Attitude towards CRM System: A Study on Surgical Companies in India and Bangladesh

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Abstract
In present marketing practices, strategic perceptions become obsolete with the updating business trend for the frequent change of customer desire and related issues. Customer Relationship Management (CRM) plays a vital role by ensuring loyal, conscious and satisfied customer base for any organisation. To win and retain present customers as well as to attract the potential customers, CRM works as a tactical weapon in business atmosphere. The present study is a humble attempt to find out differences in attitude towards CRM system among companies manufacturing surgical goods in India and Bangladesh. CRM “characterizes a management philosophy that is a complete orientation of the company toward existing and potential customer relationships” (Raab et al, 2008, p.6). The major research gap is lack of study on companies in the surgical goods sector although they cater customers having varied need due to differentiated health care need. The study undertakes a focus group interview through structured questionnaire and uses 5 points Likert Scale on individual customer. Stratified random sampling was adopted to select sample. The study uses t-test and chi square test to analyse the difference, if any, in attitude towards CRM usage in both the countries. The paper concludes that there is a vast opportunity of using CRM in both of the nations and it may be better for companies in surgical goods industry. The practical implication of the study lies in its recommendations. The study inter alia recommends that there is a vast opportunity of using CRM in both of the nations and it may be better for companies in surgical goods industry. The major limitation of the study is relatively small sample size and that cannot be avoided due to time and resource constrains. Furthermore, the study deals with a very small sub-sector of health care sector.

Keywords: Customer Relationship Management (CRM), surgical goods, India, Bangladesh
1. Introduction:

Wealth maximization is being the ultimate goal of a business organisation, it is important to make policies to generate profit for a long term basis for the organisation. The aim of a business should be focused on creating new customers along with retaining the existing potential customers. Customer Relationship Management (CRM) explicitly recognizes the long-run value of potential and current customers, and seeks to increase revenues, profits, and shareholder value through targeted marketing activities directed toward developing, maintaining, and enhancing successful company-customer relationships (Berry, 1983, p. 25; Morgan and Hunt, 1994, p. 22; Gronroos, 1990 p. 138).

Surgical Industry has a huge scope to integrate CRM with their business strategies. It is an area where producing customer centric product will provide huge competitive advantage. CRM is that strategy which suggests various techniques for future course of action. When quality and price are not the vital issue to create competitive advantage on a long run, a company need to implement CRM as a weapon to build concentrated relationship with customer as well as to increase profit, reduce waste, release staff-stress, reduce customer churn rate, increase referrals to new customer along with increasing number of satisfied customer. Surgical products are very close to health care need. Through CRM a surgical company can introduce a communication link with their customers who may help to create customized product, consequently the customers think themselves as a part of the company, which ensures customer retention and loyalty.

While Bangladesh and India are both located in the same region once, there were many significant macroeconomic differences between two nations. India is larger than Bangladesh in terms of both area and population. In view of the different levels of economic development of Bangladesh and India, the chief motivation of this study is to determine if there are significant differences in their CRM system of surgical industry. Both the countries are advanced in medical facility, though the surgical industries are not well established. Still there are no such well-known brands, which can attract mass of both the country. The involvement of that industry with the customer is less for the lack of established CRM practices in current situation. Majority of the industry players involve in packaging the products that are manufactured locally. A few leaders are involved in manufacturing& packaging solely, upon them whole research was done. Our brief discussion indicates, that there is a huge scope of CRM in that industry to find out the
potential customer and uphold their values with providing quality services & quality products. Through CRM we can create satisfied customer. Customers are the sole reason for the existence of commercial establishments. So, satisfied customer creates brand awareness & loyalty and it is highly significant for surgical companies in both of the countries.

2. Literature Review/Research Gap:

Customer relationship management (CRM) is a widely implemented strategy for managing a company’s interactions with customers, clients and sales prospects. It involves the use of technology to organise, automate, and synchronize business processes— principally sales activities, but also those for marketing, customer service and technical support. The information and communication technology components of a comprehensive CRM strategy are integrated into CRM systems that enable the automation of business processes in the area of marketing, sales and service in order to build and maintain profitable long-term customer relations (Peppard, 2000).

According to Yi-Chih Yang and Hoang Hai Nguyen (2011) perceptions of CRM are clearly different in the two countries due to their divergent socioeconomic backgrounds. Significant differences between the applications of CRM by the shipping industries in the two countries existed in connection with four major factors (e-commerce marketing, interactive marketing, contact marketing, and customer service marketing). It is concluded that shipping companies should improve their computerized CRM systems in order to collect and analyze valuable marketing data from their customers, which will enable sales personnel and customer service staff to make appropriate decisions, improves service quality, and create greater value for customers in the highly competitive maritime transport business.

Ruth N. Bolton and Crina O. Tarasi (2006) found that, CRM is an integral part of a company’s strategy, and its input should be actively considered in decisions regarding the development of organisational capabilities, the management of value creation, and the allocation of resources. CRM principles provide a strategic and tactical focus for identifying and realizing sources of value for the customer and the firm and can guide five key organisational processes: making strategic choices that foster organisational learning, creating value for customers and the firm, managing sources of value, investing resources across functions, organisational units, and channels, and globally optimizing product and customer portfolios.
CRM enables instant market research as well: opening the lines of communications with customers gives direct constant market reaction to the products, services and performance, far better than any market survey. Good CRM also helps to grow business: customers’ stay longer; customer churn rates reduce; referrals to new customers increase from increasing numbers of satisfied customers; demand reduces on fire-fighting and trouble-shooting staff, and overall the organisation’s service flows and teams work more efficiently and more happily, as cited the case of Airtel Magic at Bharti study. Dr B Bmansuri(2009)

CRM have a positive impact on customer satisfaction and customer experience, which have impact on customer loyalty. Customer loyalty has a direct impact on word of mouth. It was found that customer experience also have a direct impact on customer satisfaction. Although, CRM does not have direct impact on Word of Mouth (WOM), it is a very influential contributor in convincing the satisfied and loyal customers to guarantee WOM. (Rameeza Ejaz, Mirza Ashfaq Ahmed and Zahoor Ahmad, 2013)

According to, Choi Sang Long, Raha Khalafinezhad, Wan Khairuzzaman, Wan Ismail & Siti Zaleha Abd Rasid (2013)CRM is one of the critical strategies that can be employed by organisations to improve competitive advantage. Four critical CRM elements are measured, these are behaviour of the employees, quality of customer services, relationship development and interaction management. Behaviour of the employees is significantly related and contributes to customer satisfaction and loyalty.

Peter C. Verhoef (2003) investigates the differential effects of customer relationship perceptions and relationship marketing instruments on customer retention and customer share development over time. Customer relationship perceptions are considered evaluations of relationship strength and a supplier’s offerings, and customer share development is the change in customer share between two periods. Affective commitment and loyalty programs that provide economic incentives positively affect both customer retention and customer share development, whereas direct mailings influence customer share development.

Mornay Roberts-Lombard Leon du Plessis (2012)investigate the influence of trust, commitment, two-way communication and conflict handling on customer loyalty through customer relationship management (CRM) as a mediating variable. Long-term insurance providers in South Africa can improve and maintain the relationships between themselves and their customers if they exhibit trustworthy behaviour, show genuine commitment to
service, communicate information to customers efficiently and accurately, thereby also listening to their customers and handling potential and manifested conflicts skilfully. This will ultimately contribute to customer loyalty, which will ensure economic prosperity for the long-term insurance provider.

2.1 Research Gap:

Our Review the extant literature on CRM, there is no study on companies in the surgical goods sector although they cater customers having varied need due to differentiated health care need. The study is aimed at discovering the present position on CRM implementation and future areas of improvement in surgical goods manufacturing sector.

3. Objectives:

The study primarily focuses on CRM practice of surgical sector of Bangladesh and India. The objectives of the study are listed below:

➢ To evaluate and examine the various CRM assessment factors for surgical companies and interviews with the owner of representative surgical companies and customers of various hospital, pharmacy both in India and Bangladesh.
➢ To compare the attitudes of CRM systems of surgical companies in India and Bangladesh.
➢ To get an overview about the surgical product of both the countries.
➢ To understand the environment of surgical market.
➢ To analyse the demographic status of customers of surgical products.

4. Research Method and Hypotheses:

4.1 Research Design:

The research is descriptive in nature to find out attitude of surgical goods producing companies towards CRM system. The study is carried out the naturalistic observation and survey questioning.

4.2. Data Collection technique:

Collection of data for the purpose of the research study is in the form of primary data.
Primary data includes companies’ information, customer opinion, face-to-face interviews, and survey questionnaires. Questionnaires were collected based on the established sampling technique. The areas of survey were:

Bangladesh (Dhaka) and India (West Bengal)

The entire survey was done through personal survey method.

4.3. Designing the Questionnaire:

Two different structured and undisguised questionnaires were used to collect primary data. One was used to collect the customer’s feedback regarding the CRM of surgical companies another was used to collect the company’s feedback regarding the use of CRM questionnaire is designed in such a way that there are use of scaling namely Likert Scales which have five scales like strongly agree, agree, neutral, disagree, strongly disagree. This enables the respondent to answer the questions in a structured manner by choosing one option among the five options.

4.4. Sampling and Methodology:

Sampling units were the group of companies and group of customers who stock the surgical product. The total sample size was seventy-two. Among them there are 6 companies and 30 customers of each of the two countries. These traders were the respondent of my survey and they were from different locations. Convenient sampling method was used in the survey.

The verbal data in these questionnaires were transformed into numerical data using a statistical package SSP (Smith’s Statistical Package 2.80) and that package was used to calculate Anova. Further, all the questionnaires were entered as values and different statistical tools like one-way-Anova, Pearson Chi-Square used to interpret. The calculations chi-square test and Anova were carried out adding the score given by the respondents in respective category and percentage figures were calculated based on each parameter. Further to this, findings were based on results drawn from the analysis, supplemented with information from primary data sources.

4.5. Research Hypotheses:

For analysis and interpretation of our result we formulate a few hypotheses for testing. Our hypotheses are based on expected relationship postulated in the extant literature.

Null hypothesis H₀₁ (for Indian perspective): Quality is not the most favoured factors of
customer relationship.
Null hypothesis $H_{02}$ (for Bangladesh perspective): Prompt delivery service is not the most favoured factors of customer relationship.
Null hypothesis $H_{03}$ (for Indian perspective): There is no deviation between company’s strategy and CRM.
Null hypothesis $H_{04}$ (for Bangladesh perspective): There is no deviation between company’s strategy and CRM
Alternative hypothesis $H_{11}$ (for Indian perspective): Quality is the most favoured factors in customer relationship.
Alternative hypothesis $H_{12}$ (for Bangladesh perspective): Prompt delivery service is the most favoured factors in customer relationship.
Alternative hypothesis $H_{13}$ (for Indian perspective): There is a deviation between company’s strategy and CRM.
Alternative hypothesis $H_{14}$ (for Bangladesh perspective): There is a deviation between company’s strategy and CRM.

5. Analysis and Interpretation:
We have conducted chi-square test. Table 1 gives the result of our test.

<table>
<thead>
<tr>
<th>Sl. #</th>
<th>Observed</th>
<th>Expected</th>
<th>O-E</th>
<th>$(O-E)^2$</th>
<th>$(O-E)^2/E$</th>
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<tr>
<td>1</td>
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<td>16.34</td>
<td>266.99</td>
<td>16.02</td>
</tr>
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<tr>
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<td></td>
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</tr>
</tbody>
</table>

At 5% level of significance and 5 degrees of freedom, the critical value from the Chi square distribution table is 11.070 As the calculated table value from Chi square statistics 32.727 exceeds the critical value 11.070 Hence the null hypothesis $H_{03}$ is rejected. So, we may state that results of the test indicate that there is a deviation between company’s strategy and CRM.
assessment factors (for Indian perspective).

We have conducted chi-square test. Table 2 gives the result of our test.

Chi-Square Test for company’s strategy and CRM assessment factors: \( \chi^2 = \sum \frac{(O-E)^2}{E} \)

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<td>266.99</td>
<td>16.02</td>
</tr>
</tbody>
</table>

At 5% level of significance and 5 degrees of freedom, the critical value from the Chi square distribution table is 11.070. As the calculated table value from Chi square statistics 65.374 exceeds the critical value 11.070 hence the null hypothesis \( H_0 \) is rejected. So we may state result of the test indicate that there is a deviation between company’s strategy and CRM assessment factors (for Bangladesh perspective).

We have conducted Analysis of Variance (ANOVA) test: (Indian perspective) Table 3 gives the result of our test. The preference order for customer demand from the company’s point of view to create customer relationship converted in a 5 point Likert scale and 6 valuable companies are randomly selected.
At 5% level of significance and degrees of freedom 4 and 145, the critical value for Anova from the F table is 2.43406514. As the calculated value from Analysis of Variance 19.1091 exceeds the F table value 2.43406514, hence the null hypothesis $H_0$ is rejected. So we may state that result of the test indicate that quality is the most favoured factors of customer relationship management and there is a significant impact of those factors in customer mind when they are going to purchase surgical products (for Indian perspective).

We have conducted Analysis of Variance (ANOVA) test: (Bangladesh perspective) Table 4 gives the result of our test. The preference order for customer demand from the company’s point of view to create customer relationship converted in a 5 point Likert scale and 6 valuable companies are randomly selected.

<table>
<thead>
<tr>
<th>Variate</th>
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<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>95% Conf. Int.</th>
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<td>2.5333</td>
<td>0.7363</td>
<td>2.5333 ± 0.2361</td>
</tr>
<tr>
<td>Var2</td>
<td>30</td>
<td>1.7333</td>
<td>0.8915</td>
<td>1.7333 ± 0.2361</td>
</tr>
<tr>
<td>Var3</td>
<td>30</td>
<td>4.7333</td>
<td>0.4496</td>
<td>4.7333 ± 0.2361</td>
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<tr>
<td>Var4</td>
<td>30</td>
<td>1.5000</td>
<td>0.5724</td>
<td>1.5000 ± 0.2361</td>
</tr>
<tr>
<td>Var5</td>
<td>30</td>
<td>1.7657</td>
<td>0.7739</td>
<td>1.7657 ± 0.2361</td>
</tr>
</tbody>
</table>

The F-value: 124.4548

At 5% level of significance and degrees of freedom 4 and 145, the critical value for Anova from the F table is 2.43406514. As the calculated value from Analysis of Variance 124.4548 exceeds the F table value 2.43406514, hence the null hypothesis $H_0$ is rejected. So we may state that the result of the test indicate that Delivery service is the most favoured factors of customer relationship management and there is a significant impact of those factors in customer mind when they are going to purchase surgical products. (Bangladesh perspective)

6. Findings:

The main findings of this study are discussed and their theoretical and managerial implications are indicated below:

- Perceptions about CRM among the sample companies in surgical industry are almost
same in the two countries due to lack of proper knowledge about the potential market of surgical products.

- It was assessed that major factors (loyalty, prompt delivery service, employee training, staff friendliness) can affect the adaptation and implementation of CRM in this industry.
- Any company must introduce CRM in order to meet customers’ diversified needs and promote win-win situation.
- They are not customer conscious. CRM is not working properly in both of the nation due to customer consciousness.
- Lack of enough trained sales person obstructs creation of new customers and customer retention.
- For sustainable development promotional activities are vital issue but surgical companies are somehow detached from it.
- Companies in Both the nations somewhat maintain the traditional CRM (helping behaviour, quality product, balance of price-quality).

6.1 Theoretical Implications:

Our major recommendation for management of the companies engaged in surgical goods sector are as follows should be given on:

- Quality is a great opportunity for Indian market so that it should be more concerned about the quality parameter and keeps it up consistently; consequently keep more concern on others customer relationship assessment factors.
- Bangladesh market is advance on prompt delivery service so it is sunshine for them to adopt other significant factors as a CRM implication properly.
- Should reinforce web base CRM which will be supportive for both the country’s to deliver customized surgical product.
- Day after day the prompt advancement of medical service introduce the huge scope of surgical industry, so E-CRM provides the facility of keeping computerized data which in future assist to produce customized product along with reduce the market survey cost separately.
- Emphasis should be given on creating brand awareness.
7. Conclusion

From the study it can be concluded that the customer relationship management in Surgical Company is necessary in present days. The companies are using various CRM practices like customization of the product, maintaining interaction with the customers regularly and providing good quality product etc. CRM has a certain impact on the profitability of the company. Customer response rate towards marketing activities is also improving through CRM. There are various factors affecting the CRM like working environment of the company, support from top level management and coordination among the departments of the company. Information technology is not used as much as it should be. The company should more dynamic to survival of the business environment. CRM, as well as to study more products get in depth and clearer picture.

Like any other study having time and resource constraints, our study is not free from certain limitations. During data collection respondents may not show their true behaviour, which can be a constraint of the study. There is always the possibility of sampling error in any kind of research based on survey method but I have done my level best to get the right kind of people during the survey that can represent the population. I have to take 72 respondents among the customers and companies. There are smaller sample size compare to total population. As surgical industry in both of the nations manufactures various types of surgical product, but here in this study we have taken only Gauze and Bandage as our major sample element. For future research in this area, one may include the implications of promotional activities. One may expand the sample size and other related products to gain better insight about real relationship between the different factors of CRM and maximum product purchase.

8. Reference List:


