

# Customer Relationship Management Practices of Small and Medium Enterprises: A Case Study of Gazipur District

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## Abstract

This study has focused on the implementation, awareness, problems, focuses & future of CRM in case of Small & Medium Enterprise. Hence the present study may turn to be a guideline for the owners, administrators, managers & policy makers of SSIs on the successful implementation of CRM in their industries. In this research we analysis the data through Chi square test, it is proved that there is an association between the awareness about CRM practices & maintenance of Database of customers in Small & Medium Enterprise. Hence, we can conclude that the awareness about CRM practices & maintenance of Database of customers are dependent on each other & has an association between them. There is an association between awareness on CRM practices & Customer Care Helpline. This statement is significant as tested by the Chi Square test. From the testing of hypothesis, it is proved that CRM awareness is dependent of Feedback mechanism in Small & Medium Enterprise. When tested the statement that whether the focus on CRM is associated with the age group of respondents, it was found that the focus on CRM is associated with the age group of respondents. It was found that the CRM implementation is dependent of type of industry i.e. whether the company is into Goods or Services. From the analysis we can say that in small scale industries the CRM practices are implemented or not are dependent on the number of employees. It is also proved through the chi-square test that maintenance of the Customer Database is dependent of Feedback mechanism in Small & Medium Enterprise. It means that the companies who generally have customer database also have the feed-back mechanism.

**Keywords:** CRM, SME, Gazipur

## Background of the Study

Marketing stands at the basement of the framework of successful management. Any company cannot sur-

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vive without the successful implementation of marketing functions. Marketing is important in all areas of the organization and customers are the reason why business exists. In today's marketing scenario, the marketing functions are continuously changing in tune with the changing challenges that are being faced by the companies at the market fronts. Retaining of customers is a much more challenging job than acquiring customers in the context of growing competitive forces. Thus, the traditional transactional approach of marketing became insufficient to achieve the marketing goals. This scenario necessitated the emergence of a new approach namely Relationship Marketing. The relationship marketing approach differs from the traditional transactional approach in many ways; some of them are as explained below. The focus of transactional marketing approach is on individual transaction & it is not focusing on continuous relationship with customers. The framework of transactional marketing does not contain a strategic long-term perspective. There is more focus on the 4P's of the marketing i.e. Product, Price, Place & Promotion. Transactional marketing approach centre on tentative adjustment process as regards performing marketing functions. In transactional marketing approach, the Customers are viewed as outsiders to the business. Under transactional approach customer's expectation, satisfaction, multiple influences on their decision-making process etc are not given due significance. Very little attention is paid to customer services & customer commitments. The thrust of transactional marketing is on gaining more & more new customers rather than retaining existing customers.

CRM is a generally recognized, widely-implemented strategy for managing and development a company's interactions with customers. It is a process designed to collect data associated with customers to enhance the relationship between an organization and its customers. This is can be achieved through developing process customer acquisition, customer retention, and customer expansion.

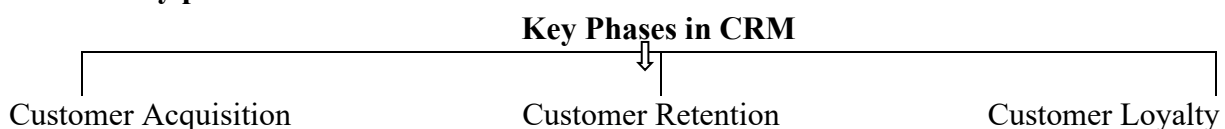
Customer relationship management or CRM means differently to different people. It is not just the term but also the abbreviation that is taken differently by various parties. Popularly it is used to refer customer relationship management, but it has also been used to refer to customer relationship marketing. Some groups believe that not all customers need a relationship with the organization. And hence they omit the word relationship calling it customer management.

But, by far customer relationship management still remains most popular and accepted (**Buttle, 2004**). No matter what it is called, CRM is a business practice which stands on the principle that customer should be at the focus of every organization. Customer Relationship Management has been developed from the concept of relationship marketing.

However, even though the widespread and blooming usage of CRM, there was no universal identification of it. A simple definition by Payne and Ryals (2001), defined CRM as "a concept that includes the stages of establishment, development and maintenance of a long-term relationship between customers and companies which should benefit not only companies, but both sides."

## The Key phases in CRM

The three key phases are:



**Figure: Key Phases in CRM**

### **Customer Acquisition**

A simple definition of "Customer Acquisition" is the process of acquiring or obtaining new customers, and/or converting prospects to customers. Successful CRM begins with the acquisition of the right customers. The cost of acquiring new customers is considerably higher than the cost of servicing existing customers. Adding a new customer costs three to seven times more than keeping an existing one. Firms have tried out various ways to acquire new customers by spending less on the acquisition costs.

The cost of acquiring new customers includes the cost of sales, promotions, branding, customer trials, etc. Therefore, the ratio of customer acquisition to retention becomes very important for the firm. CRM can enable better retention and therefore enable the firm to enjoy a better ratio between acquired and retained consumers. Studies by U.S based Bain and company have shown that a customer becomes more profitable with time because the initial acquisition cost exceeds gross margin while the retention costs are much lower. When an organization retains a customer, it gets a larger share of the customer's wallet at a higher profit - one percent increase in sales to existing customers increase profits by 17 percent while the same amount of sales to new customers increase profit by only 3 percent. Companies can boost profit by increasing annual customer retention and further the probability of selling a product to a prospect is much lesser than the probability of selling a product to an existing customer. Hence, since it costs many times more to acquire new customers, the firm should ensure that customers once acquired should be retained and that their Customer Lifetime Value realized to the maximum possible extent. Customer Lifetime Value is the present value of the future cash flows attributed to the customer relationship. Firms should invest in an appropriate consumer segmentation process once a new consumer is acquired, to target them appropriately for future sales generation.

### **Customer Retention**

Customer Retention is the process of keeping, sustaining, and growing the relationship of consumers with the company and its products and services. It is the process of keeping customers loyal to a company for an unending period by meeting the needs and expectations of customers and is a significant contributing factor in the growth rate of businesses. Customer Retention has replaced cost effectiveness and cost competitiveness as the greatest concern of business executives today. The foundation of CRM is built on an iterative process of learning and customization. Companies interact with customers, treat them as organizational assets, learn about them and through the process of incorporating feedback and co-creation, develop a level of intimacy with them. This serves the objective of better marketing investment prioritization as improving marketing intelligence will definitely aid firms in improving the selling context.

### **Customer Loyalty**

Building customer loyalty is the basic platform of relationship formation. In a highly competitive and challenging business environment, organizations are really blessed if they are fortunate, they have loyal customers in their customer inventory. With a backup of loyal customers, the organization could enjoy a number of advantages. In short, having loyal customers will serve as sustainable competitive edges to the organization concerned in the present-day context. Therefore, organizations should keep "building customer loyalty" as their prime agenda. This chapter provides detailed insight to the readers on the following aspects relating to building customer loyalty.

## Literature Review

In order to fulfill the set objectives of the study, it is absolutely necessary to do a comprehensive review of the available literature. It is a well-known fact that the Review of literature is an indispensable thing for the research process. The review of literature helps in identifying the gaps & also gives the knowledge on the recent trends in the field of the research. With this intention in the mind, the researcher has undertaken a detailed review on the available literature with the information in the form books, journals, theses, website contents, research papers, newspaper articles & the databases. This review covers the various aspects of the CRM & current trends in CRM. The literature on the topic of CRM is recent one, since the term CRM itself has evolved in the 1990s & CRM has only lately drawn the attention of management. While going through the available literature, it was found that many academicians, marketing theorists, practitioners & researchers have extensively studied the topic of CRM, its different aspect & the current trends in detail.

**Mohammad Rizwan Alam (2012).** Relationship marketing is one of the recent marketing phenomena, which is employed to enhance business through social exchange along with traditional discrete exchange. The need of relationship marketing is increasingly realized as the market is faced with the fiercest competition ever. Also, the customer has become choosier, demanding, and need more attention. To satisfy such customers, relationship approach of marketing is more financially rewarding than just the typical traditional marketing approach. He has given the framework of Relationship Marketing & also explained in detail the managerial implications of the relationship marketing.

**Basar Oztaysi, Selime Sezgin & Ahmet Fahri Ozok (March 2011):** They studied on the topic “A measurement tool for customer relationship management processes Customer relationship management (CRM) projects has a low success rate, which can be solved.

**Suriana Ramli, Jamil Bojei and Rosmimah Mohd Roslin (2011).** Customer Relationship Management (CRM) has made significant inroads into business development. It has become the core organizational process that focuses on establishing, maintaining and enhancing long term association with customers. Consumers have different needs and expectations whenever they interact with front end customer service and not every customer is willing to engage in close commercial relationships with service firms in the same manner. As such, employees’ practical intelligence in dealing with these varieties is crucial towards a successful interaction and improved customer relationship performance. The aim of this paper is to develop a conceptual model based on Sternberg Successful Theory of Intelligence, Social Facilitation theory and Theory of Reasoned Action (TRA) which account for the distinct cognitive, emotional, and behavioral patterns people develop in relationships.

**Swati Singh and Manju Lamba (2011).** customer touch points are not considered equal from the customer end, this research attempts to establish which customer touch points are very important. In order to accomplish the objective of the study both primary and secondary data was collected. Ten apparel retail outlets were visited to find out major customer touch points is apparel retailing; the apparel retail outlets were selected on the basis of convenience. The reliability of data was checked with the help of Cronbach’s alpha test, the value of alpha for the data was 0.804 which is greater than 0.6 showing the data is reliable and suitable for the analysis. KMO test was applied to test sample adequacy, the resultant value was 0.798 which is greater than 0.50 showing that the sample was adequate for the study. In the conclusion, they have mentioned that, the study establishes the importance of customer touch points in CRM. The efficient management of customer touch points is instrumental for any effective Customer Relationship Management initiative. The research studies the customer touch points relate to apparel retailing.

**Deepali Singh, P. Acharya and Arun Kumar (2011).** Customer relationship management is an effective weapon for the business organizations to sustain their position and to survive in the market. The goal of their study is to identify the major constructs of CRM from the rural customer's point of view specifically catering to Indian banking sector. 41 rural banking customers who were attending a training program (NAREGA) were interviewed and asked for the major issues they are having while dealing with their bank followed by data collection through schedule and a usable sample size of 250 was obtained. The factor analysis is performed to identify the major CRM constructs based on which authors have proposed a framework, which is validated through confirmatory factor analysis. One of the major findings of this study clearly indicates that Indian banks are not at all concerned with proper implementation of CRM specifically in rural areas. Rural customers represent a major chunk of Indian banking customers but still the banks are not giving proper attention to them. Academically even though there is a vast literature availability specifically catering to Indian banking sector there is a lack of studies pertaining to rural customer's point of view.

**Yogita Narang, Atul Narang, Dr. Shalini Nigam (2011).** They have drawn conclusion that information technology and the communication networking systems have a crucial bearing on the efficiency of money, capital and foreign exchange markets and have manifold implications for the conduct of monetary policy. In India, banks as well as other financial entities have entered the world of information technology and computer networking with INFINET. While analyzing the CRM Implementation in private sector banks, it was found that few Private Sector Banks have been able to implement the CRM practices. This indicates that Private Sector Banks have been quite innovative in understanding their customers and in building good relations with them but these will have to improve the level of efforts needed to keep customers satisfied.

**Vikas Choudhary and Narendra Dhansoia (2010):** They have written the research paper on the topic of "Building customer focused organizations for superior performance through customer relationship management". They have explained the various CRM definitions & CRM perspectives. A conceptual CRM framework is also given in a diagrammatic way which is self explanatory & focuses on strategy development process, value creation process, multi-channel integration process and performance assessment process. There are the case studies of IBM, Wipro Technologies & Bharti about the implementation & the issues of CRM.

**Eshghi, Abdolreza, Ganguli, Shirshendu and Nasr Bechwati, Nada (2009).** They have explained relationship marketing as service in b2c markets, relationship marketing as superior customer value and relationship marketing as relational exchange. In a tabular form, they have given Comparison of the Research Streams and The Four-Stage Framework for implementation of the relationship marketing. The purpose of this paper is to describe research streams in relationship marketing and offer a critical evaluation of each with reference to major themes, contexts, and weaknesses. They have also identified what is common among all these streams. They conclude by offering a comprehensive definition of relationship marketing and a framework that integrates all relevant.

**Robert Gee, Graham Coates and Mike Nicholson (2008):** They have written a research article entitled "Understanding and profitably managing customer loyalty." The paper concludes with practical implications for managers. The literature surrounding customer loyalty, customer satisfaction, effective CRM and managing loyalty in a profitable manner are all reviewed. The paper allows managers to consider a wide range of material in the context of their business. The need for businesses to retain customers is an important issue in today's global marketplace. To retain customers, a business must forge loyal and long-

term relationships with profitable customers. Reasons why customers leave a company are discussed, and preventative strategies are considered. Loyalty schemes are considered and their relative merits examined. A key implication of this paper is the need to focus attention on managing customer loyalty in a profitable manner. Certain theories hold the view that generating customer loyalty will automatically drive profits. This paper suggests that this is probably not the case. Given this, the paper calls for data analysis and database segmentation to be considered as an integral part of profitably managing customer loyalty.

**Clottey Toyin A., Collier David A. & Stodnick Michael (2008).** In "Drivers of Customer Loyalty in a Retail Store Environment" study on the determinants of customer loyalty which based on a survey of 972 customers. An ordered logistic Regression is used to estimate the proportion of a retailer's customers who are willing to recommend the retailers products to others based on survey results. Statistical results document that service quality, product quality and brand image drive customer loyalty as measured by a customer's willingness to recommend the retailer's products to other people. Service management managers can improve these drivers of customer loyalty by better training, recognition and reward programs, day-to-day store operations, and job, product, process and store design. Given the general research objective of defining a universal model of what drives customer loyalty in a diverse set of industries, this research provides additional statistical evidence to support the theory that brand image, product quality, and service quality determine customer loyalty.

**Pooja & Andotra (2008 )**; They have examined value delivering strategies of 103 SSIs based on 200 customer responses reflecting satisfaction, loyalty and brand switching behavior in Kathua district of J&K State. More important, this study suggested that switching behavior is influenced less by customer evaluations of brands and product cues than by alternative attributes of complaint handling and past experiences discussed here, the migration literature has much to offer to those interested in understanding customer switching behavior.

**Lakshman Jha (2008):** - He has explained about the various types of CRM & the variations among them. He has also discussed about the privacy & the data security issues which come in the implementation of CRM. The book also focuses on the market structure of the CRM & the top software vendors used by the companies for the implementation of CRM projects. The book gives us a clear understanding on the different types of CRM & future of CRM which is very useful for the current study.

**Thuy Uyen H. Nguyen, Joseph S. Sherif and Michael Newby (2007);** Customer relationship management (CRM) is an information system that tracks customers' interactions with the firm and allows employees to instantly pull up information about the customers such as past sales, service records, outstanding records and unresolved problem calls. This paper aims to put forward strategies for successful implementation of CRM and discusses barriers to CRM in e-business and m-business. The paper combines narrative with argument and analysis. CRM stores all information about its customers in a database and uses this data to coordinate sales, marketing, and customer service departments so as to work together smoothly to best serve their customers' needs.

**Mosad Zineldin, (2006).** the customer database and CRM strategy are well structured; and that management control systems have the capacity to produce required data for the analysis. Changing in quality over time within various segments or related to specific products or categories of products/services can be used as an indicator the level of loyalty. By linking infrastructure, interaction and atmosphere indicators to the quality of object and processes, researchers and managers can document which changes in CRM strategy improve the overall satisfaction and competitive position are through customer relationship management (CRM) and product/service quality. A company has to create customer

relationships that deliver value beyond the provided by the core products. In their study a new technical-functional 5 qualities model (5Qs) is created and utilized to measure the quality and loyalty.

**Lawrence Ang & Francis Buttle (August 2004)**, Customer acquisition is of major importance and demands attention as the first stage of the customer life cycle. Our research shows that companies are not particularly skilled at managing the customer acquisition process. Less than half have a dedicated customer acquisition plan. We find that one variable distinguishes companies that excel at customer acquisition - they have a budget dedicated to customer acquisition activities. The presence of an executive tasked to manage customer acquisition, an understanding of the economics of customer acquisition, and the deployment of CRM technologies to support customer acquisition was found not to be associated with excellence at customer acquisition.

**Peeru Mohamed & A Sagadevan (2003)**; They have explained why the companies should focus on CRM & gave some of the reasons why companies are losing their customers. They also focused on the things which are important for building customer relationship management. Also, an insight into the CRM & eCRM is given in detail with the process of CRM. A detailed chapter is present on the CRM implementation & integration of CRM with ERP & Data Warehouse.

**Yun E. Zeng, H. Joseph Wen and David C. Yen, (2003)**. Customer relationship management and business-to-business (B2B) are essential to the success of modern business. Although, they are two different modules, they share many similarities. The integration of CRM and B2B will benefit all related parties in business processes, including sale, marketing, customer service and information support. This article discusses the characteristics, similarities and differences of B2B and CRM. It also explores the CRM-B2B integration strategies, the current issues and their future development trends. In this article, the characteristics of CRM & future trends of CRM are very relevant & useful for our current which is one of the objectives of our study.

**Rado Kotorov, (2003)**, He gives the introduction of CRM in various settings, from departments to corporations, and the changes, commitment and support that are required to make the implementation of it a success. He points out that CRM is a strategy not a solution and can provide enormous competitive advantage if implemented in a cooperative environment. He also points out that the committed involvement of senior management is essential in promoting and supporting the concept of customer relationship management within the organization. He looks at what might be emerging in the future and how customer relationship management may be used in different areas of business, such as human resources.

**Buttle Francis & Burton Jamie (2002)**. There is a general consensus that customer loyalty to service providers is not solely dependent upon their level of satisfaction or dissatisfaction. However, the identified antecedents of loyalty remain, at best, highly speculative. The aim of this extensive literature review is to give some understanding of the nature of customer loyalty and the antecedent effects of service dissatisfaction. The research reviewed suggests that customer loyalty is an altitudinal state, reflecting value, trust and commitment within supplier-customer relationships. Satisfaction is one of several antecedents of loyalty. A key influence on loyalty is the offer of unique value-delivering advantages not provided by competitors. Thus firms need to develop positive value-based exit barriers to achieve loyalty. When service failures occur, the recovery process is likely to have a greater impact on loyalty than the original service failure.

**Alok Kumar Rai (2002)**; He has given the psychological perspective of Relationship & given explanation on few important theories offered by social psychologist on relationship. He also explained in detail the

purpose of relationship in which he has differentiated between the transactional marketing & relationship marketing. He has given the details on emergence of CRM & the factors responsible for the growth of CRM. Overall, the book very useful Sc gives a very detailed explanation on the basics of CRM.

**Martin Christopher, Adrian Payne & David Ballantyne (2002)** ; They explained the domain of relationship marketing by giving the Anglo-Australian approach & Nordic Approach. They have explained in detail about the evolution of relationship marketing with the major areas of marketing focus during different era. They discussed in detail about how to go about creating the value for the customer through relationships. Also, they focused on the transition from transactional marketing to the relationship marketing and also gave the fundamental principles of relationship marketing. The Relationship marketing orientation & the expanded marketing mix is explained in detail & how processes cut across conventional functions is justified. The CRM process is explained & also the authors have discussed on the value creating relationships in b2b & b2c relationships is given its due importance in the book & they discussed on the b2b & the b2c segmentation and the relationships.

**Parvatiyar Atul & N. Sheth Jagdish (2001)**; They explore the conceptual foundations of CRM by examining the literature on relationship marketing and other disciplines that contribute to the knowledge of CRM. They have also studied the emergence of CRM in depth & also explained in detail about what exactly is CRM. A CRM process framework is proposed that builds on other relationship development process models. They have given the diagrammatic explanation of customer revenue & cost relationship. CRM implementation challenges as well as CRM's potential to become a distinct discipline of marketing are also discussed in this paper. From an academic standpoint an important question is whether CRM or relationship marketing will become a well-respected, freestanding, and distinct discipline in marketing. The author's belief is that it certainly has the potential, and they wish that it would happen because marketing will benefit enormously from it.

**Gordon,( 1998)**. In order to create a solid and lasting relationship with your customers, you must conduct a needs assessment, in order to know what they want. It is impossible to form a relationship with your customers unless you get to know them. Your company should strive to provide additional value to your customers by researching and anticipating what they want.

With reference to the our research study, the book is extremely helpful because it covers the important topics such as Customer Acquisition, Customer Loyalty, Customer Retention etc. The book is very helpful, since the topic of CRM process & reasons for loosing customer are very relevant to our research study.

**Christian Groonroos (1994)**: He has written a conceptual paper on the topic of "From marketing mix to Relationship Marketing: Towards a paradigm shift in marketing". The paper examines that how there was a paradigm shift from marketing mix to relationship marketing. He has very well explained how the marketing mix has emerged & about the nature of the marketing mix. He has explained contemporary theories of marketing in detail. The marketing strategy continuum, marketing focus and the difference between transactional marketing & the relationship marketing is also presented in his paper. He has also put his ideas in a systematic way on how the relationship approach is the foundation for the theory of marketing. He has then justified that there is a real paradigm shift in the area of marketing & there is a lot more to come in future.

**Leonard I. Berry (1983)**. Relationship marketing or management “is the ongoing process of identifying and creating new value with individual customers and then sharing the benefits from this over a lifetime of association.

The following research gaps are identified by a reviewing both national and international literature regarding CRM. It is consequently found the many foreign literature failed to acknowledge the effectiveness of initial strategies, maintenance strategies, and technology and service satisfaction to identify the effectiveness of CRM in any industry.

Another important gap which is induced the present research is that the previous researchers did not give any relationship between the service seekers and service providers this present thesis numerically identified the gap between perception of customers and firms.

The reviews conclude that there is no empirical measure the effectiveness of CRM and the factors influencing CRM. Therefore, the present study aims at giving suitable numerically representation for the effectiveness of CRM.

## RESEARCH METHODOLOGY

The research methodology is the core part of the research activity. It is the sum total of all the systematic efforts carried out by the researcher with scientific, structured and systematic way. Research methodology is a way to solve research problem along with logic behind them are defined through research methodology. Thus, while talking about research methodology, we are not only talking of research methods but also consider the logic behind the methods. We are in context of our research studies, explain why are we using a particular method or technique and why the others are not used so that research result is capable of being evaluated either by researcher himself or by others. In this present chapter, an attempt is being made to justify the research methodology being used for this present study.

### Industrial Profile of Gazipur District:

Gazipur is one of the forward district of Bangladesh and have a predominantly industrial economy. It comprises of Gazipur Sadar, Tongi, Kapasia, Kaligonj, Sreepur, Kaliakair, Shapipur,. The district has 1741.53 Sq.km (683.61 sq. m). In Gazipur, the average size of establishments is 5.56 irrespective of the categories of industry. This figure exposes that the huge number of establishments occupies very tiny size, while the insignificant number is big in size. The district does not cover all parts of Greater Gazipur, and Greater Gzipur does not include all parts of the district, which includes rural areas. Gazipur district was established in 1984. The district consists of 5 upazilas, 45 unions, 768 mauzas, 1162 villages.

According to the usual feature of a PEC, a short questionnaire was prepared consisting of 14 out of the 27 questions of the census questionnaire so as to reflect the content errors of the census properly. Data of the PEC were collected during 6-10 October, 2013 and just before the data collection, rigorous training was imparted to the PEC personnel. Economic Census 2013, District Report: Gazipur 9 The PEC findings reveal that the Net Under-Count is 0.84% which is 0.70% in rural, 1.34% in municipality and 0.99% in City Corporation. Adjusting the data of the Economic Census 2013 using the PEC findings, the core estimates of Gazipur district become as follows:

The adjusted results reveal that, there are 1,62,226 establishments where 1,23,900 are permanent, 20,398 temporary and 17,928 economic households in Gazipur district. In the urban areas, there are 99,859 establishments of which 75,893 are permanent, 17,638 temporary and 6,328 economic households. In the rural areas, there are 62,367 establishments of which 48,007 are permanent, 2,760 temporary and 11,600 economic households. On the other hand, there are a total of 10,50,153 persons engaged in non-farm economic activities in Gazipur district, of which 9,73,471 are engaged in permanent establishments, 46,203 in temporary establishments and 30,479 in economic households. In the urban areas, there are

7,72,228 persons engaged, of which 7,18,938 are in permanent establishments, 41,494 in temporary establishments and 11,796 in

economic households. In the rural areas, there are 2,77,925 persons engaged, and of them, 2,54,533 are in permanent establishments, 4,709 in temporary establishments and 18,683 in economic households.

### **Small and Medium Enterprise**

#### **Small Industry**

In manufacturing, small industry will be deemed to comprise enterprises with either the value (replacement cost) of fixed assets excluding land and building between Tk. 5 million and Tk. 100 million, or with between 25 and 99 workers.

For services, ‘small industry’ will correspond to enterprises with either the value (replacement cost) of fixed assets excluding land and building between Tk. half a million and Tk. 10 million, or with between 10 and 25 workers. If on one criterion, a firm falls into the ‘small’ category, while it falls into ‘medium’ category based on the other criterion, the firm will be deemed as in the ‘medium’ category.

#### **Medium Industry**

In manufacturing, medium industry will be deemed to comprise enterprises with either the value (replacement cost) of fixed assets excluding land and building between Tk. 100 million and Tk. 300 million, or with between 100 and 250 workers.

For services, ‘medium industry’ will correspond to enterprises with either the value (replacement cost) of fixed assets excluding land and building between Tk. 10 million and Tk. 150 million, or with between 50 and 100 workers. If on one criterion, a firm falls into the ‘medium’ category, while it falls into ‘large’ category based on the other criterion, the firm will be deemed as in the ‘large’ category.

### **Profile of Small and Medium Enterprise (SME) in Gazipur District**

There are about 19704 permanently registered Small Scale Industry units and 357 registered medium industry in the Gazipur district. As far as permanently registered units are concerned the number of SME units in district turns approximately one percent of the total number of SMEs in Bangladesh. Industrially, Gazipur district has made little progress. There is a need to provide better infrastructural facilities especially in the field of Information Technology & Communication so as to spread better awareness and better access to the information on the latest developments technology to the entrepreneurs. The level of entrepreneurship in the district also needs to be boosted.

The existing industries are mostly agro based like Dal Mills, Rice Mills, Oil Mills, Cotton, Gunny etc. and engineering based (like steel furniture & wooden furniture) general workshop. Manufacturing Value added products on these lines, does have good scope.

Most of the SME units are agro-based and Engineering based units. Some of them are registered but not recorded. The trade-wise number of permanently registered SME units in Gazipur is given in the following Table .....

#### **Trade-wise Registered SME units in Gazipur (Economic census-2013)**

L. No	Industry Group	Unit Registered	Employment
1	Mining and Quarrying	08	113
2	Manufacturing	1027	72756

3	Electricity, Gas, Steam and Air Conditioning Supply	40	386
4	Water Supply, Sewerage, Waste Management and Remediation Activities	09	114
5	Construction	105	639
6	Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycle	12460	43905
7	Transportation and Storage	308	1834
8	Accommodation and Food Service Activities (Hotel and Restaurant)	401	2258
9	information and Communication	269	1611
10	Financial and Insurance Activities	501	6399
11	Real Estate Activities	315	926
12	Professional, Scientific and Technical Activities	167	1172
13	Administrative and Support Service Activities	227	1268
14	Public Administration and Defense, Compulsory Social Security	95	2658
15	Education	1863	22991
16	Human Health and Social Work Activities	357	5969
17	Art, Entertainment and Recreation	110	421
18	Other Service Activities	1799	6379
	<b>Total</b>	20061	171799

### Significance of the Study

Customer Relationship Management plays a vital role in Industrial Marketing. CRM helps businesses to gain an insight into the behavior of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognize the value of its customers and to capitalize on improved customer relations. The better you understand your customers, the more responsive you can be to their needs. This creates a win-win situation for both the Industry & the customers.

### Social Significance

The better marketing of SME's leads to inclusiveness in economic development and betterment of the society. If the SME understands their customers better, it will definitely help the society as whole. The present study is carried out in one of the developed district of Bangladesh. The study will help to assess the present scenario of Customer Relationship Management in Small and Medium Enterprise in Gazipur district and understand their role towards all the section of the society.

### Economic Significance

The Small and Medium Enterprise are one of the leading employment creators in Bangladesh. The present study will take in account the customer relationship management followed in SME's of Gazipur district and understand its impact on economic development directly and through cascading effect.

The study is highly significant to Small and Medium Enterprise located in around Gazipur because majority portion of the customers in Ancillary units are Industrial customers.

### **Objectives of the Study**

The researcher has undertaken the study with following objectives.

1. To understand the overall scenario of CRM in SME units of Gazipur District.
2. To study the awareness about CRM in SME units in Gazipur District.
3. To study the problems faced by the SME units in implementing CRM.
4. To focus on CRM practices of selected SME in Gazipur District.
5. To study effectiveness of CRM practices in selected SME units in Gazipur District.
6. To suggest remedial solutions to the existing problems regarding CRM in SME units of Gazipur.

### **Hypotheses of the Study**

The researcher has formulated following hypotheses for the current study so as to facilitate the research process

- H1. The awareness about CRM practices has an association with the Database of customers in Small & Medium Enterprise.
- H2. There is an association between CRM practices & Customer Care Helpline.
- H3. There is no significant difference between the CRM awareness and the feedback mechanism in Small & Medium Enterprise.
- H4. The focus on CRM practices are significantly less.
- H5. The CRM practices currently being used are less effective in results.

### **Research Design**

To carry out research so as to fulfill the research objectives firstly researcher has considered Small and Medium Enterprise in Gazipur district, then these companies are classified into goods & services companies depending on their nature of business. They were studied and interviewed with the help of structured questionnaires. This study focuses on the implementation, awareness, problems, focuses & future of CRM in case of small-scale industries. This study is ex-post facto research which is descriptive in nature and sample size for the study was 45 respondents who are either owner/entrepreneur/partner or management cadre employees of Small and Medium Enterprise from Gazipur. Primary data collection was done with the help of Structured Questionnaire and Secondary data was collected through books, journals and websites. To analyze the collected data, statistical tools such as Simple Percentage Analysis, Standard Deviation and Chi - Square Analysis were applied. Further these questionnaires were coded and summarized with the use of Microsoft excel and SPSS 20. The statistical tests were used to test the hypothesis and then conclusions are drawn from those findings.

### **Sampling**

Sampling procedure followed for the survey was non probability Convenient Sampling. Total 45 Industries were considered for the present study & the Questionnaires were collected from Entrepreneurs, Owners & Selected Managers of Small-Scale Industries.

### **Tools of Data Collection:**

Data collection has been done from primary sources as well as secondary sources. For primary sources, the structured and pretested questionnaires were used. The researcher also used observatory methods while interacting with respondents. The Structured questionnaire was designed for the respondents of the sample.

The secondary sources of data include journals, magazines, articles, research volumes, e-databases such as ebsco, emerald, Google Scholar and other research digital library resources. Harvard Business Review Articles etc.

**Data Analysis**

The data has been represented with the help of descriptive statistics like descriptive statistics like Mean, Median, Mode & Standard deviation whereas the framed hypotheses have been tested for its validity with the help of statistical test like chi square test.

**ANALYSIS & INTERPRETATION**

**Demographic Analysis**

**Age-Wise Distribution of the Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 30	8	17.8	17.8	17.8
31-40 years	18	40.0	40.0	57.8
41-50 years	12	26.7	26.7	84.4
51-60 years	5	11.1	11.1	95.6
Above 60	2	4.4	4.4	100.0
Total	45	100.0	100.0	

The above table shows that out of 45 respondents there are 8 respondents i.e. 17.8% who are of the age below 30 years. There are 40% respondents who are between the ages of 31 to 40 years. There are 26.7 % of the respondents are lying in the age 41 to 50 years. 11.1 % of the respondents are between the ages of 51-60. Only 4.4% of the respondents are above the age of 60 years.

**Designation-Wise Distribution of the Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Owner	30	66.7	66.7	66.7
Manager	15	33.3	33.3	100.0
Total	45	100.0	100.0	

From the above table, it is clear that out of the total 45 respondents being surveyed, there are 30 respondents i.e. 66.7% who are Owners/Partners in the firm whereas there are 15 respondents i.e. 33.3 % who were working as Manager in the industry.

**Sex-wise distribution of the Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	43	95.6	95.6	95.6
Female	2	4.4	4.4	100.0

Total	45	100.0	100.0
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The above table indicates that out of 45 respondents, 43 respondents are Males which is more than 95.6%. Only 02 respondent was a female which is not even 4.4 % of the total sample size.

**Product-wise distribution of Respondent companies**

	Frequency	Percent	Valid Percent	Cumulative Percent
Goods	15	33.3	33.3	33.3
Valid Services	30	66.7	66.7	100.0
Total	45	100.0	100.0	

From the above table & the below graph, we can interpret that out of the 45 respondents, 15 industries are dealing in Goods while the other 30 respondent companies are dealing in some sort of services.

**No. of Employees**

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 10	26	57.8	57.8	57.8
Valid 11-20	13	28.9	28.9	86.7
21-30	4	8.9	8.9	95.6
Above 30	2	4.4	4.4	100.0
Total	45	100.0	100.0	

Table No. 4.5 shows the Number of employees working in the companies. There are 26 respondents i.e. 57.8% who have below 10 employees & there are 13 respondents i.e.28.9% replied that they have employee strength from 11 to 20. Only 18.9% of the respondents have the strength of employees from 21 to 30 & 4.4% have employee strength as above 2 employees.

**Permanent Customer**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	29	64.4	64.4	64.4
Valid No	16	35.6	35.6	100.0
Total	45	100.0	100.0	

From the survey, it is clear that out of 45 respondents; 29 respondents i.e. 64.4% have a permanent or preferential customer. 35.6% of the respondents are not having any differentiation between the regular customers & the permanent customers.

**No. of Permanent Customer**

	Frequency	Percent	Valid Percent	Cumulative Percent
Below 10	22	48.9	48.9	48.9
11 to 20	11	24.4	24.4	73.3
Valid 21 to 30	6	13.3	13.3	86.7
Above 30	6	13.3	13.3	100.0
Total	45	100.0	100.0	

From the previous table it is clear that there are 90 respondents who have permanent customers. Out of these 90 respondents, 42 respondents i.e. 47% have number of permanent customers below 10. 29% of the respondents are having permanent customers from 11 to 20, whereas 12 % of the respondents are having permanent customers from 21 to 30, and another 12% respondents have permanent customers above 30.

**Do you maintain a record of customer feedback?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	21	46.7	46.7	46.7
Valid No	24	53.3	53.3	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 21 respondents i.e. who have record of customer feedback which comes to 46.7%. However, there are around 24 respondents i.e 53.3%who have no record of the customer feedback.

**Does your company take necessary action on customer feedback?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	31	68.9	68.9	68.9
No	14	31.1	31.1	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 31 respondents i.e. who have necessary action on customer feedback which comes to 68.9%. However, there are around 14 respondents i.e 31.1%who have no necessary action on customer feedback.

**Is your company aware about the CRM Practice?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	80.0	80.0	80.0
No	9	20.0	20.0	100.0

Total	45	100.0	100.0
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Inference: The above table shows that out of 45 respondents there are around 36 respondents i.e. who are aware of CRM practices which comes to 80%. However, there are around 09 respondents i.e 20%who are still not aware of CRM practices.

**Whether your company implementing CRM Practices?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	80.0	80.0	80.0
Valid No	9	20.0	20.0	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 36 respondents i.e. who are implementing of CRM practices which comes to 80%. However, there are around 09 respondents i.e 20%who are not implement of CRM practices.

**Does your company have a website?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	11	24.4	24.4	24.4
Valid No	34	75.6	75.6	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 34 respondents i.e. who do not have any website of their company which comes to 75.6%. However, there are around 11 respondents i.e 24.4%who have website of their company.

**From the given below CRM Practices, Tick the practices being focused & implemented in your company?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Free Gift	8	17.8	17.8	17.8
Valid Sending Greeting Card	2	4.4	4.4	22.2
Valid Sales Support	8	17.8	17.8	40.0
Valid Service Support	11	24.4	24.4	64.4
Valid Order Management	3	6.7	6.7	71.1
Valid Contact Management	3	6.7	6.7	77.8
Valid Call Center	4	8.9	8.9	86.7
Valid Free Trip	2	4.4	4.4	91.1

Free Entertainment Program	2	4.4	4.4	95.6
Courtesy Visit	2	4.4	4.4	100.0
Total	45	100.0	100.0	

As shown in the above table, the respondents were asked a question on CRM practices being focused & implemented in their company. There was a total of 45 responses obtained. Majority of them have replied with Service Support, Sales Support, Free Gift at 24.4%, 17.8% and 17.8% respectively. Call Center, Order Management, Contact Management, Sending Greeting Card, Free Trip, Free Entertainment Program & Courtesy Visit at 8.9% ,6.7%, 6.7%, 4.4%, 4.4%, 4.4% & 4.4% respectively.

**Product Service Causes**

	Frequency	Percent	Valid Percent	Cumulative Percent
Product Quality	30	66.7	66.7	66.7
Maintenance Problems	9	20.0	20.0	86.7
Insufficient repair work	3	6.7	6.7	93.3
Failure of product or service warranties	3	6.7	6.7	100.0
Total	45	100.0	100.0	

As indicated in the above table, when respondents were asked about major product/service reason for losing customer, 30 respondents i.e. 66.7% agreed on the Quality of product. Another 09 respondents i.e. 20% said it is the maintenance problems & 6.7% agreed on insufficient repair work as the major problem for losing customers. Failure of product or service warranties stands at 5th position with 6.7% respondents.

**Price Related Reason**

	Frequency	Percent	Valid Percent	Cumulative Percent
Higher Price	24	53.3	53.3	53.3
Billing errors	6	13.3	13.3	66.7
Mismatch between Price & Value	15	33.3	33.3	100.0
Total	45	100.0	100.0	

When the respondents were questioned on the price related reasons for losing customers, 53.3% of the respondents i.e. 24 respondents said that it is the Higher Price as major reason for losing customer while 33.3% i.e. 15 respondents agreed on the Mismatch between Price & Value. There are around 13.3% respondents who say that there is mismatch between price & value as the reason for losing customer.

**Sales Practice Causes**

	Frequency	Percent	Valid Percent	Cumulative Percent
Inaccurate advertising	23	51.1	51.1	51.1
Advertising products that are not available or limited supply	13	28.9	28.9	80.0
Wrong representations by sales staff	9	20.0	20.0	100.0
Total	45	100.0	100.0	

As we can see from the above table, out of 45 respondents, 20% gave response as Wrong representations by sales staff while 28.9% gave reasons as Advertising products that are not available or limited supply. There are 51.1% respondents who feel Inaccurate advertising as the reason for losing customer.

**Other Causes**

	Frequency	Percent	Valid Percent	Cumulative Percent
Good Offer from Competitor	20	44.4	44.4	44.4
Employee Service	4	8.9	8.9	53.3
Benefit Related Reason	9	20.0	20.0	73.3
Delays in delivery	3	6.7	6.7	80.0
Inadequate, or complicated product instructions	3	6.7	6.7	86.7
Personal Reasons	6	13.3	13.3	100.0
Total	45	100.0	100.0	

From the above table, we can interpret that maximum times the response is Good Offer from Competitor which is 44.4%. There are 20% respondents who think that Benefit Related Reason. 13.3% of the respondents gave reason of Personal Reasons & 8.9% gave reason as Employee Service. There are 6.7% respondents who agreed on Delays in Delivery & 04% agreed on Inadequate or complicated product instructions for losing customers.

**Dose your company have a customer database?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	20	44.4	44.4	44.4
No	25	55.6	55.6	100.0

Total	45	100.0	100.0
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Inference: The above table shows that out of 45 respondents there are around 25 respondents i.e. who do not have any Customer database of their company which comes to 55.6%. However, there are around 20 respondents i.e 44.4% who have Customer database of their company.

**What do you think is the Difficulty in maintaining a detailed Customer Database?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	25	55.6	55.6	55.6
Software/Hardware Unavailability	6	13.3	13.3	68.9
Human Resources Unavailability	8	17.8	17.8	86.7
Financial Resources	2	4.4	4.4	91.1
Management not interested	2	4.4	4.4	95.6
Time Consuming Effort	2	4.4	4.4	100.0
Total	45	100.0	100.0	

As we can see from the above Table out of 45 respondents there are 35.6% of respondents whose response is that there is unavailability of Hardware/Software for maintaining a detailed customer database. 31.1% say it is a Human Resources Unavailability while 13.3% say there is Financial Resources, 11.1% say that the Management is not interested & 8.9% it is Time Consuming Effort as the difficulty for maintaining a detailed customer database.

**Does your company have any Customer Care / Help Line for complaint?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	33	73.3	73.3	73.3
No	12	26.7	26.7	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 33 respondents i.e. who have Customer care of their company which comes to 73.3%. However, there are around 12 respondents i.e 26.7% who do not have Customer care of their company.

**In which mode do you receive any complaint?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	12	26.7	26.7	26.7

Website (e-mail)	2	4.4	4.4	31.1
Contact Person	19	42.2	42.2	73.3
Telephonic/sms	12	26.7	26.7	100.0
Total	45	100.0	100.0	

As it is clear from the previous table i.e. Table, there are total 33 respondents who have a customer care / Help line for complaint. Out of these 33 respondents who have the complaint registering mechanism, 57.8 % are receiving the complaint through the contact person i.e. may be a sales person or service staff 35.6% of the complaints are received by means of telephonic/SMS and 6.7% of the complaints are received by website or E-mail. Interesting thing is that these three factors are contributing 100%.

**Does Your Company has a feedback mechanism?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	80.0	80.0	80.0
No	9	20.0	20.0	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around 36 respondents i.e. who have feedback mechanism of their company which comes to 80%. However, there are around 09 respondents i.e 20% who do not have feedback mechanism of their company.

**What methods do you utilize to gain feedback from your customer?**

	Frequency	Percent	Valid Percent	Cumulative Percent
0	9	20.0	20.0	20.0
Valid Website (e-mail)	2	4.4	4.4	24.4
Contact Person	19	42.2	42.2	66.7
Complaint Book	3	6.7	6.7	73.3
Telephonic/SMS	12	26.7	26.7	100.0
Total	45	100.0	100.0	

As it is clear from the previous table i.e. Table, there are total 36 respondents who have a feedback mechanism. Amongst the 36 respondents who have the feedback mechanism in there unit, the maximum number of response is for contact person which is 51.1% & the number of response for telephonic/SMS feedback is at second position at 31.1%. 8.9% Website (E-mail) and 8.9% Complaint Book respondents receive the feedback from the customer.

**Does your company train your employees about customer relationship?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	8	17.8	17.8	17.8
Valid No	37	82.2	82.2	100.0
Total	45	100.0	100.0	

Inference: The above table shows that out of 45 respondents there are around only 17.8% respondents i.e. who have agreed that they provide some sort training to their employees about customer relationship. There are 82.2% of the respondents are not providing any sort training to their employees about customer relationship.

**If yes, what is the nature of training?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0	37	82.2	82.2	82.2
Valid Off the Job Training	8	17.8	17.8	100.0
Total	45	100.0	100.0	

As per the previous table, there are only 8 respondents who provide the training. Out of these, 100% of respondents are giving on the job training to employees about customer relationship, not a single industry provides off the job training.

**Maximum Time how do you resolve the complaints received?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Replacement of Product	22	48.9	48.9	48.9
Valid Providing Maintenance Service	10	22.2	22.2	71.1
Valid Both	13	28.9	28.9	100.0
Total	45	100.0	100.0	

From the above table, we can interpret that maximum times the companies are resolving the complaint by replacement of product which is 48.9%. 22.2% of the respondents are providing maintenance service to resolve the complaint & 28.9% are using both things to resolve complaints.

**What are the problems your company is facing in implementing the CRM practices?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Financial	26	57.8	57.8	57.8

Human Resources Unavailability	8	17.8	17.8	75.6
Software/Hardware Unavailability	6	13.3	13.3	88.9
Management not interested	5	11.1	11.1	100.0
Total	45	100.0	100.0	

As it is revealed in the above table, 57.8% of the respondents have financial resources as the main problem for implementing CRM. Second biggest problem seems to be the unavailability of HR with 17.8%. Software/Hardware stands at third position with 13.3% along with management not interested. 11.1% of the respondents have any other problems for not implementing CRM in their company.

**In what manner do you think CRM practices will benefit your company in future?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Higher Sales	10	22.2	22.2	22.2
Increase in Customers	22	48.9	48.9	71.1
Increase in Market Share	4	8.9	8.9	80.0
Higher overall Profits	5	11.1	11.1	91.1
All of the above	4	8.9	8.9	100.0
Total	45	100.0	100.0	

When asked in what manner CRM practices will benefit your company in future, 48.9% of respondents said that the CRM will increase their customers. There are 22.2% of the respondents who think that CRM will lead to higher sales & 11.1% respondents believe that CRM will lead to higher overall profits while 8.9% of the respondents think that CRM will increase their market share.

**Cost of getting a New Customer is higher than Retaining the existing Customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	6	13.3	13.3	13.3
Agree	21	46.7	46.7	60.0
Neutral	11	24.4	24.4	84.4
Disagree	5	11.1	11.1	95.6
Strongly Disagree	2	4.4	4.4	100.0
Total	45	100.0	100.0	

Out of 45 respondents there are 21 respondents who agree with the statement that Cost of getting a new customer is higher than retaining the existing customer which is 46%. There are 11 respondents i.e. 24.4% respondents who are neutral with this statement. There are 13.3% of the respondents who strongly agree with this statement. However, there are 05 respondents i.e. 11.1% who disagree with this statement. There are 4.4% respondents who strongly disagree with this statement.

**Customer Satisfaction will lead to long term profits & good relationship with the customer**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	13	28.9	28.9	28.9
Valid Agree	27	60.0	60.0	88.9
Valid Neutral	3	6.7	6.7	95.6
Valid Disagree	2	4.4	4.4	100.0
Total	45	100.0	100.0	

The above table shows that, 28.9% of the respondents strongly agree with the statement that ‘Customer satisfaction will lead to long term profits and good relationship with the customer’. Survey reveals that 60% respondents agree, 6.7% respondents can’t say while 4.4% respondents disagree with this statement.

**Do you think the above mentioned CRM practices will be beneficial for your company in future?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	7	15.6	15.6	15.6
Valid Agree	11	24.4	24.4	40.0
Valid Neutral	23	51.1	51.1	91.1
Valid Disagree	2	4.4	4.4	95.6
Valid Strongly Disagree	2	4.4	4.4	100.0
Total	45	100.0	100.0	

From the above table, we can say that 51.1% of the respondents are not sure whether the current CRM practices will be beneficial in the future, whereas 24.4% agree & 15.6% strongly agree with this. Similarly, 4.4% disagree & 4.4% strongly disagree with this statement.

**Do you think training your employees about CRM will be beneficial for your company?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	6	13.3	13.3	13.3

Agree	13	28.9	28.9	42.2
Neutral	21	46.7	46.7	88.9
Disagree	5	11.1	11.1	100.0
Total	45	100.0	100.0	

The table given above & chart below clearly indicates that 46.7% of respondents are not sure on the fact that training their employees about CRM will be beneficial for their industry. 28.9% respondents agree & 13.3% respondents strongly agree on this fact. However, 11.1% of the respondents disagree that the training will be beneficial.

**Customer Loyalty is the key to the company’s success & every company should strive to build Customer Loyalty**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	9	20.0	20.0	20.0
Agree	27	60.0	60.0	80.0
Neutral	6	13.3	13.3	93.3
Disagree	2	4.4	4.4	97.8
Strongly Disagree	1	2.2	2.2	100.0
Total	45	100.0	100.0	

The above table indicates clearly that 60% of respondents are agreeing with the statement that customer loyalty is the key to the company’s success & every company should strive to build customer loyalty. Only 20% strongly agree & 13.3% are neutral to this statement. There are 4.4% of the respondents who disagree & 2.2% strongly disagree each.

**Current CRM practices used by your company are highly effective?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	9	20.0	20.0	20.0
Agree	8	17.8	17.8	37.8
Neutral	18	40.0	40.0	77.8
Disagree	8	17.8	17.8	95.6
Strongly Disagree	2	4.4	4.4	100.0
Total	45	100.0	100.0	

When asked whether Current CRM practices used by your company are effective, 40% of respondents are neutral with this statement and 17.8% disagree. There are 20% of the respondents who strongly agree & 17.8% respondents agree that their current CRM practices are effective. Only 4.4% of the respondents strongly disagree with this.

**Descriptive Statistics**

	N	Mini	Maxi	Mean	Std. Deviation
Do you maintain a record of customer feedback?	45	1	2	1.53	.505
Does your company take necessary action on customer feedback?	45	1	2	1.31	.468
Is your company aware about the CRM Practice?	45	1	2	1.20	.405
Whether your company implementing CRM Practices?	45	1	2	1.20	.405
Does your company have a website?	45	1	2	1.76	.435
From the given below CRM Practices, Tick the practices being focused & implemented in your company?	45	1	10	4.33	2.558
Product Service Causes	45	1	4	1.53	.894
Price Related Reason	45	1	3	1.80	.919
Sales Practice Causes	45	1	3	1.69	.793
Other Causes	45	1	6	2.62	1.825
Dose your company have a customer database?	45	1	2	1.56	.503
What do you think is the Difficulty in maintaining a detailed Customer Database?	45	0	5	1.02	1.438
Does your company have any Customer Care / Help Line for complaint?	45	1	2	1.27	.447
In which mode do you receive any complaint?	45	0	4	1.96	1.492
Does Your Company has a feedback mechanism?	45	1	2	1.20	.405
What methods do you utilize to gain feedback from your customer?	45	0	4	2.16	1.413
Does your company train your employees about customer relationship?	45	1	2	1.82	.387
If yes, what is the nature of training?	45	0	2	.36	.773
Maximum Time how do you resolve the complaints received?	45	1	3	1.80	.869
What are the problems your company is facing in implementing the CRM practices?	45	1	4	2.29	1.199
In what manner do you think CRM practices will benefit your company in future?	45	1	5	2.33	1.187
Cost of getting a New Customer is higher than Retaining the existing Customers	45	1	5	2.47	1.014
Customer Satisfaction will lead to long term profits & good relationship with the customer	45	1	4	1.87	.726
Do you think the above-mentioned CRM practices will be beneficial for your company in future?	45	1	5	2.58	.965
Do you think training your employees about CRM will be beneficial for your company?	45	1	4	2.56	.867
Customer Loyalty is the key to the company's success & every company should strive to build Customer Loyalty	45	1	5	2.09	.848

Current CRM practices used by your company are highly effective?

45

1

5

2.69

1.125

Valid N (list wise)

45

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
1	The categories defined by Do you maintain a record of customer feedback? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.768	Retain the null hypothesis.
2	The categories defined by Does your company take necessary action on customer feedback? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.017	Reject the null hypothesis.
3	The categories defined by Is your company aware about the CRM Practices? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.000	Reject the null hypothesis.
4	The categories defined by Whether your company implementing CRM Practices? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.000	Reject the null hypothesis.
5	The categories defined by Does your company have a website? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.001	Reject the null hypothesis.
6	The categories of From the given below CRM Practices, Tick the practices being focused & implemented in your company? occur with equal probabilities.	One-Sample Chi-Square Test	.011	Reject the null hypothesis.
7	The categories of Product Service Causes occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
8	The categories of Price Related Reason occur with equal probabilities.	One-Sample Chi-Square Test	.005	Reject the null hypothesis.
9	The categories of Sales Practice Causes occur with equal probabilities.	One-Sample Chi-Square Test	.031	Reject the null hypothesis.
10	The categories of Other Causes occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
11	The categories defined by Does your company have a customer database? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.551	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
12	The categories of What do you think is the Difficulty in maintaining a detailed Customer Database? occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
13	The categories defined by Does your company have any Customer Care / Help Line for complaint? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.003	Reject the null hypothesis.
14	The categories of In which mode do you receive any complaint? occur with equal probabilities.	One-Sample Chi-Square Test	.005	Reject the null hypothesis.
15	The categories defined by Does Your Company has a feedback mechanism? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.000	Reject the null hypothesis.
16	The categories of What methods do you utilize to gain feedback from your customer? occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
17	The categories defined by Does your company train your employees about customer relationship? = Yes and No occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.000	Reject the null hypothesis.
18	The categories defined by If yes, what is the nature of training? = On the Job Training occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.000	Reject the null hypothesis.
19	The categories of Maximum Time how do you resolve the complaints received? occur with equal probabilities.	One-Sample Chi-Square Test	.074	Retain the null hypothesis.
20	The categories of What are the problems your company is facing in implementing the CRM practices? occur with equal probabilities.	One-Sample Chi-Square Test	.245	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

**Hypothesis Test Summary**

	Null Hypothesis	Test	Sig.	Decision
21	The categories of In what manner do you think CRM practices will benefit your company in future? occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
22	The categories of Cost of getting a New Customer is higher than Retaining the existing Customers occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
23	The categories of Customer Satisfaction will lead to long term profits & good relationship with the customer occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
24	The categories of Do you think the above mentioned CRM practices will be beneficial for your company in future? occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
25	The categories of Do you think training your employees about CRM will be beneficial for your company? occur with equal probabilities.	One-Sample Chi-Square Test	.002	Reject the null hypothesis.
26	The categories of Customer Loyalty is the key to the company's success & every company should strive to build Customer Loyalty occur with equal probabilities.	One-Sample Chi-Square Test	.000	Reject the null hypothesis.
27	The categories of Current CRM practices used by your company are highly effective? occur with equal probabilities.	One-Sample Chi-Square Test	.005	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

## CONCLUSIONS & RECOMMENDATIONS

In order to fulfill the set objectives of the study, it is absolutely necessary to do a comprehensive data analysis & draw the conclusions & try to give major recommendation. Normally, the research is not completed until the researcher concludes & recommends some solutions to the research problem. This chapter is dealing with the conclusion & recommendations which the researcher has found out during the research work.

The Customer Relationship Management is based on the important term Customer Loyalty. The CRM stands on the firm belief that acquiring of customers is more expensive than retaining the existing customers. But retaining of customer is also a very challenging job due to which there is very existence of the term CRM.

SMEs sector has emerged as a dynamic and vibrant sector for the Bangladeshi economy. SMEs sectors contribution to employment generation in India is second highest which is next to agriculture. Small and Medium Enterprises have played a vital role in Indian economic growth. Customer Relationship Management has become a buzzword these days. CRM is driving attention of all the industries because of its enormous benefits which cannot be ignored these days. But the CRM is considered to be important & implemented only in the large scale industries. However, the CRM is equally beneficial & within the reach of the small businesses as well provided it is implemented properly.

This study has focused on the implementation, awareness, problems, focuses & future of CRM in case of Small & Medium Enterprise. Hence the present study may turn to be a guideline for the owners, administrators, managers & policy makers of SSIs on the successful implementation of CRM in their industries

The researcher has drawn the conclusions based on his findings, observations, analysis and interpretations of data. The important conclusions of the study are presented below:-

With the Chi square test, it is proved that there is an association between the awareness about CRM practices & maintenance of Database of customers in Small & Medium Enterprise. Hence, we can conclude that the awareness about CRM practices & maintenance of Database of customers are dependent on each other & has an association between them. There is an association between awareness on CRM practices & Customer Care Helpline. This statement is significant as tested by the Chi Square test. From the testing of hypothesis it is proved that CRM awareness is dependent of Feedback mechanism in Small & Medium Enterprise. When tested the statement that whether the focus on CRM is associated with the age group of respondents, it was found that the focus on CRM is associated with the age group of respondents. It was found that the CRM implementation is dependent of type of industry i.e. whether the company is into Goods or Services. From the analysis we can say that in small scale industries the CRM practices are implemented or not are dependent on the number of employees. It is also proved through the chi-square test that maintenance of the Customer Database is dependent of Feedback mechanism in Small & Medium Enterprise. It means that the companies who generally have customer database also have the feed-back mechanism. It was found that there are 77 respondents i.e. 55% who have below 10 employees & there are 41 respondents i.e. 29% replied that they have employee strength from 11 to 20. Hence, we can conclude that the Small & Medium Enterprise are operating on low employee strength. Out of total 45 Small & Medium Enterprise surveyed, there are 96 industries i.e. 69% who have customer database, hence there are 31% of the respondent SSIs who don't maintain any customer database. When asked about the difficulty in maintaining customer database, it is found that 40 % of the respondents replied that there is an unavailability of software/hardware. 24% of the respondents found the difficulty as time

consuming effort. It is observed that there are 81% of the respondent companies who have some sort of Customer Care / Help line for receiving complaint whereas 19% of the SME still do not have any customer care / Help line for customers to register their complaint. The majority of the respondents i.e. 81% industries have a feedback mechanism in place whereas 19% of the industries do not care about the feedback to be taken from the customers. There are 69% of respondents who said that they take a necessary action on customer feedback. At the same time, there are 31% of the respondents who said that they don't take care about the feed-back received. When asked the view on the important statement 'Cost of getting a new customer is higher than retaining the existing customer' there are 46% respondents who agreed while 17% opined that they disagree. There are 80% respondents who are aware about the various CRM practices. However, there are 28 respondents i.e. 20 % who are still not aware about the term CRM & the CRM practices. When asked about the implementation of Customer Relationship Management practices, 80% said that they are implementing CRM in some form, whereas 20% respondents are not implementing CRM. The major problem for implementing CRM is financial resources which is 58% while the second largest problem for the implementation of CRM seems to be Human Resource Unavailability at 16%. Hence we can conclude that the firms either do not have a sound financial position or there are no proper employees available to implement the CRM in small scale industries. When the respondents were questioned that whether the current CRM practices will be beneficial in future, 56% of the respondents gave their opinion as can't say. Hence, we can conclude that the respondents are not sure whether the current CRM practices will be beneficial in the future. When the respondents were questioned that whether the current CRM practices are highly effective, there are 36% of respondents who are neutral with this statement and 30% disagree. Hence, we can conclude that the respondents are not sure whether the CRM practices are effective. When the respondents were asked in what manner the CRM practices will benefit company in future, 50% of respondents said that the CRM will increase their customers. There are 24% of the respondents who think that CRM will lead to higher sales & 17% respondents believe that CRM will lead to higher overall profits while 09% of the respondents think that CRM will increase their market share. There are 64% of the companies who have a permanent or preferential customer. 36% of the respondents are not having any differentiation between the regular customers & the permanent customers. When respondents were asked about major product/service reason for losing customers 46% agreed on the Quality of product. There were 26% said it is the maintenance problems for losing the customers. On the price related reasons for losing customers, 54% of the respondents said that it is the Higher Price as major reason for losing customer while 26% respondents agreed on the billing errors. On the Sales practice related reasons for losing customers, there are 63% respondents who feel Inaccurate advertising as the reason for losing customer & 42% have given any other reasons. When the respondents were questioned that how maximum times the companies are resolving the complaint, 45% of the respondents replied that they resolve the complaint by replacement of product. There are 30% respondents who use any other method depending on the situation to resolve the complaint. 16% of the respondents are providing maintenance service to resolve the complaint. Only 9% of the respondents have agreed that they provide some sort of training or knowledge regarding the customer relationship management. 91 % of the respondents are not providing any sort of training to their employees about customer relationship. There are 96% of the Small & Medium Enterprise who don't have any website of their industry whereas only 06% of the industries have website registered under their domain name.

### Major Recommendations

On the basis of above given conclusions and the observations of the researcher during the present study, following major recommendations are given —

1. The Small & Medium Enterprise should try to maintain the detailed customer database which serves as the basis to the Customer Relationship Management process & also helps in understanding the customer.
2. The Small & Medium Enterprise should try to overcome the problem of Hardware or Software unavailability for maintaining database. A simple MS-Excel Sheet or MSWord or MS-Access software can be used for this process which does not requires any expert computer skills. A proper amount of time should also be dedicated for the maintenance of customer database. Customer database will be helpful in the retaining of the existing customers.
3. The companies should strive to build the customer retention so that the cost of acquiring the new customers is reduced because it has been proved in many researches that the Cost of getting new customer is more that the cost of retaining the existing customer. **3.** The companies should try to keep a dedicated Help Line / Customer Care for registering any complaint or getting any sort of help regarding any products. A landline number or a mobile number which is especially for the Customer Care should be dedicated. This will add value to the customer loyalty.
4. The companies should establish a proper feed-back mechanism. Also there should be enough efforts to maintain the record of the feedback.
5. An immediate & necessary action should be taken on the feedback which is going to add value to the customer satisfaction.
6. There should be every possible effort to be made for increasing the customer satisfaction because Customer satisfaction will lead to long term profits and good relationship with the customer.
7. The companies should try to increase the financial spending for the CRM implementation which seems to be the major problem. The management should believe that the investment in CRM is going to add customer value which is ultimately beneficial for the company.
8. The companies should also try to monitor the current CRM practices for finding out the effectiveness; because it was found that that the respondents are not sure whether the current CRM practices will be beneficial in the future. However, if current CRM practices are not effective, the companies should try to explore the newer & innovative CRM practices.
9. The companies should try to identify their preferential/permanent customers & then focus on those customers for long term relationship which is the basic principle of CRM. The preferential customers' needs to be handled at a priority & tried to be given a more customer satisfaction.
10. The companies should study the major reasons for losing the customers. They should analyze the reasons why the customers leave their company. The reasons could be product related, price related, promotion related or any other. Once the reasons are identified, the companies should take an action to stop losing the customers.
11. The companies should try to resolve maximum of the complaints received from the customers in minimum possible time which is the basic theme of customer relationship management. If a customer feels confident on the complaint resolving, he is going to be staying with the company for a longer time.

12. There is a need to provide some sort of training or knowledge regarding the customer relationship management to the employees. The employees also need to be communicated on the importance & the basic implementation of CRM.
13. As far as possible, there should be a dedicated trained staff for the handling of customer care center & customer feedback.
14. The companies should take all possible efforts so as to increase the Customer Loyalty, because the Customer loyalty is the key to the company's success & every company should strive to build customer loyalty.
15. The company management should believe in the future of CRM & take the necessary steps for the proper 145 implementation of CRM in future because the investment in CRM is going to be ultimately beneficial for the company.
16. The sales staff should be given the maximum support and all the required facilities for the implementation of CRM.
17. The companies can go for developing the Websites which will help them to get closer to the customers. Nowadays, the costs of creating a website have reduced drastically & also there are some providers who are hosting the websites at a very low cost. A simple website will connect the small-scale industry to the whole world. Also, if possible, the e-mail facility should be provided which can further boost the development of CRM.
18. The companies can take the help of social media to be in touch with their customers. Different social media providers such as Facebook, Twitter, etc can be used to increase the existence of the firm worldwide.

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