

# Evolution of Customer Relationship Management.

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**Abstract-** Customers should be managed and the organisation must strive to maintain good relationship with the customers in order to for growth of business. In this research paper, we are going to explore the existence and evolution of customer relationship management services from ancient India, medieval as well as modern India. In this paper, we are going to study the necessity and know how of customer relationship management, in context to ancient India kingdoms such as the Cholas, Pallavas, Chalukyas, Pandyas, Satavahanas and Shiahunaga. The understanding of how these kingdoms were able to manage their customer relationship in order to grow their trade and market throughout the provinces is studied. This paper throws light primarily on the effect of ancient methods to manage the customer relations in the modern era as well as its applicability.

In this paper, we also study customer satisfaction and customer relationship management which are two sides of the same coin; how the customers' behaviour would reflect whether they would purchase the article or not.

## INTRODUCTION:

Customers are God and worship-able in India, sellers always consider their customers as their gods. Customer relationship management is the art of two-way effective communication between the customer and service provider who is providing services and satisfaction to the customer.

Customer relationship management uses data of the past and present of potential customers who show inclination to buy the product. Communication is the key priority to manage customer relationship. It encompasses direct connection with the customer such as sales and services related operations, forecasting and analysis of the customer patterns for buying the products or articles as well as behaviour of the customers.

## Types of Customer Relationship Management.

Customer Relationship Management can be basically divided into 4 categories-

- 1) Strategic Customer Relationship Management
- 2) Operational Customer Relationship Management.
- 3) Analytical Customer Relationship Management
- 4) Collaborative Customer Relationship Management.

1) Strategic CRM - this mainly focuses on customer centric business culture. This approach will lead to the customer being attracted as a more priority is centred on the customer which will lead to them purchasing the product.

2) Operational CRM - This system focuses on integration and automation of sales, marketing and customer support as well as customer coordination.

The 3 main components are-

- A) Sales Force Automation - focusing on all the stages of sale cycles and sale promotion, but being very friendly and enquiring with the customer about their actual needs and not just what the seller wants to sell.
- B) Marketing Automation - easing marketing process and making it more efficient and effective. Customer engagement through social media can be the best example of this component.
- C) Service Automation- part of the CRM system which focuses on direct customer service technology. This includes multiple channels such as phone, email, knowledge bases, ticketing portals, FAQs and crowd sourcing as well.

3) Analytical CRM – Analysis of customer data which can be acquired through multiple sources is used. Methods which include crowd sourcing as well as online questionnaires etc are made use of to collect data which is analysed by business analysts and only those customers who willing to buy or having a history of buying the products are targeted. Data mining is the part of analysis of the customer database and as well as playing an integral part in overall customer relationship management.

4) Collaborative CRM - To incorporate external stakeholders such as suppliers, vendors and the distributors. Sharing of customer information and data across the all departments/ staff and with organization.

The above mentioned are the different techniques or systems of customer relationship management.

## Historical Evolution.

### Ancient India.

#### Cholas.

As per Tamil tradition, the chola kingdom comprised the provinces. Modern day districts of Tiruvarur, Tiruchirapalli, Nagapattinam, Ariyalur, Perambalur, Pudukkottai and Thanjavur were under this kingdom.

The entirety of Krishna and Cauvery as well as its tributaries landscape were under chola empire. It was spread in this region and the river ponni (golden) had a special culture significance in the chola empire. Trade was developed through these regions. The administrators of the cholas managed supply of goods and services to others and a regular supply chain management was practised leading to high customer retention.

The major port town of the kingdom was kaveripoompattinam, which was on the coast of Kaveri delta and this port was known for active and major trading activities. Another port town was Nagapattinam which served as the most important centre for trading of cholas.

Major quantity of Roman coins and ships were found in these places. The most important thing is entire trade was running in the basis of Buddhist and other religious principles. It has been mentioned that customer are worshipable and customers should be treated like God and the business must manage good relationship with customers in order to prosper.

Talking about the economy of the chola empire, land revenue and trade tax were the major sources. The chola rulers issued the gold, silver and copper coins for trading and exchanging of good and services. Discount-based selling of products was started by cholas in order to retain their privileged customers.

The Samayam (Merchant Group) organised and dominated entire regions' international maritime trade by building good effective and valuable relationship with customers to sell the products at discounted prices.

During chola period, Kanchipuram became a hub of silk and cotton. Silk sarees of Kanchipuram are famous even in 21<sup>st</sup> century. When we talk about the trading of silk from Kanchipuram to other part by the Samayam (merchant group), the system of managing customer was to sell the products on credit and once the products were sold on retail, then the retailers had to pay to the merchants who would have to pay to the trader and the entire channel ran like this.

This is how the cholas practices helped to retain customers. As they believed in Buddhism, they followed moral and ethical principles in their trade and life style, because of which, the merchants would likely retain the customers over long durations.

The cholas excelled in the foreign trade and maritime practices. They had extended their trade and business overseas to China and much of modern-day South-East Asia. Till the end of 9<sup>th</sup> century, South India had developed extensive maritime, trading practises and had expanded their business through South China sea which is called maritime silk route (cholas were trading the silk products with China).

Cholas had a collaborated with Tang Dynasty of China, the Srivijaya empire under sailendras and the Abbasid caliphate at Baghdad. These were main trading partners of cholas for silk and cotton supply through these trading partners.

The economic polices and market structure of the cholas were more conducive to the large scale and cross regional market, which aided in their vast hegemony over maritime trade.

### Rational Polices of Chola's For Customer Relationships Management.

During the foreign merchants' visit to buy houses and elephants, they would be treated with utmost care, almost akin to God. They had facilities such as decent dwelling space and good hygienic food. They had daily audience with policy makers, presents and were allowed higher profits, due to these measures, the merchants and articles that were traded from cholas would never be gone to enemies or rivalries.

#### Pallavas.

Pallavas were one of the greatest dynasties of the South India. Most of the arts and architecture as well as cultural developments were seen during the pallavas' rule. Most of the temples were established like shore temple and others during the rule of pallavas.

The selling of arts and artefacts were high by volume and monetary value. Pallavas believed in the principle and polices of Buddhism while selling the products of artefacts like earthen pot, idols of God and goddess. They had good skills to the sell these products.

But during pallava rule, the economy was dependent on land taxation and trade, most of the revenue was generated through the taxation of land and trade. They were highly economically backward but played a significant role in the political, social and cultural developmental history of South India, not playing a significant role in development of trade.

#### Chalukyas.

Trade expansion polices of the chalukyas mainly focused on the satisfaction of customer and establishing a long-term relationship rather than Ad Hoc situations.

The following methods were included in the policies

- 1) Gifting of gold coins to the customers and/or merchants who had purchased the articles from chalukyas throughout the year.
- 2) On festivals and cultural days, the chalukyas offered discount to the merchants and lowered the price of articles.
- 3) Remission in the sale tax which was levied by tax administration from the privileged merchants
- A) Kirukula – Tax On Retail Goods In Transit.
- B) Bilkode – Sales Tax
- C) Pannaya – Betel Tax
- D) Siddaya – Land tax.
- E) Vaddaravula – Tax levied to support royalty.

**Pandyas.**

The ancient silk route was further developed and utilized by Pandyas after the Cholas (founder of ancient maritime silk route). Pandyas's location was extreme south-western tip of South Asia which was economically and geopolitically significant as it was a key point for connecting the shipping and trading routes between Southeast Asia and The Middle East.

The sailors established the trade settlement and arbitration control through the negotiations and unique technique to trade dispute settlement and customer relationship management which was used by Pandyas.

The Pandyas derived a great wealth from pearl fisheries which they termed as pearl trade which was again based on ethical principles by which they would resolve all disputes that arose and mainly focused on customer's satisfaction and they believed that if customers were satisfied with the products and services then they would never find alternatives to the Pandyas.

**Satavahanas.**

This empire was involved in economic expansion activities though intensification of agriculture, raised the production of other commodities and trade within and beyond the Indian subcontinents.

The commerce and trade of ceramic-ware saw an exponential increase during the period of Satavahana. They adopted unique selling skills to their merchants of their ceramic products, i.e., the traders could avail to get other goods or products for their animals like cow, buffalo and other cattle. The best practice was their policy of gifting a house as well as cattle to their merchants in order to build a good relationship with their merchants.

**Medieval India.****Vijayanagar Dynasty.**

The economy of Vijayanagar empire largely depended upon agriculture of rice, sorghum (jowar), cotton, pulses, legumes, sugarcane, wheat, betel leaves, areca, coconut and spices such as turmeric, pepper, cardamom, ginger etc.

There was a burgeoning market of enormous quantities of precious gems and gold.

The ghee (clarified butter) was made and sold by farmers at a good price without any compromise with the quality.

The ethical principles which were followed by Vijayanagar Dynasty in order to retain the customers.

- A) No compromise in the quality of products.
- B) Milk and its products must be supplied in a pure and hygienic manner.
- C) Customer should never be insulted or hurt.
- D) For gems and stone selling, ethical practices were followed by retailers.
- E) Proper, decent dwelling space were allotted to merchants.
- F) Hygienic food and along with memorabilia like presents, gifts, entertainment were also provided to the merchants.
- G) Gift included gold, jewellery, pearl, cattle, horses, elephants were given to the customer in order to retain them.

These above-mentioned strategies were followed in order to manage customer relationship and customer satisfaction during the Vijayanagar empire.

**Salve Dynasty (Delhi Sultanate)****Khilji Dynasty.**

The Khilji Dynasty was the second among the Delhi Sultanates and was founded by Jalal-Ud- Din Firuz Khilji.

Massive inflation was noticed during the time of Khilji Dynasty due to exponential increase in taxes, reduction in agriculture output and the maniacal taxation policy of Khilji emperors.

They were focused on the customer relationship management, especially on the merchants from Islamic provinces.

The special treatments which were given to the Muslim merchants in order to retain them as long-term partners for trading included-

- A) Grand welcome upon the arrival of merchants.
- B) Complete entertainment along with other amusement artefacts.
- C) They were given gifts, presents other articles which were precious and valuable.
- D) Wine, madira and other intoxicants were facilitated to the merchants to retain relationship with them.
- E) Providing physical pleasure, mental pleasure and other entertainment and amusement facilities to the Muslim merchants.

These above-mentioned facilities were provided to the merchants in order to satisfy them and build a relationship with them.

**Modern India.****Before Independence.**

History of CRM begins from early humans who knew that selling to an existing customer was far more comfortable than selling to a new customer, which means it is human nature that we can manage old customers as compared to new customers. Before Independence, East India Company was an entirely trade oriented company and mainly focused on trade rather than administration. East India Company enjoyed monopoly over trade in India. It dealt with traders and merchants of West Bengal and imposed inflated prices of goods leading to adventurous capitalism. The East India Company focused on trade and traders from British colonies and not on the traders of Indian or neighbouring countries, hence they failed to retain customers.

**After independence.**

In 1947, India became an independent nation and started to control trade and internal affairs of India. Trade was completely lost and all processes we had to begin from scratch. The scientific study on that evolution of the customer relationship management (CRM) which mainly is about maintaining records, using notations, edicts, tablets and accounting methods. Maintaining the customer relationship which means to maintain the database.

**CRM in the 20<sup>th</sup> century.**

Data collection and data mining practices had been increased in 20<sup>th</sup> century. The different accounting practices were integrated with each other to manage customer data for future references. The pattern of the keeping records had been changed from manual to digital.

**CRM in the 21<sup>st</sup> century.**

The evolution of CRM, software has taken a front seat in 21<sup>st</sup> century and introduction of these software methods has led to precise customization.

Customer relationship management has been divided into the following sub segments to develop and strengthen the process

- A) Retail
- B) Banking
- C) Financial Services.
- D) Hotels.

In second decade of 21<sup>st</sup> century, social media came into force, facebook, Twitter, Instagram and other social media platforms are in lime light for reaching out to customers as well as for data acquisition.

Methods like crowd sourcing, online questionnaire, feedback interview and survey are being extensively used to maintain customer relationship.

**Author Review.**

Customer relationship management is pioneer to expand the business and understand the market demand and for which we need to satisfy the customer through products, goods and services. Customer relationship management is not modern concept but has trickled down from ancient time. In ancient times, customer were revered as God and treated fairly. After evaluation of the evolution of the customer relationship management from ancient India to modern India, we can come to know that without customer relationship management and customer satisfaction, no organisation can expand business and trade in any market.

**CONCLUSION:**

While concluding above research and evaluation, we must understand that customers should be focused and targeted primarily to understand market demand and in the construction of market strategy. If any business wants to create an impact in any market, then it should focus on the customer's need and their satisfaction. Customer's satisfaction means the entire process from pre-sale to the post-sale customer interaction for any service or product. With improved customer relationship management, an organisation can reach great heights as their customers would be loyalists of the brand as well as its ambassadors, bringing in new customers. With increase in retainership, the organisation could earn better profits as well as have a distinct advantage over its competitors in the market.

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