

# A Study on Impact of CRM on Customer Retention by Bharti Airtel Ltd.

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**Abstract:** Customer relationship management is a way of approach to manage the company's interaction with current and potential customers it also uses data analysis about the customer's history with a company to improve business relationship with the customers and it specifically focuses on customer retention and ultimately driving sales growth. Most small to the most medium size business also struggled with the marketing strategies and their plans the struggle is also even bigger when they decide to explore the international market most of them will find it difficult to hire a full-time marketing team are also spend full time hours to allocation of marketing duties to the other employees when they deal with these different countries and cultures of their even when they have discovered a marketing strategy this also produces results it can also become an uphill battle to maintain. Companies prefer putting their marketing campaigns on autopilot mode allowing business owners option to focus their attention on other aspects of the global business marketing automation saves time allowing your marketing to run itself and produce results at identifiable by your sales and marketing teams global CRM is one of the options of marketing automation used by the current business organisations.

**Keywords:** Customer, Retention and Network Selection.

## 1. Introduction

The CRM is designed to help business owners track the database group contacts and keep track of important demographic data and information for marketing purposes a strong global CRM the track conversations phone calls and even assigned task to make sure not one lead or contact gets left in the dark a great CRM helps business owners know who the database is buying when and why this data helps businesses understand the clients and target their marketing to those groups will be more engaged with it the end result is more business development through proper database management. The basic objective of the CRM solution is to improve the customer retention and secondary objective is to increase customer acquisition at a low-cost Without disturbing existing customer relationship and ensuring the smooth transition of a very new customer to a loyal customer for a very long term client.

This research is aimed to understand the impact of global CRM on customer retention of Airtel and the degree of implementation of CRM in the customer retention process in the office of Airtel.

## 2. Review of literature

According to Chen and Popovich (2003), CRM is not a concept that is really new but rather due to current development and advances in information and enterprise software technology, it has assumed practical importance and root of CRM is relationship marketing, which has the objective of improving the long-term profitability of customers by moving away from product-centric marketing.

Bose (2002) noted that CRM was invented because the customers differ in their preferences and purchasing habits. If all customers were alike, there will be little need for CRM. As a result, understanding customer drivers and customer profitability, firms can better tailor their offerings to maximise the overall value of their customer portfolio (Chen and Popovich).

The attention CRM is currently receiving across businesses is due to the fact that the marketing environment of today is highly saturated and more competitive (Chou et al, 2002).

According to Greenberg (2004), CRM generally is an enterprise-focused endeavour encompassing all departments in a business. He further explains that, in addition to customer service, CRM would also include, manufacturing, product testing, assembling as well as purchasing, and billing, and human resource, marketing, sales and engineering.

CRM is also defined as an all embracing approach that seamlessly integrates sales, customer service, marketing, field support and other functions that touch customers (Chou et al, 2002). They further stated that CRM is a notion regarding how an organisation can keep their most profitable customers and at the same time reduce cost, increase in values of interaction which then leads to high profits.

## 3. Statement of problems

Bharti Airtel has also been facing a lot of competition over the past years and the marketers have a tough time in influencing the customers and also the employees. They also face the problem of retaining their customers due to the stiff competition faced from their competitors.

## 4. Significance of the study

The study signifies impact of the organisation in understanding the different interest of the customers and the

techniques to be adopted for better retaining of customers and the employees.

It also helps to understand the impact of global CRM and its process in the customer retention procedure of Airtel.

### 5. Scope

The study has been confined to,

- The present employees working at the Bharti Airtel through personal interviews and also structured questionnaire.

### 6. Objectives

- To identify the degree act which CRM is included in the customer retention practices of the company
- To identify whether CRM helps to increase customer acquisition at a low-cost Without disturbing existing customer relationship.
- To identify whether CRM helps the smooth transition of new customer to a loyal customer to a very long term client.

### 7. Operational definitions

- *CRM*: Customer relationship management is an approach which also manages the company's interaction with the current and potential customers and employees.
- *Customer retention*: customer retention also refers to the ability of the company to retain its customers over the specified period it also means the customer or business tend to return to continue.
- *Marketing*: marketing is the activity of showing and also advertising accompanies products in the best possible way.
- *Loyal customers*: customer loyalty is the likelihood and also the existing and the previous customers that continue purchasing from a specific company.

### 8. Hypothesis

- $H_0$ : there is no association between CRM and customer retention in Airtel.
- $H_1$ : there is association between global CRM and customer retention in Airtel.

### 9. Methodology

The type of research carried out for this project is descriptive in nature primary data are those which are collected a fresh and for the first time and this happens to be pertaining to the current research process data with collected from well-planned questionnaire.

The sampling design also involves the questionnaire to collect data from the samples the question are used in the research consist of close ended questions to extract the

viewpoint of the respondents the type of questionnaire is a structured one secondary data sources of information includes the collection of data to form review of literature introduction and company profile it was carried out by the way of referred journals books and websites.

### 10. Sample design

- Sample size: 100
- Sample technique: Structured questionnaire and personal interview
- Sample selection: Simple random method.

For this research a simple random method of sampling was selected to collect the primary information from a total of hundred samples selected from the total population of the company the selected sample included customers and employees from the lower middle and the top level management.

### 11. Data collection procedure

The primary sources of data were a survey questionnaire, Google form prepared for the employees and customers gathered required information on CRM and its impact on customer retention of the company.

Secondary data were an important part in the study the main sources of the secondary data collection are included as: Different website containing journals a research paper and General information on CRM. Through the information from various literature review company profile and books related to the topic.

### 12. Data analysis procedure

The data collected in the form of questionnaire answered by the respondents from the company the information collected was processed and tabulated suitably by highlighting all the parameters the test statistics were used with the help of MS Excel and Google forms for the presentation of data tables and charts and Bar diagrams for the purpose of data analysis SPSS statistical tool was used

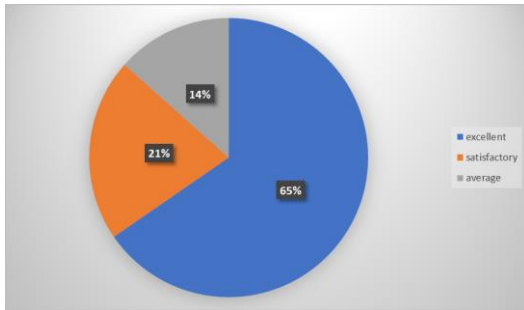
### 13. Limitations

The limitations for the study are as follows:

- It is assumed that the respondents have answered all the questions honestly and the variations and the response will have a direct impact on the accuracy of the interpretation.
- Certain information has to be kept confidential.
- Sample size of hundred may not include all the employees working at the company.
- The sample was chosen randomly.
- The limitations however did not affect in anyway the quality of the study and in fulfilling the objectives set out by the study.

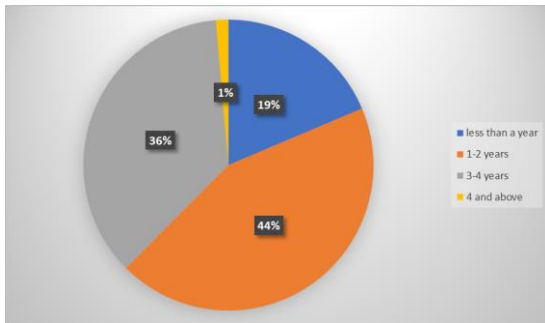
**14. Analysis and interpretation**

Chart-1: How the services are provided by Bharti Airtel



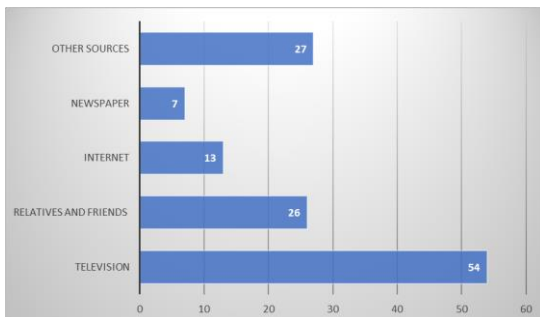
*Inference:* The study shows 65% of the respondents are happy with the services provided by airtel, 21% of the respondents are satisfied with the services provided by airtel and 14% of respondents feel that the services at bharti airtel are average

Chart-2: How long the customers have been using airtel services



*Inference:* The study shows that 44% of respondents are using airtel services between 1-2 years, 36% of respondents are using between 3-4 years, 19% of respondents are using less than a year and 1% of respondents are using airtel services more than four years.

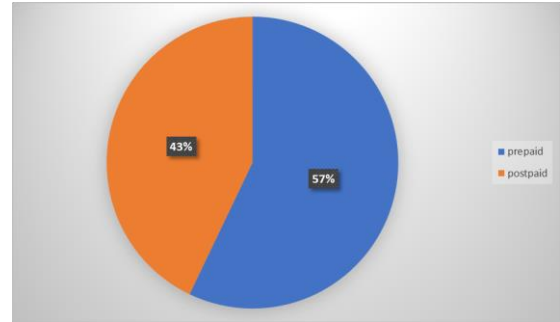
Chart-3: Indicates the sources of information for selecting the airtel services



*Inference:* The study shows 54% of respondents use

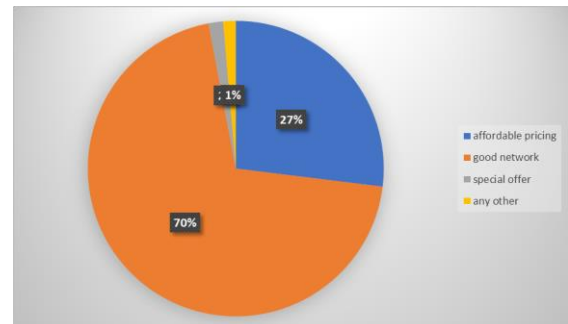
television for selecting their network 26% of the respondents select the network with the help of relatives and friends 13% of the respondents select the network with the help of internet and 7% with the help of the newspaper and 27% of the respondents use network with the help of other sources.

Chart-4: Indicates what type of connection customers use



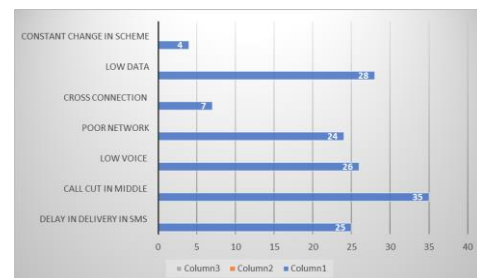
*Inference:* The above study states that 43% of the respondent's use posted as the network and 57% of the respondent's use prepaid as their network connection.

Chart-5: Indicates which of the following features made you opt for a mobile service



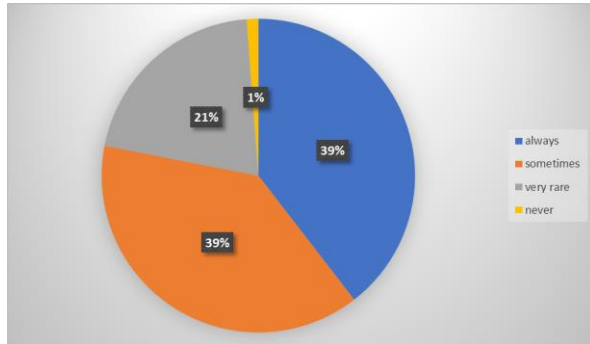
*Inference:* The above chart states that 70% of the respondents have chosen the mobile services for a good network and 20% of the respondents have chosen Bharti Airtel for affordable pricing and 1% of the respondents have chosen this mobile service for other purposes and 2% have chosen Airtel services for the special offers that Bharti Airtel provides.

Chart-6: Indicates the issues faced by the customers



*Inference:* The above study shows that 25% of the respondents have faced issues due to delay in delivery in SMS's and 35% of the responses because of the call cut in the middle 26% for low voice 24% for poor network 7% for cross connection 28% for low data and 4% of the respondents because of the constant change in the scheme.

Chart-7: Indicates how likely you suggest your friends for using the airtel connection



*Inference:* The above study states that how likely the customer suggests their relatives and friends for using Airtel connection so 39% of the respondents have chosen always and 39% have chosen sometimes 21% of the respondents have chosen very rare and 1% have chosen never.

### 15. Findings

- From the above study it can be stated that most of the respondents have been using the Airtel network.
- Majority of the respondents have also been using Airtel connection for a very long time.
- The above study also states that majority of the respondents have chosen Airtel services with the help of different sources.
- Study also shows the type of connections the customers use.
- Study also shows how lightly the existing customers help their relatives and friends for using the Airtel connection.

### 16. Suggestions

- Airtel should focus more on having print advertisements and also focus on promoting their schemes and services.
- Airtel should come up with new services and provide the customers with good schemes and advertise well so that it helps in selecting the connection.
- Airtel should focus more on having creative and innovative schemes that will help the customer use the connection for a long period of time.

### 17. Conclusion

Customer relationship management is a very powerful tool that is used to create an awareness about the network psychologically the customers get more attracted to the schemes and services that is provided by the Airtel and it also determines the decisions to words purchasing the services the customer should be satisfied with the services that are offered by Airtel due to its strategies and schemes the techniques also should be creative and have customer loyalty towards Airtel.

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