



CUSTOMER RELATIONSHIP MANAGEMENT ON AAVIN MILK PRODUCTS –AN OVERVIEW

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INTRODUCTION:

CRM originated in early 1970s when the business units had a manifestation that it would be advisable to become 'customer emphatic' rather than 'product emphatic'. Birth of CRM was because of this heedful perceptiveness. Customer Relations Management (CRM) is a business, marketing and communications maxim currently revolutionizing the company-customer relationship. It is a concept for managing customer relationships across the different points of customer contact. In essence, CRM is about retaining customers, capturing customer lifetime value, maximizing new business opportunities, and sustaining profitability. It is a business philosophy that is successfully implemented by installing and utilizing CRM technology and by developing and executing a customer relationship strategy. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an 'Opportunity of Business'. The Sales and Field representatives then try getting business out of these customers by sophisticatedly following up with them and converting them into a winning deal. Customer Relationship Management strategies have given a new outlook to all the suppliers and customers to keep the business going under an estimable relationship by fulfilling mutual needs of buying and selling.

A Typical CRM consists of 3 Sub Modules:

- Marketing, Sales and Services.

Customer Relationship Management on Global Perspectives:

As global markets become increasingly integrated, all firms from the largest Multinational to the smallest Entrepreneurs must be able to find a market niche which enables the firm to survive in highly competitive markets, and to prosper finding the best ways to meet the needs and desire of the targeted consumers. History is littered with example of situation where an appropriate strategy was not selected, to the downfall of the decision-makers or firms who failed to plan appropriately. A comprehensive framework for achieving success is today a fundamental requirement and this is where CRM figured into customer's strength this can be utilized in achieving first movement advantages against the competition. The next most advantages is achieving World-Wide learning in the modern corporation. The need for understanding customers in various market is essential but so is the need for listening to the internal customer as well. As W. Edwards Deming one of the doyens of



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the total Quality management movement has stated, if something cannot be measured then it cannot be improved thus having measurable goals of determining best practices in numerous operating environment is of paramount importance as many executives in today's business world can lead a company with too much centralized control lose its ability to innovate as well as to adapt and respond locally to the needs of its customers. In United States, there is a movement in banking towards decentralizing the loans approval authority at the local level. Rather than utilizing centralized lending department. The goal is local responsiveness as well as collecting as much market knowledge as possible throughout the entire geographic region where the firm conducts its business. Emerging CRM at global perspectives with new strategies and technologies in world marketplace and a mammoth degree of competition in business, the approach needed to be changed to proactive rather than reactive. Every business unit emphasizes on spurring a long term relationship with customers to nurture its stability in today's blooming global market. Customer's expectations are now not only limited to get best products and services, they also need a face-to-face business in which they want to receive exactly what they demand and in a quick time. CRM is commonly recognized as an effective tool in Business 2 Business (B2B) marketing. This is also the case in the fast moving dairy consumer goods industry, where B2B CRM is defined as managing relationships with channel partners and helping them reach out to the end consumer globally. Therefore, it is usually practiced by the retailer or distributor at worldwide.

Customer Relationship Management on National Perspectives:

Market is a kingdom and customer is the king. This is a renowned maxim pursued by the Indian companies in true spirit. With the advancement in modern technology, customers are becoming more and more informed about their need and want. Nowadays social media is educating them and they scout around for best product, brand name, product quality, operation, and service support. Marketing has thus, undergone a paradigm shift and has come up to the point of establishing relationship with customer. Not just retaining the existing customers but even attracting new customers has become a big challenge. This is the main reason why companies have shifted their focus from being product-centric to customer-centric. According to International Data Cooperation (IDC) India, market for customer relationship management (CRM) in India is expected to grow at a compounded annual rate of 40 per cent every year. The CRM services market was expected to grow even faster at a rate of 53 per cent every year. According to studies, majority per cent end-users effectively use modular CRM, while remaining per cent use complete CRM package. The main hindrances with CRM solutions in India appears to be (i) Cost factors, (ii) Technology and (iii) Lack of available customer databases. The CRM enabled companies in India includes Tata Telecom, TVS Electronics, HP India, Tata Infotech, Carrier Refrigeration, Tata Teleservices, Satyam Infoway, Planet M, and Epicenter Technologies among many others. Other service sectors like Banking and Insurance are also deploying CRM solutions. The emerging trends in CRM indicate that CRM applications are straddling across business functions to retain, capture and capitalize on customer data i.e. integrating all aspects of marketing, business processes and systems by keeping the



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customer as the core, providing opportunities to Indian organizations.

Customer Relationship Management with AAVIN Milk Products:

Aavin is the trademark of Tamil Nadu Co-operative Milk Producers' Federation Limited, a Tamil Nadu-based milk producer's union. Aavin procures milk, processes it and sells milk and milk products to consumers. The Dairy Development Department was established in Tamil Nadu in the year 1958 to oversee and regulate milk production and commercial distribution in the state. The Dairy Development Department took over control of the milk cooperatives. It was replaced by the Tamil Nadu Cooperative Milk Producers Federation Limited in the year 1981. On February 1st 1981, the commercial activities of the cooperative were handed over to Tamil Nadu Co-operative Milk Producers' Federation Limited which sold milk and milk products under the trademark "aavin". Tamil Nadu is one of the leading states in India in milk production with about 14.5 million liters per day.

CRM marketing uses, three major marketing wings to carry out the marketing of aavin milk and milk products namely: (a) Metro Liquid milk marketing.(b)Metro Milk Product marketing.(c)Up country marketing..

IMPLEMENTATION OF CRM IN AAVIN

For the successful implementation of CRM in aavin milk industry, aavin implemented a strategic approach, which incorporates developing of customer centric processes, selecting and implementing technology solutions for development of its products, employee empowerment, customer information and knowledge generation capabilities to differentiate them, and the ability to learn from best practices. The basic strategy for implementation of CRM in aavin is based on the traditional idea that knowledge of customer and commitment to service the customer is the best method of developing a sustainable competitive advantage. But building a successful and sustainable relationship with a large customer base is not the easiest thing to do especially with milk industry which carries a direct impact on many core operational processes. At the heart of a perfect CRM strategy in aavin is to create a mutual value for all the parties involved in the business process. It is about creating a sustainable competitive advantage by being the best at choosing, designing, providing, communicating, and delivering the value to the existing customers as well as creating and keeping new customers with aavin. CRM addresses the changing needs of the customers by developing products and services that continuously appeal to individual customers. Organizations structure their efforts around customer segments than products to deliver customer satisfaction. Organizations deploys objectives, goals and performance measures, which measure customer satisfaction/dissatisfaction and input the outcomes into their plans and strategies.

TOOLS FOR PROPER IMPLEMENTATION OF CRM IN BUSINESS STRATEGY

Customer Relationship Management is a level of strategy, focusing on creating and maintaining relationship with customers. Berry(1983)recommended the following five strategies for practicing



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relationship marketing.(a) Developing a core product/service around which customer relationship is built.(b)Innovatively augmenting and adding value through value added features/services.(c)Customizing the relationship to the individual customer.(d)Pricing services to encourage customer loyalty.(e) Marketing CRM internally to the employees so that they perform well with customers. Promoting employee to customer relationships and top it up with customer to customer relationship to reinforce the good feelings.

CONCLUSION:

The implementation of CRM process is significant part of Customer Relationship Management. The CRM Process has been developed in consideration with the customer orientation. To acquire and retain customers as well as profitability, aavin milk industry has taken steps to develop CRM processes for effective implementation of Customer Relationship Management .Customers' perspective towards implementation of CRM processes is higher in Aavin milk industry. Aavin had a big challenge in implementing large-scale integrated systems such CRM. Implementation of a CRM system was identified as a critical need to align with the overall business strategy of selling solutions, instead of products. After its successful implementation, the CRM system has got into an impact mode, which may challenge business strategy.