

CHAPTER-6

CUSTOMER RELATIONSHIP MANAGEMENT

- ✚ It is the methodology of establishing , developing , maintaining and optimising a long term mutually valuable relationship between customers and organisation.
- ✚ It is also called customer service management.
- ✚ It refers to the methodologies and tools that help to learn more about customers needs and behaviours in order to develop stronger relationship with them.
- ✚ it is building and maintaining a long term customer relationships.

PHASES OF CRM

- a) Acquiring Customers
- b) Retaining customers
- c) Enhancing Customers

NEED OF CUSTOMER RELATIONSHIP MANAGEMENT

- Acquiring new customers
- Developing or enhancing the value offered to customers
- Transforming the customer experience
- Enhancing customer loyalty and retention to increase profits
- Budgeting and forecasting volumes of sales
- Designing solutions for enhancing loyalty programs.
- for increasing profit
- for increasing customer satisfaction
- Growth for companies.

CUSTOMERS

A customer is also called client, buyer or purchaser, is usually used to refer to a current or potential buyer or user of the products of an individual or organisation, called the supplier, seller or vendor.

TYPES OF CUSTOMERS

i. Customer Loyalty-

- these customers need to be communicating on a regular basis by telephone, mail, email etc.
- Nothing will make a loyal customer feel better than showing them how much seller value them.
- Many times, the more you do for them ,the more they will recommend to others.

ii. Discount customers-

- These types of customers shop frequently , but make their decisions based on the discount policies.

iii. Impulse customers-

- These type of customers don't have buying a particular item as their priority of their 'To Do' List, but come into the store on a whim.
- They will purchase what seems good at the time .

iv. Need Based Customers-

- They have a specific intention to buy a particular type of item.
- People in this category are driven by a specific need.
- This type of customers enter the shop to buy the product of their need and if their need is not fulfilled they leave the shop right away.
- They can also become loyal customers if they are well taken care of.

v. Wandering Customers -

- They don't have any need or desire in mind when they come into the store.
- For many stores they are the largest segment in terms of traffic, while , at the same time , they make up to the smallest percentage of sales.

CUSTOMER SATISFACTION

- It is the measure of how well the products , service , support and engagement are able to meet the customer expectations.

RULES OF CUSTOMER SATISFACTION

Customer satisfaction is all about bringing customers back and sending them away happy enough to pass positive feed back about business or product along to others, who may then try the product or service the company offer for themselves and in return they become repeat customers.

- ✚ **Encourage Face to Face dealings:** it's important to meet the customers face to face rather than a voice or phone or someone typing into an e-mail. It is believed that if a potential customer spends half the meeting doing the talking, he / she is well on the way.
- ✚ **Tier the customers :** Their should be a clear difference between regular customers and other customers that company value them. The company can show the regular customers that they value them , from small things such as greeting them or giving them discounts etc.
- ✚ **Don't make promises until company will keep them-** Think before you give any promise- because nothing annoys customers more than a broken one. Ex-The new bedroom furniture will be delivered on Monday , make sure it gets delivered by Monday.
- ✚ **Deal with Complaints :** No one like hearing complaints, but if there is a complaint the company may be able to please this and position the business to reap the benefits of customer satisfaction.
- ✚ **Give Customer the benefit of doubt :** company will never win an argument with a customer and they should never ever put a customer in that position.
- ✚ **Be friendly and approachable :** It's very important to be friendly , courteous and to make the clients feel like company is their friend and there to help them out.

TOTAL QUALITY MANAGEMENT (TQM)

- ✚ It was coined by AV Freignbawn 1983, Japan, TQC later became TQM (Total quality Management)
- ✚ It believes in company- wide responsibility towards quality.
- ✚ The main goal of any competitive organisation is **to provide a product or service at most economical costs ensuring full customer satisfaction.**
- ✚ **Definition-** it is an effective system of integrating the quality development, quality maintenance and quality improvement efforts of various groups in an organisation so as to enable marketing , engineering, production and all service at the most economic levels which allow for full customer satisfaction.
- ✚ **TOTAL-** everyone should be involved
- QUALITY-** customer should be provided with uniform quality product that meet their expectations.
- MANAGEMENT-** the way total quality is conducted.

INSPECTION

- Is the most significant factor **controlling the product quality after comparison with the established standards and specifications.**
- It is the **function of quality control.**
- It helps to control **quality, reduces manufacturing costs and scrap losses.**
- Definition- **it is the process of measuring the quality of a product or service in terms of established standards.**

OBJECTIVES OF INSPECTION

- i. to **find** out the **defects** in the material.
- ii. To **reduce** the number of **complaints** from customers.
- iii. To **sort out poor quality** of manufactured product.
- iv. To **distinguish good lots from bad lots.**
- v. To **rate quality** of product.
- vi. To **determine if the process is changing.**
- vii. To **measure process capability.**

BENEFITS OF INSPECTION

- a) **Ensures adequate maintenance of quality** necessary to satisfy customers and to meet competition of rival producers.
- b) **Ensures that parts are within the specified limits** of accuracy and they fit properly during assembly.
- c) **Locating Machine and Process Faults.**
- d) Helps in **deciding the skills of workers.**
- e) Give **economy in production** through reduction of defective work.
- f) Prevents **machine time from being spent on work already identified as defective**

INSPECTION PLANNING

It consists of six basic elements-

- i. **What to inspect-** the product must be inspected for important quality characteristics to achieve desired quality at optimum cost.
- ii. **When to Inspect :** the stages at which product need to be inspected must be fixed.
- iii. **Where to inspect :**the areas to be covered by inspection should be specified.
- iv. **Who should inspect :** the qualification, experience for the inspectors should be specified.
- v. **How to inspect :** it should be conducted by trained inspectors using right equipments and tools.
- vi. **How much to inspect :**decision whether the product should be subjected to sampling or cent percent inspection.

QUALITY CONTROL

It is an effective system for **quality development, quality maintenance and quality improvement efforts to enable production and service at the most economic levels for full customer satisfaction.**

NEED FOR QUALITY CONTROL

- **Interchangeable Production** : unless quality of product is maintained within allowable limits interchange ability of components of mass production cannot be maintained.
- **Customer's Satisfaction**: For every product , customer expects the product to work up to its declared standard.
- **Scrap and wastage control**: with proper quality control there will be best utilization of material that will reduce the scrap material.
- **Adjustment of Process and machinery**: the product produced will be upto quality mark and cheap.

OBJECTIVES OF QUALITY CONTROL

- ✚ To **check the variation** during manufacturing.
- ✚ To **decide about the standard** of quality of a product.
- ✚ if **quality of product is falling down during manufacturing then different steps to be taken to check this deviation.**
- ✚ The **product which are below standards should not reach customers.**
- ✚ **Evaluation of quality standards of incoming material and the outgoing product.**
- ✚ To **improve the standard of quality of product at minimum price.**

ADVANTAGES OF QUALITY CONTROL

- Quality of product is improved which **increase the reputation of the organization.**
- **Scrap rejection and rework are minimized** thus reducing wastage.
- **Inspection cost reduces** to great extent.
- **uniformity in quality** can be achieved.
- **Improvement in manufactures and customers relations.**

QUALITY ASSURANCE

Quality Assurance are those planned and systematic actions to provide adequate confidence that a product will satisfy by giving requirements for quality.

RESPONSIBILITIES OF QUALITY ASSURANCE DEPARTMENT

- **To plan, develop and quality norms.**
- **Product specifications that should reach to customers.**
- **Evaluation of effectiveness of quality programmes regularly.**
- **Investigations related to quality problems.**
- **Organize training programmes on quality.**
- **Plan and coordinate vendor quality survey and evaluate their results.**

S.no.	Quality Control	Quality Assurance
1	Related to actual test or inspection to determine whether a particular component/ part is acceptable or not	It has many activities like planning actions, assigning qualified person for making and inspecting.
2	Quality control activities focus on finding defects in the specific deliverables.	Quality Assurance review the process by elements of a project.
3	Quality control ensures quality.	Quality Assurance creates and ensures the processes are being followed to assure quality.

S.no.	Inspection	Quality Control
1	Is one of the tools to achieve better quality.	Aims to produce better quality products at the least cost.
2	Is the application of tests and measuring devices to compare the products and their performance with specified standards.	It determines the cause of variations and suggests method to minimize it.
3	It actually conducts examination for the quality control	It determines what, when and how much to inspect.

OPERATION AND IMPLEMENTATION OF TQM

- ✚ It is integrated around the central concept of **Total Customer Satisfaction**.
- ✚ It extends to and encompasses continuing changes or improvement in the product based on feedback from the customers regarding their performance of product.
- ✚ This aspect is **also known as the practice of ' design looping' in Japanese firm**.
- ✚ It implies **continuing improvements** in product design and manufacture in the light of **periodic surveys of customer experience, opinions and preferences**.
- ✚ it contains **4 processes (4 P's)**
 - a) **People involvement**
 - b) **Product Process Innovation**
 - c) **Problem Investigation**
 - d) **Perpetual Improvement**
- ✚ However the concept of teamwork is larger and it implies that-
 - a) employees are viewed as assess.
 - b) Suppliers are viewed as partners
 - c) customers are viewed as guides.

BENEFITS OF TOM

A. CUSTOMER SATISFACTION ORIENTED BENEFITS-

- i.** Improvement in product design.
- ii.** Improvement in product service.
- iii.** Improvement in employee morale
- iv.** Improvement in production flow.
- v.** Improved market acceptance

B. ECONOMIC IMPROVEMENTS ORIENTED BENEFITS-

- i.** Reduction in operating costs.
- ii.** Reduction in operating losses.
- iii.** Increased productivity
- iv.** Reduction in rejection

TOOLS FOR TOTAL QUALITY MANAGEMENT

A. 5 S CAMPAIGN

This campaign is based on upkeep of work space. 5s campaign include 5 simple Japanese words -

i. SEIRI (PROPER ARRANGEMENT)

It means 'sort out' unnecessary items.

ii. SEITON (ORDER LINES)

means 'everything is in its place'

iii. SEIKETSU (CLEANLINESS)

Means 'Prevent problems by keeping things clean' Clean work place provide a pleasant working environment and results in quality products.

iv. SEISO (Clean up)

means 'after work cleanup and maintenance'. It is very important to cleanup machinery workplace for consistent quality work.

v. SHITSUKE (DISCIPLINE)

means 'maintaining good habits'. Company policies and standards to be followed to achieve desired quality of products.

B. TOTAL EMPLOYEE INVOLVEMENT (TEI)

It is a team work for achieving the quality in an organization and everyone has to involve equally.

C. QUALITY FUNCTION DEVELOPMENT (QFD)

It creates an organisational structure and design products and services around what the customer wants.

D. POKA YOKE

means 'to avoid unintentional errors'

It aims at total elimination of human errors

E. KAIZEN

means 'continuous improvement'.

It believes in the principle that 'a large number of small improvements are more effective in an organisational environment than a few improvements of large value.

INTELLECTUAL PROPERTY RIGHTS

Intellectual Property rights are legal property rights given to originators of products .

IMPORTANCE OF INTELLECTUAL PROPERTY RIGHTS

- Providing due recognition to the creators and inventors.
- Ensuring the ability of the genuine and original products
- to provide incentive to the individual for new creations.
- It drives economic growth and competitiveness.
- To encourage innovations.

COPYRIGHTS

- ✚ The object of copyright is to encourage authors, composers, artists and designers to create original works by rewarding them with the exclusive right for a limited period to make use of the work for monetary gain.
- ✚ It protects the writer or creator of original work from the unauthorized reproduction or exploitation of his materials.
- ✚ Works protected by copyrights are-

i. Literary, Dramatic, Musical and Artistic Works-

LITERARY WORK-

- The work must not be copied.
- Two authors independently producing an identical work will be entitled for copyright in their respective works.

DRAMATIC WORK-

- it includes any piece or recitation, choreographic work.
- Entertainment in dumb show.
- the acting form of which is fixed in writing
- but does not include cinematograph film.

MUSICAL WORK

- Combination of melody and harmony
- There is no copyright in a song. A song has its own words written by one man , music by another, words have a literary copyright, and so has its music.
- Incase words and music are written by the same person , or owned by the same person , he would own the copyright in the song.

ARTISTIC WORK

- A painting, sculpture, drawing , map, chart, a photograph, an architectural work of art, a poster used in an advertisement .

ii. CINEMATOGRAPH

- It includes sound track if any.
- copyright means the right to do or authorize the doing of any of the following acts, namely-
 - a) to make copy of the film
 - b) it consists of visual images, to be seen in public and in so far it consists of sounds, to be heard in public.

iii. RECORDS

- Any disc, tape, or other device in which sounds are embodied so as to be capable of being reproduced.
- The sound track in a cinematographic film is not a record unless it is separately recorded in a disc tape.
- Where the record is made directly from a live performance the owner of the disc or tape in which the recording is made will be the owner of copyright.

HOW TO OBTAIN COPYRIGHTS

The work apart from being original should satisfy the following points-

- a) The work is first published in India
- b) If the work is first published outside , at the date of publication ,the person must be the citizen of India.
- c) Incase of architectural work of art, the work is located in India.

REGISTRATION OF COPYRIGHTS

- i. Application in triplicate with prescribed fees.
- ii. Applicant to serve notice of his application.
- iii. If the registrar receives any objection he may after holding such inquiry , enter such particulars of work in the register of copyright, which he considers proper.
- iv. Registrar then sends copies of the entries made in the register to the parties concerned.

WHAT IS NOT PROTECTED BY COPYRIGHT

- Speeches, performances that have not been written or recorded.
- Title names, short phrases, slogans , familiar symbols, lettering , colouring ornamentation.
- Ideas, methods, concepts, discoveries, devices, explanation or illustrations.
- work containing common property and no original authorship like standard calendar, height and weight charts, etc.)

TERMS OF COPYRIGHTS

- In case of literary, dramatic, musical or artistic works-copyrights lasts during the **lifetime of the author plus fifty years.**
- Joint authorship - the 50 years period will start after the author who dies last.
- In case of anonymous works ,copyright is 50 years from the year of publication.
- In the case of posthumous publications the term will be fifty years from the year of publication.
- For a photograph is fifty years from the year of its publication.
- For a cinematographic film and record also the term is 50 years of publication.
- so in case of literary , dramatic, musical or artistic works the term is lifetime plus fifty years. In all other cases the term is 50 years of publication

INFRINGEMENT

- The actions of breaking a term or law.
- **Copyright in a work is considered to be infringed:**
 - a) When any person without a license from the owner of the copyright , or the registrar of Copyright -
 - violates any exclusive rights of the copyright owner.
 - knowingly permits for profit of any place used for the performance of the work in public which continues as infringement of the work or-
 - b) when any person , makes for sale or sells or lets for hire, or offers for sale or hire, or exhibits in public for trade or import any infringing copies.

‘Piracy’ is an act, where an unauthorised copies or pirated copies are produced and either distributed or sold. The authors, performers etc and film producer’s right of making copies are infringed when such work is pirated and distribution or sale takes place.

‘Bootlegging’ normally refers to an unauthorised recording of a live performance. This may occur by using a tape recorder or video recorder. When the work is recorded without the permission of the authors and performers, then making, distributing or selling will constitute an infringement.

PATENT

Patent, under the act is a grant from the government to the inventor for a limited period of time , the exclusive right to make use , exercise and vend his invention. After the expiry of patent , anybody can make use of the invention.

INVENTION

It means any new or useful -

- i. art, process, method
- ii. machine, apparatus or other article
- iii. substances produced by manufacture

Such creation becomes the exclusive property of the inventor on grant of patent.

APPLICATION FOR PATENT

- ✚ An application for a patent may be made by the actual inventor of the invention, or the assignee of the right to make an application or legal representative.
- ✚ It is the person who applies first for a patent is entitled to the grant.
- ✚ A prior inventor of the invention who applies subsequently will not get the patent as against the first applicant

RIGHTS OF A PATENTEE

- The patentee can sell the whole or part of this property
- He can also grant license to other(s) to use the patented property.
- He can also assign such property to any other(s).

PERIOD OF PATENT

- Patents related to drugs and food, the term is five years from the date of sealing the patents or seven years from the date of the patent whichever is shorter.
- In respect of all the other patents the term is fourteen years from the date of the patent. A patent is kept alive only by paying the renewal fee from time to time.

INFRINGEMENT OF PATENT

The right conferred by the patent is the exclusive right to make, use, exercise, sell or distribute invention in India. Infringement consists in the violation of any of these rights. Infringement consists in the violation of any of these rights.

TRADEMARK

- ❖ During the British regime in India the big merchants and businessmen who had established their mark in the market in respect of certain good under the particular brand name, style or design felt they should continue to be sold or traded under the same brand name, style or design and no other person shall be allowed to adopt the brand name style or design.
- ❖ it is a mark used in relation to goods for the purpose of indicating a connection between the goods and some person having the right as proprietor to use the mark.
- ❖ it is a visual symbol in the form of a word, device or a label applied to articles with a view to indicate to the purchasing public that they are goods manufactured

FUNCTIONS OF A TRADEMARK

- It identifies the product and its origin.
- It proposes to guarantee its quality.
- It advertises the product.
- It creates an image of the product in the minds of the public particularly the consumers or the prospective consumers of such goods.

INFRINGEMENT OF TRADEMARK

✚ Infringement of a trademark occurs if a person other than the registered proprietor in the course of trade, in relation to the same goods or services for which the mark is registered, uses the same mark or deceptively similar mark.

ESSENTIALS OF INFRINGEMENT

- The taking of any essential feature of the mark or taking the whole of the mark a few additions and alterations would constitute infringement.
- The infringing mark used in the course of trade.
- use of infringing mark must be printed or usual representation of the mark in advertisements, or bills.
- All of the above acts would constitute infringement.

Comparative Analysis of Patent, Copyright and Trademark

Field	Patent	Copyright	Trademark
Right Protected	Right conferred in respect of a new invention to manufacture the product patented or use the process patented.	Right conferred in respect of original, literary, dramatic, musical and artistic works, cinematograph film and records.	Right conferred to use a particular mark, which may be a symbol, word, device applied to articles of commerce to indicate the distinctiveness of goods.
Time Period	14 years and in case of food and drugs 5 or 7 years.	Life time plus 50 years for literary, dramatic, musical and artistic works. 50 years from year of publication for records.	7 years and may be renewed from time to time.
Who Can Register	Actual inventor or an assignee of the right to make an application or legal representative of either.	The author or publisher of, or owner of or other person interested in the copyright in any work.	Proprietor of the trademark and application may be made in the name of an individual, partners of a Firm, Corporation, Government department or Trust.
Commercial Use	Assigning rights or licensing them to industrialists for a lump sum payment or royalty basis.	By assigning or licensing the right to others on a royalty or lump sum basis.	Licensing the right by registration of the licensee as a registered user.
Remedy For Infringement	Injunction, Damages, Accounts of profits.	Civil, Criminal, Administrative.	Injunction, Damages, Accounts of profits.

Injunction- an injunction restrains the defendant from using the offending mark pending the trial of the suit or until further orders.

Accounts of profit- when a plaintiff (a person who initiates the law suit before a court) claims the profits made by the unauthorised use of his trademark, it is important to ascertain to what extent the trademark was used.

Damages: the object of damage is to compensate for loss or injury