"An Empirical Study on the Evaluation of Customer Relationship Management Practices in BSRTC: A Case Study of Commuters of Saran District"

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Abstract

Customer relationship management (CRM) is a strategy for managing relationships with customers in an organized way. Organizations use CRM to learn more about their customer's wants, needs, and behaviors in order to develop stronger relationships. The main goals of CRM are to attract new customers, retain current customers, and entice former customers to return to the organization as well as reduce marketing costs and lower the cost of providing customer service. All businesses need to attract customers and increase profits to stay competitive; transport industry is not an exception to this. The transport industry is operating with both Government owned undertakings and private transport operators. Both employees and passengers/commuters are the important elements of transport sector. In this paper an attempt is made to present the views of commuters on evaluation of satisfaction of commuters towards transport services of BSRTC in Saran District.

Keywords : BSRTC, CRM, Customer Retention, Commuters/Passengers.

Introduction

Customer relationship management is a strategy for understanding your customers and their needs in order to optimize your interactions with them. This philosophy leverages technology to create stronger relationships with former, current and prospective customers while maximizing your marketing and customer service capabilities. CRM seeks to establish long term, committed, cooperative relationship with customers, characterized by genuine concern for the delivery of high quality services, responsiveness to customer suggestions and willingness to sacrifice short term advantage for long term gains. CRM represents a strategy for creating value for both the firm and its customers through the appropriate use of technology, data and customer knowledge.

Bihar State Road Transport Corporation (BSRTC) was incorporated on 1 May 1959 by the Government of Bihar under section 3 of the Road Transport Corporation Act, 1950 as a wholly owned Corporation of the State Government. The Corporation is mandated to provide an efficient, adequate, economical and properly co-ordinate Road Transport. The Corporation is under the administrative control of Transport Department of the Government of Bihar. The Corporation had implemented a scheme under PPP. Under the said Scheme, the Corporation permits private operators to ply their buses on notified routes with road permits issued in the name of the Corporation on a commission basis. Thus under the PPP scheme, the Corporation, in effect, had let out the use of its road permits only.

Objectives of the Study

The following are the specific objectives of the study.

➢ To present the conceptual framework relating to customer relationship management.

➢ To analyse the CRM practices followed in BSRTC with special reference to Saran District.

➢ To know about the views and expectations of commuters of Saran District on CRM practices adopted by BSRTC.

➢ To offer findings, suggestions and conclusions of the study.

Concept of Customer Relationship Management

Customer Relationship Management (CRM) is the strategy for strengthening long-term relationship and enhancing customer value and shareholder value with individual key customer to increase customer satisfaction, customer retention, customer loyalty and finally profitability

Hobby (1999) described that CRM is a management approach that enables organization to identify, attract, and increase retention of profitable customer by managing relationship with them. Likewise, **Bennett (1996)** opined that CRM seeks to establish long term, committed, cooperative relationship with customers, characterized by genuine concern for the delivery of high quality services, responsiveness to customer suggestions and willingness to sacrifice short term advantage for long term gains. CRM represents a strategy for creating value for both the firm and its customers through the appropriate use of technology, data and customer knowledge.

Customer Relationship Management Theory

The study relies on the traditional and modern theories as summarized by Ellen Gifford (2002) and the art of profit of customer relationship management.

Art of Profit: in (1959), Frederick Hertzberg, a psychologist, found that job satisfaction and job dissatisfaction acted independently of each other. The theory states that there are certain factors in the workplace that cause job satisfaction are called motivating factors while the factors that cause dissatisfaction are called hygienic factors.

This theory was related to CRM, safely stated that the hygienic factors are those things that the customer expects whenever they purchase your goods and services.

Motivational Factor: in relation to CRM are those factors that increase sales, lowering price, customer loyalty rewards, expectations (hygienic factors) and are enticed to purchase our goods and services through sales, and other factors (motivational and economic factors).

The Traditional and Modern Theory of CRM: The modern CRM theory refers to the idea of integrating the customer: this new way of looking at the business involves integrating them into all aspects of the supplier's business. The modern approach into CRM is based on satisfying all of the needs of people, system, processes across the customer's organization. The modern approaches rely on customer satisfaction which core issue in Customer Relationship Management today. Comparatively, the traditional approach to customer relationship was based on simple transaction or trade, and little more, one person on each side.

An Overview of Saran Bus Depot

Saran bus depot was established in November 1959. It belongs to Muzaffarpur Zone, its Regional Office is also Muzaffarpur. This zone includes Saran, Darbhanga, and Muzaffarpur bus depots. In the past, the regional office of Saran bus depot was in Chhapra under which Siwan and Gopalganj used to come, but in the absence of the staff the regional office was turned to Muzaffarpur. There is currently no sub-depot of Saran bus depot. From here 27 buses are operated every day, out of which 4 buses (52 seaters) are old and 23 buses (32 Seaters) are new, which are being run from 9th June, 2017. About 2700-3000 passenger travels daily from Saran bus depot, including job holders, students, business men, farmers and others.

Total 120 employees are working here, of which 18 staff are permanently, 42 employees are contractual and 60 drivers and conductors are hired from Nishant Enterprises who are
given 300/Rs per day for drivers and 247/Rs per day for conductors are given on the daily wages base. The over time allowances are not given to them. Presently buses of BSRTC of Saran depot are earned 28-30/Rs. per kilometer by maintaining all expenses. The depot is giving 8 to 9 lakh rupees per month to the corporation therefore; financial position of Saran bus depot is satisfactory.

Review of Literature

Maryam Sotoudeh (2006) found that no significant difference in the CRM implementation factors according to "job position" and "customer relations perspective" in tourism SMEs. The study also felt that poor communication is the important barrier for CRM implementation. Also, internal problems like lack of specialized and skillful human resource or insufficient budget cause the obstacles for CRM implementation.

Purnima S. Sangle and Sanjeev Verma (2008) focused on Indian service sectors' experience on CRM implementation. They identified and analysed various determinants of adopting CRM in Indian service sectors. They also explored the motivational factors and practices for implementing CRM in Indian context.

Berndt, A. F. Herbst, and L. Roux (2005) noted that the implementation of CRM is beneficial to a company because it is a strategy for acquisition, retention and overall customer profitability which in turn ensure long term survival of the company. From a company's point of view, CRM is a strategic view of how to handle customer relationships while from a profitability perspective, the strategy deals with how to establish developed and increase customer relation, based upon the individual customer needs and potentials.

Shruthi V.K. & Dr. T.S. Devaraja (2011), observed that CRM practices of software service firms are more structured and organized. They do adopt formalized and intensified practices of account management to grow the account. From the point of view of Indian software service firms, CRM is a strategic tool which can be used to understand and profitably manage the customer relations.

Limitation of the study:
- ➢ The study confined only to 270 respondents.
- ➢ The study has been conducted only in Saran District's Commuters.
- ➢ The Scope of the study is limited to evaluation of Customer Relationship Management Practices in BSRTC with special reference to commuters in Saran District.
- ➢ The findings are based solely on the information provided by the respondents and there is a possibility of biased results.

Research Methodology

Descriptive research is used in this paper, as it gives the deeper insight to the research problem. The study is limited to only commuters of Saran district. It assesses the preference of choosing means of travelling by the respondents. The populations are the people who are travelling through BSRTC bus. Sample of size 270 is taken. Stratified random sampling methods have been used for the study. The primary data have been collected using a structured questionnaire as well as personal interview method while secondary data have been gathered from the published sources, survey, websites, journals and working papers.

Data Analysis

The survey results are organized as follows. In the first section, the demographic profile of respondents is presented. Where 270 people respond is taken into consideration.

Demographic Profile of the Respondents

Table - 1

Category	Particulars	Frequency	Percentage
Age	Below- 20 Years	27	10
	21-40	176	65
	41-60	54	20
	Above 60	13	5
	Total	**270**	**100**
Gender	Male	243	90
	Female	27	10
	Total	**270**	**100**
Occupation	Employees	68	25
	Farmers	40	15
	Business Men	108	40
	Other	54	20
	Total	**270**	**100**

Source: Primary Data

The Table.1 reveals the demographic profile of the respondents. On the basis of demographic profile we can make the following analysis.

According to changes in the marketing activities of BSRTC

Table - 2

Response	Frequency	Percentage
Yes	54	20
Something	162	60
No	54	20
Total	**270**	**100**

Source: Primary Data

The respondents are asked to give their views on whether they have observed any changes in the marketing activities of BSRTC. Majority of respondents expressed that they observed something changes in the marketing activities.

What changes observed
Table - 3

Response	Frequency	Percentage
Collection of complete data about Commuters	68	25
Technological advancement	54	20
Frequently organizing customer awareness programmes	27	10
Customer awareness campaigns through pamphlets and ads in the media	40	15
Better behavior by drivers and conductors	81	30
Total	**270**	**100**

Source: Primary Data

The respondents are asked to give the type of changes observed by them in the marketing activities of BSRTC. The significant changes observed by them include

- ➢ Better behavior by drivers and conductors
- ➢ Technical changes
- ➢ Collection of complete data about commuters.

What type of information is gathered by BSRTC
Table – 4

Response	Frequency	Percentage
Personal details and requirements	41	15
Professional details and requirements	21	8
Family details and requirements	19	7
All the above	189	70
Total	**270**	**100**

Source: Primary Data

As per the analysis 55% of respondents responded that BSRTC collected information relating to personal details, professional details and family details etc. These details are necessary for BSRTC to plan and implement CRM practices.

Technological Advancement adopted by BSRTC
Table – 5

Response	Frequency	Percentage
Online booking of current and advance tickets by Mobile Apps	135	50
Data kept in BSRTC portal	68	25
Tele contact by higher management	40	15
Provides information through WhatsApp group	27	10
Total	**270**	**100**

Source: Primary Data

The technological advancements adopted by BSRTC include online booking of current and advance tickets, up to date data kept in BSRTC portal etc. The views of respondents are recorded in Table 5

Technological ways adopted by BSRTC to reach commuters

Table – 6

Response	Frequency	Percentage
Customers awareness pamphlets	27	10
Ads in media	54	20
Posters sticked in buses	162	60
Ads through social media	16	6
Speakers in buses.	11	4
Total	**270**	**100**

Source: Primary Data

The details of technological ways which are used by BSRTC to reach commuters are through posters sticked in buses, advertisements in media, and consumer awareness pamphlets etc. As per the
analysis is available from above Table.

Chart 1 Technological ways adopted by BSRTC to reach commuters
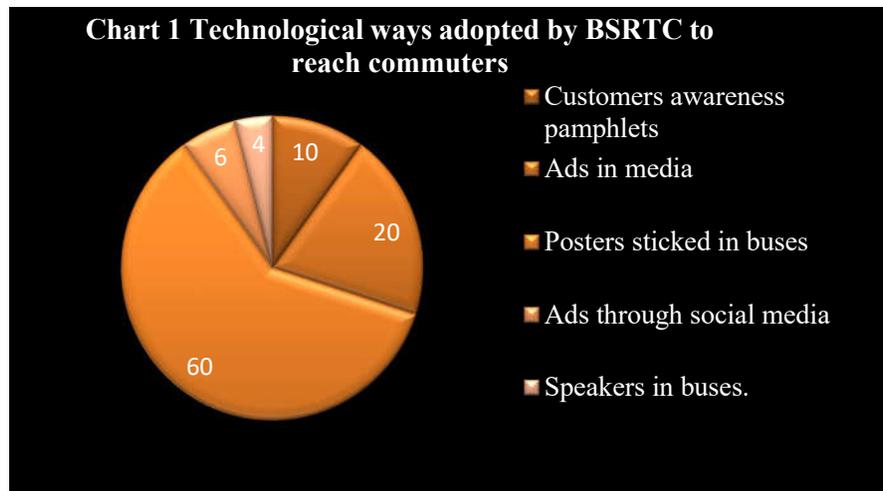
Opinion on publicity material

Table – 7

Response	Frequency	Percentage
Being read and understood by the commuters	81	30
Creating unnecessary confusion to commuters	13	5
Useful for an easy explanation / counseling	149	55
A marketing gimmick by transport organizations	27	10
Total	**270**	**100**

Source : Primary Data

The view of respondents on publicity material is furnished in Table 7. Majority of respondents observed that the publicity material is useful for easy explanation of CRM practices which are having implemented by BSRTC.

Chart -2   Opinion on publicity material
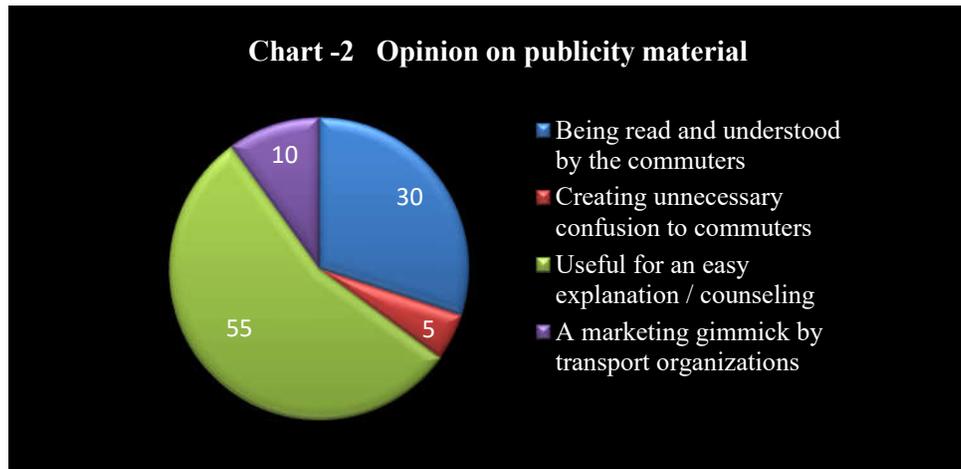
Service provided by BSRTC

Table-8

Response	Yes	Percentage	No	Percentage
Availability of buses at scheduled time	216	**80**	54	**20**
Giving stops at each bus stand	208	**77**	62	**23**
Overload of passengers	203	**75**	67	**25**
Misuse of Reserved seat	248	**92**	22	**8**
Quick grievance redress	67	**25**	203	**75**

Source: Primary Data

As per the analysis most of the commuters responded that mostly buses are available at the schedule time and giving stoppage at each bus stand while the corporation buses usually carry the passengers more than its seating capacity, but commuters are also replied that grievances are not redressing quickly.

Are You Satisfied with CRM practices followed by BSRTC

Table – 9

Response	Frequency	Percentage
Yes	81	30
No	189	70
Total	**270**	**100**

Source: Primary Data

According to the analysis most of the respondents are not satisfied with the CRM practices followed by BSRTC. Because CRM practices are not implemented in the proper manner due to not availability of enough resources and proper training of the employees of the Corporation.
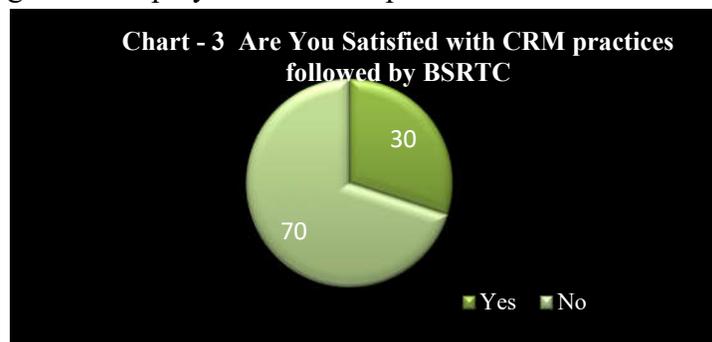
**Views and expectations of commuters of Saran District on CRM practices adopted by BSRTC**

Table – 10

Response	Frequency	Percentage
Improvement of technological advancement	41	15
Provides various tour package like CAT cards, Vanitha family, Couple gift cards, Jubilee tickets etc.	67	25
Provides better facility for daily commuters	41	15
Best behavior with Commuters	32	12
Employees are aware towards CRM practices	27	10
Employees has got trained for CRM practices	27	10
Provide separate CRM/Customer care department for quick grievance redressed of the commuters	35	13
Total	**270**	**100**

Source: Primary Data

As per the above analysis a large number of commuters have some expectation like various tour package, technological advancement and best behavior etc. with the proper implementations of CRM practices.

Findings

➢ The profile of the respondents reveals that majority of customers are in age group of 21-40, male

Chart -4 Views and expectations of commuters of Saran District on CRM practices adopted by BSRTC
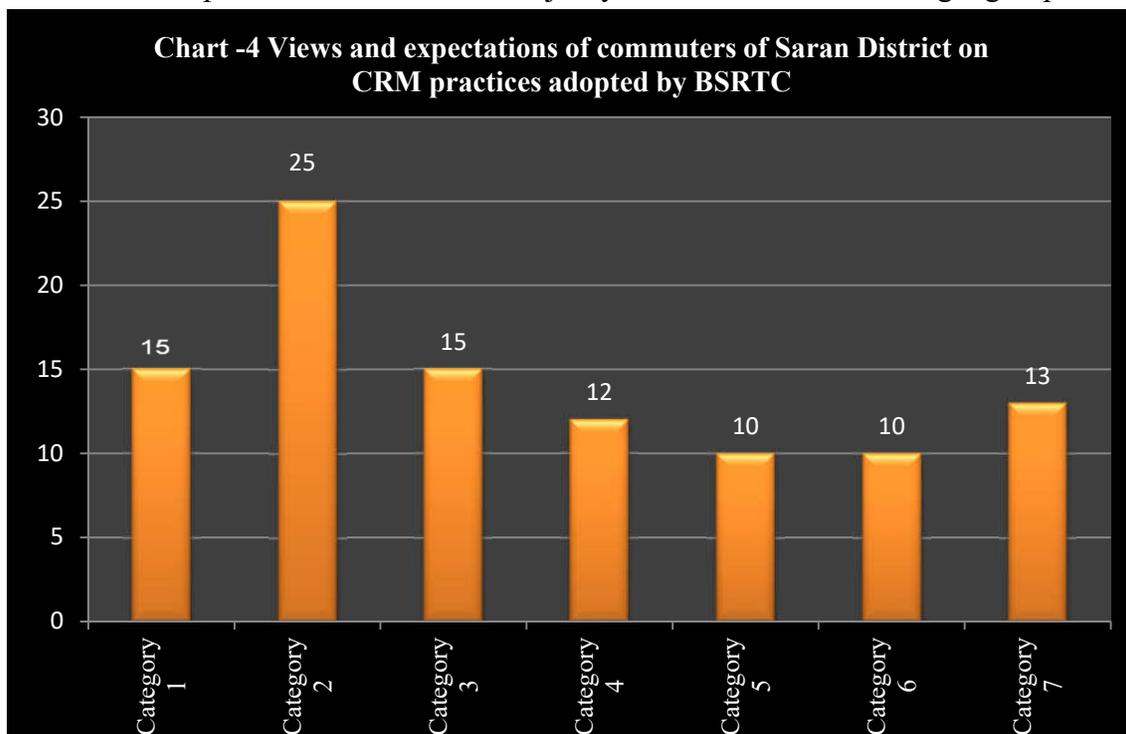
respondents dominate over female respondents, and a very high proposition of respondents had below graduation as their qualification and the occupation wise reveals that business men are more.

➢ It is interesting to observe that majority of respondents have observed that, changes in the marketing activities of BSRTC took-place. The changes include collection of information about customers, technological advancements and frequently organizing customer awareness programmes etc.

➢ The type of information collected by BSRTC for planning of CRM and its activities include personal details, professional details and family details. This is observed from the analysis of the data.

➢ The study reveals that, the technological advancement is useful in getting the requirements of information about on-line booking of current, advance tickets etc, for commuters met fast and updating of the latest information.

➢ The opinions of respondents on publicity material show that it is useful for easy explanation and counseling. The majority of commuters have endorsed their views.

➢ Majority of respondents agree that, the views of CRM like help to provide information to commuters improve relationship with BSRTC, improve the image of BSRTC in long run etc.

➢ It is evident that, the BSRTC is able to improve the customer relationship through implementation of various schemes. The majority of the respondents expressed in this regard.

➢ The study reveals that most of the respondents have given complaints regarding the services of BSRTC. The major complaints include delay in running busses, overload of passengers, misuse of reserve seat, cancellation of busses and refund of money on tickets, etc.

➢ The complaint handling approach was not satisfactory to majority of respondents.

Suggestions

✓ **CRM – a strategic tool**

CRM should be used as a strategic weapon to gain the competitive advantage in this intensified competitive environment in the BSRTC. So, proper care should be taken to add managerial and human aspects along with the technological updating of CRM.

✓ **Human aspect of CRM**

More human intervention should be there than machine intervention when focusing on building humanistic relations with customers. These machines, technology, should be complementary to the human efforts in implementing CRM in the service sectors, especially in the Road Transport Sector.

✓ **CRM as Managerial Process**

CRM should be viewed more as a managerial process than as a technological tool; till now people believed that CRM is a more sophisticated technological tool which is a complete remedy to all the commuters related problems. But CRM may not be a panacea for all the relationship problems if it is viewed as a technological tool. More and more qualitative judgments need to be made to create, maintain and sustain the profitable relationships with commuters.

✓ **CRM – Prerequisite to BSRTC**

CRM is important to service sector and especially important to the BSRTC because this need to maintain long term relations with passengers/commuters.

✓ **CRM as a Cost - saving tool:**

Majority of the employees i.e., top, middle and lower cadre believe that CRM will add cost to the organization. But in real sense, CRM will reduce marketing, sales and administrative costs drastically if it was understood properly. With proper prospecting of passengers/commuters there will be increase in the win rates/fares through which the productivity of the employees will get improved, which saves lot of cost to the marketing department. Customize the services and products through which it can improve the customer retention rates, which in turn will decrease the administrative costs.

✓ **Update CRM programmes to employees**

The BSRTC should communicate the CRM policies and objectives to all the employees irrespective of their designation. Those employees are need to aware of the changing programmes and activities of CRM practices time to time, and also equipped with the proper knowledge of passengers /commuters.

✓ **CRM is the job of all the employees**

  Even though the BSRTC having separate CRM/Customer care departments and delegating the responsibilities of customer relations, the BSRTC need to make all the employees accountable for the everlasting relations with passengers/commuters.

✓ **Creating CRM Culture**

  Specialised training and development programmes need to be provided to the employees to CRM culture in the organization. To induce CRM culture among the employees of different departments, specialized and differentiated training and development programmes need to be designed and implemented. Proper HRD initiatives need to be taken to create and sustain CRM climate in BSRTC.

Conclusions

On the basis of the above study, the researcher conclude that the corporation has adopted customer relationship management but not getting success, commuters are not satisfied with present customer relationship management practices adopted by the Corporation. Because lacking of technological advancement, non-accountability of the employees towards the CRM culture, not providing proper training of the employees for CRM as well as not having separate CRM/customer care department these all are the reasons for failure of CRM of the Corporation. Therefore, the Corporation should resolve the above problems on priority basis. Hence a successful CRM requires a combination of managerial commitment, cultural change and a combination of resource and technology to achieve the needed result. A proper planning and implementation of CRM practices will go a long way in reducing the losses and improve its profitability over the next few decades to come.

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