CS2	0.754				
CS3	0.761				
CS4	0.774				

Discriminate Validity

By comparing the square root of the Average Variance Extracted (AVE) for each latent variable with other correlation values among any other constructs, the discriminating validity is determined (Rasoolimanesh, 2022). The study established discriminating validity when Table showed that the square roots of the AVE values were larger than the off-diagonal correlations.

Structural Model Assessment

According to the first hypothesis, customer relationship management, or CRM, has important practices, and the car industry's performance has a positive and substantial influence on customer knowledge. In the Indian and global logistics sectors, customer interaction and knowledge are positively impacted by it (Beta=0.086, T=2.036, P0.05), as shown by the results shown in Furthermore, the results indicate that in the Indian and global logistics sectors, customer satisfaction is significantly impacted by customer analytics and has a significant influence on CV (Beta=0.304, T=6.815, P0.05). Additionally, according to the third hypothesis, customer pleasure positively correlates with customer knowledge. The results show that in the Indian and global logistics industry, customer satisfaction significantly influences CV and positively influences customer knowledge (Beta=0.306, T=5.500, P<0.05).

Table 7 Path Analysis Result

Path Analysis	Beta Coefficients	Standard deviation	Statistics	P values	Decision
Customer Knowledge→ Customer value	0.086	0.042	2.036	0.042	Support
Customer Interaction→ Customer value	0.386	0.05	7.703	0.000	Support
Customer Satisfaction →Customer Knowledge	0.306	0.056	5.500	0.000	Support

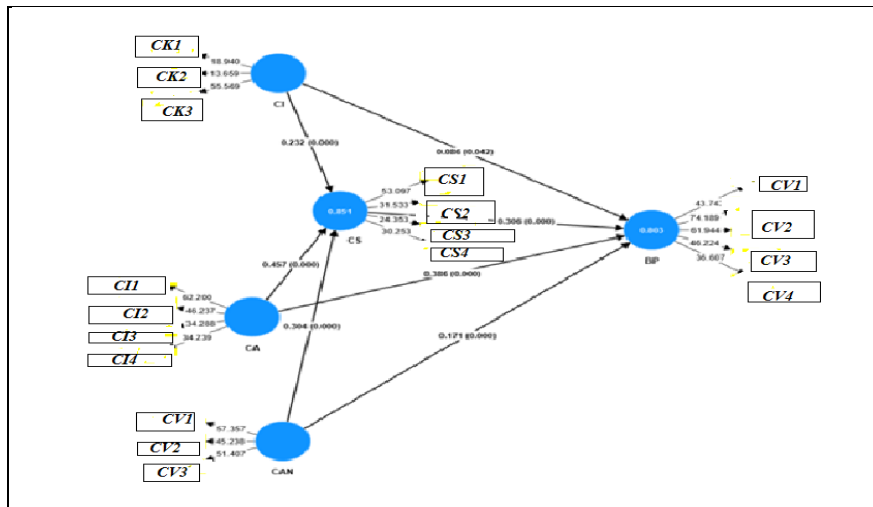


Fig. 1. Path Analysis

CONCLUSION

The automobile industry in India is one of the largest, has had tremendous growth over the course of the years, and has been making a growing contribution to the overall industrial development of the nation. There are many domains in which this dynamic sector has made meaningful contributions. India is quickly becoming the industrial hub of choice for a large number of multinational firms due to the country's potential for expansion and the infrastructure that enables it. A customer relationship management (CRM) system can provide businesses with a considerable competitive advantage, which will assist them in thriving in the current economy. It enables staff members to access all of the prior customer data and makes it easier for management to track the interactions that customers have with firms. Some of the competitive benefits that a business possesses include enhanced customer loyalty, improved service, improved information collecting, increased knowledge exchange, and higher organizational learning. Even though automobile companies are already utilizing CRM technology for the successful implementation of CRM activities, the findings of the study indicated that they still need to be more astute in gathering information about their customers and evaluating the changing needs and requirements of their customers in order to build long-term relationships with their customers.

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