

CHAPTER I

INTRODUCTION

1.1 Background of the Study

With the fast pace of development and modernization taking place around the world, various management trends have been adopted by the various organizations around the world in order to gain competitive advantage and also to ensure their sustainability and profitability in this stage of tough competition. These management trends include Total Quality Management, Supply Chain Management, Knowledge Management, Business Process Reengineering, Customer Relationship Management, etc. All these management trends have their own significance and the organizations which have adopted these trends have benefitted by it in one way or the other.

Any type of organizations can adopt these trends/concepts, which could be service organizations as well as manufacturing organizations. For instance, concepts such as Total Quality Management, Supply Chain Management and Business Process Reengineering could be more applicable to manufacturing organizations which are engaged in producing variety of tangible products whereas the other trends such as Knowledge Management and Customer Relationship Management could be more applicable in service organizations who are engaged in providing intangible services where there arises direct contact with the customers and the continuity of the business relationship with the particular customer/client solely depends on the particular level of satisfaction the customer receives by using the service provided which further means that the present situation of the Customer Relationship Management in that particular organization determines its proportion of customers in comparison with its competitors. Thus, if the type of organization that you are engaged in is service organization, then special attention must be given to Customer Relationship Management as this is the means of attracting new customers as well as retaining the existing ones.

This thesis is trying to make a comparative study of the present scenario/situation of the customer relationship management in two travel agencies of Nepal which are

Trijyoti Travels Private Ltd. and ABC Travels and Tours Private Ltd. Various dimensions will be analyzed to find out the current situation of CRM in these two travel agencies; whether they are aware of CRM or not, whether CRM has been actually implemented or not, or is in the process of implementation, what is the reason behind such implementation and if it has been implemented, how the organization has benefitted from it, etc.

1.2 Meaning of CRM

For any type of service organizations, customers are its key resources and the profitability of the organization depends on the quantity of the customers that are currently making use of its products or services as well as the quantity of new prospective customers who will be making use of its products or services in the future. Thus, Customer Relationship Management is one of the management trends which emphasizes on attracting new customers for its products or services as well as retaining its existing customers. In other words, we can say that Customer Relationship Management simply means maintaining the long term profitable relationship with the customers by ensuring that the customers are fully satisfied with the products or services that are offered by the organization, because customers' satisfaction towards the organizational products and services consequently determines the organizational success.

CRM is a widely implemented model for managing a company's interactions with its customers, clients and sales prospects whose overall objective/goal is to find, attract and win new clients/customers, as well as nurture and retain those the company already has. The saying that "customers are always right" and "the opinions and views of customers should be always respected" is incorporated in CRM, until and unless the action of customers violates the rules, regulations and culture of the particular organization. For implementing effective CRM in the organization, each and every employee/staff ranging from top level to the bottom level should understand the importance of CRM in the long run survival, growth and profitability of the organization and everyone should involve in making CRM successful in the organization, after all the organization's success and betterment implies their own success and betterment. They should keep in mind that their action should not harm

the customers or compel the customers to form the wrong image of the organization in their mind.

CRM is a company- wide business strategy designed to reduce costs and increase profitability by solidifying the customers' loyalty. Gaining customers' loyalty is a difficult task for any organization as customers may switch their products/services at any time and for this, the company should make sure that the customers are fully satisfied with the products or services offered by the organization by taking their feedback on the company's product/services and taking suitable actions when and where necessary. Only the loyal customers could be the source of other new customers for the organization. Hence, the idea of gaining customer loyalty is also incorporated in the customer relationship management.

1.3 Brief Introduction of Sample Organization

1.3.1 ABC Travel and Tour

ABC travel and tours was established in January 15, 2003 which is located in Boudha, a place which is very famous for its natural beauty as well as it has its own cultural and religious significance. It has also been listed as the world heritage site. It is also a tourist area where maximum tourists come to explore the beauty of the place. This travel agency has total five employees with Mr. BishnuThapa as the managing director of the travel agency. It has established itself as one of the renowned travel agency in the Boudha area.

In its journey of ten years, it has been able to gain the customer base of approximately one lakhs where maximum customers are the recurring customers. The composition of customers includes maximum number of Tibetan and American customers as well as other customers from various countries including the local residents. The price structure also varies for local people and foreigners where the local people have to pay in rupees whereas the foreigners have to pay in dollars.

This travel agency provides wide range of services to its customers which include the following:

-) Bus services (both domestic and international where domestic includes different places of Nepal and international includes India)
-) Tour packages (both domestic and international where domestic includes tour packages to Chitwan, Pokhara and Lumbini and international includes tour packages to Singapore and Bangkok)
-) Rafting
-) Bungee Jumping
-) Pilgrimage tour to Namo Buddha, Swoyambhu, Pharping, Budhanilkantha, Bhaktapur and Daman
-) Train ticket all over India
-) Flight services (both domestic and international where domestic flight includes flight to various places of Nepal whereas international flight includes flight to various places all over the world)

This agency has been successful in gaining large customer base during its ten years of long journey. The agency has adopted various means to satisfy its customers such as offering reasonable prices, providing specialized services, providing various special offers such as gift hampers during the festive seasons as well as special discounts to regular customers. It offers almost all kind of travel related services to its customers including specialized services on the request of the customers. They have been providing excellent travel related services to its customers because of which they have been successful in winning hearts of large number of customers. Proper response shown by the employees to its customers is also one of the key factors of attracting large number of customers to the travel agency.

1.3.2 Trijyoti Travel and Tour

Trijyoti travel and tours was established in May 23, 2003 which is located in Jyatha, Thamel, which is also one of the tourist areas of Kathmandu where maximum number of tourists can be seen roaming here and there and enjoying the beauty of the place.

Trijyoti travel and tours is the member of IATA and is one of the authorized passengers' sales agents of major airlines operating in Nepal. It has total six employees with Mr. Paras Joshi as the managing director of the travel agency. It has very good office layout as well as the infrastructure of this agency is also very advanced.

It has also completed the successful journey of nine years in the travel related business and has been able to gain the customer base of approximately one lakhs fifty thousand which comprises customers from various countries around the world who come to visit Nepal on a yearly basis as well as local residents of the area itself. It also has the trend of providing special benefits to the recurring customers like special discount, free gifts and award tickets for trip which helps to retain the customers of the agency.

It uses paper media, especially magazine and various radio stations for advertisement. The service provided by this agency is very specialized and is quite limited. This travel agency has been indulging in various social charitable works like sponsoring various social events, sponsoring sports programs which show that it has realized its responsibility towards the society. Even after providing limited services to its customers, it has been able to gain large customer base which is mainly due to the good relationships with the new and existing customers as well as the continuous delivery of quality services from its year of establishment.

The services provided by this agency include the following:

Like ABC travel and tours, Trijyoti travel and tours also provides various flight services which includes both domestic flights and international flights, and some special tour packages but it does not provide bus services as in the case of ABC travel

and Tours. But it provides other specialized services to its customers which includes the following:

-) Corporate travel arrangements (both domestic and international)
-) It also arranges the labor movements especially for gulf countries
-) It also arranges the student movement from one country to another
-) It also arranges the leisure movement for those who want to move to various places for relaxation and enjoyment

Thus, Trijyoti Travel and Tours have been providing various specialized services to its various groups of customers that make it different from other similar businesses in the industry. And also it has been successfully providing these specialized services to its various customer groups since many years and it is also in the process of providing more new specialized services to its customers in the days to come.

1.4 Statement of the Problem

As it is a well-known fact that number of travel agencies is increasing day by day leading to the growing number of travel agencies in the nooks and corner of the country. In the face of strong competition, it is very difficult to ensure that the particular group of customers will be attracted towards the agency and even if they use the particular agency to pursue the travel related services, there is no guarantee that they will use the services continuously and turn out to be the loyal customers. Each of these travel agencies needs to have a competitive advantage for their long run survival as well as profitability. Their sustainability is highly determined by the customer relationship management strategy adopted by the agency in order to attract more new customers to their agency as well as retain their existing customers.

The problems that can typically be outlined with respect to CRM aspects of travel agency are as follows:

-) What is the existing status of CRM in the travel agencies?
-) What is the customers' view on the CRM practices of the travel agencies from where they have been fulfilling their travel related services?

-) What is the current performance level of the travel agencies with respect to their CRM aspects?

1.5 Objectives of the Study

The major objective of this research is to study the CRM aspect of the travel agency. More precisely, the objectives of this research can be outlined as follows:

-) To assess the existing status of CRM in these two travel agencies.
-) To explore customers' view on CRM practices of these travel agencies.
-) To examine the relative performance of these two travel agencies with regard to their CRM aspects.

1.6 Significance of the Study

For a service institution like travel agency, it is very essential that the CRM aspect of the agency needs to be very strong in order to ensure its sustainability and profitability in this stage of tough competition. By implementing effective CRM, an agency can benefit in number of ways which is one of the main factors for the success of any service organization.

By the help of this study, any organization, especially service organizations can understand the importance of CRM for its long run success. This study further helps, the management of the travel agency can take necessary steps to improve the CRM aspect of the agency and make it more effective for enhancing its growth and profitability. This study will serve as the blueprint and guide the management of the travel agencies as well as any other service institutions to ensure its success by focusing on strengthening the CRM aspect of the agency.

1.7 Limitations of the Study

This report entitled "Customer Relation Management (With Ref. to Trijyoti Travels & Tours and ABC Travel & Tours)" is not 100% error free. There are certain limitations incorporated in this report, time and cost being the primary one. Some of the identified limitations which acted as barrier while preparing the report are as follows:

-) This study simply focuses on the CRM aspect of the travel agency for its success, though there are number of other factors which could be as important as CRM for the organizational success.
-) This study focus only on primary data.
-) This study has only taken two travel agencies under consideration for carrying out the research and it just involves the comparative study of these two particular travel agencies with respect to their CRM aspects.
-) The respondents for this research have been selected randomly based on the personal convenience of the researcher.
-) The conclusions of this research have been derived based on the personal observation and analysis of the researcher after collecting the information from the various personals associated with this project.
-) Around 75% of the data and information collected for preparing the report are provisional.
-) It may also contain some unreliable data because of the presence of biasness in some respondents.
-) Unavailability of related thesis and unpublished dissertation has also affected the current study.

1.8 Organization of the Study

The entire study has been organized into five chapters. They are as follows:

Chapter-I: Introduction

This chapter deals with the introduction part of the study which includes background of the study, meaning of CRM, focus of the study, statement of the problem, objective of the study, significance of the study, limitations of the study and organization of the study.

Chapter-II: Review of Literature

This chapter deals with review of literature which contains conceptual framework, review from journals, articles, review from research papers as well as other previous thesis.

Chapter-III: Research Methodology

This chapter deals with the research methodology used in this study which includes introduction, research design, sources and collection of data, population and sample, data processing procedure and tools and techniques of data analysis.

Chapter-IV: Presentation and Analysis of Data

This is the main part of the research which has been systematically presented, analyzed and interpreted. It deals with the presentation and analysis of relevant data through definite courses of research methodology. It includes statistical analysis of collected data. Major findings of the study have been presented at the end of this chapter.

Chapter-V: Summary, Conclusions and Recommendation

The fifth chapter is the concluding chapter where summary is discussed, conclusions are drawn, and recommendation is made. In this chapter, the theme of the research will be presented. In other words, this chapter will identify what has been achieved through the research and to which extent. In addition, this segment of the research will provide recommendation satisfying the research question priory set.

Additional pages include References, Appendices and other supporting documents.

CHAPTER II

REVIEW OF LITERATURE

This chapter deal with theatrical aspect of the topic on CRM in travel business. In this chapter, the researchers review of earlier studies with research object area. First the researchers present the introducing of CRM discuss theory that are concerned with organization CRM objective, secondly review theory describing how organization manage the CRM and finally present theory describing how organization evaluated CRM effort in short, researcher will review CRM objective management of customer relation and CRM evaluation. After this the researchers will provide a visualization of the emerged frame of reference to guide throughout the study.

2.1 Conceptual Framework

2.1.1 Definitions Of CRM

“CRM is a concept that enables an organization to tailor specific product of services to each individual customers. In the most advanced scenario, CRM maybe used to created a personalized one to one experience that will give the individual customer a sence of being cared for .thus opening up new marketing opportunities based on the preference and history of the customer.CRM in also a customer focused business strategy that aims to increase customer satisfaction and customer loyalty by offering a more responsive and customized services to each customer” (Fayerman; 2002:57:67)

“CRM is the infrastructure that enables the delineation of and increase in customer values and correct means by which to motivate valuable customers to loyal indeed to by again”(Dyche ;2001:4)

“CRM is about managing customer s knowledge to better understand and serve them. it is an umbrella concept that places the customers at the customer on organization. Customer services is a important component of CRM however CRM is also concerned with coordination customers related across all business function points of interactions and audience”(Bose &Sugamaran;2003:4)

“CRM is an enterprise wide mindset mantra and set business process and policies that are designed to acquire retain and services customers’ .CRM is not technology though. Technology is a CRM enabler”(Greenberg;2001:14)

2.1.2 Customer Relationship A must

C-R-M stands for Customer Relationship Management. At its simplest, a CRM system allows businesses to manage business relationships and the data and information associated with them. With CRM, you can store customer and prospect contact information, accounts, leads and sales opportunities in one central location, ideally in the cloud so the information is accessible by many, in real time. Any business starts out with a foundation of great customer relationships. You, the seller, connect with people who need your product. Yet, as your company grows, these business connections grow more sophisticated. It’s not just a transaction between the buyer and seller. You start to manage a myriad of connections, across time, within each company you do business with. You need to share information across various teams within your own organization who are making contact with the same customers. A CRM system can serve as vital nerve centers to manage the many connections that happen in a growing business.*(Leone; 2012:31)*

2.1.3 CRM Strategy and Tools

CRM (customer relationship management) is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. For example, an enterprise might build a database about its customers that described relationships in sufficient detail so that management, salespeople, people providing service, and perhaps the customer directly could access information, match customer needs with product plans and offerings, remind customers of service requirements, know what other products a customer had purchased, and so forth.

According to one industry view, CRM consists of:

-) Helping an enterprise to enable its marketing departments to identify and target their best customers, manage marketing campaigns and generate quality leads for the sales team.

- J Assisting the organization to improve telesales, account, and sales management by optimizing information shared by multiple employees, and streamlining existing processes (for example, taking orders using mobile devices)
- J Allowing the formation of individualized relationships with customers, with the aim of improving customer satisfaction and maximizing profits; identifying the most profitable customers and providing them the highest level of service.
- J Providing employees with the information and processes necessary to know their customers understand and identify customer needs and effectively build relationships between the company, its customer base, and distribution partners.(*Werne; 2012: 98*)

2.1.4 CRM A Complete Management Chain

While the phrase customer relationship management is most commonly used to describe a business-customer relationship, CRM systems are used in the same way to manage business contacts, clients, contract wins and sales leads. Customer relationship management solutions provide you with the customer business data to help you provide services or products that your customers want, provide better customer service, cross-sell and up sell more effectively, close deals, retain current customers and understand who the customer is. Technology and the Web has changed the way companies approach CRM strategies because advances in technology have also changed consumer buying behavior and offers new ways for companies to communicate with customers and collect data about them. With each new advance in technology -- especially the proliferation of self-service channels like the Web and Smartphone's -- customer relationships is being managed electronically. Many aspects of CRM relies heavily on technology; however the strategies and processes of a good CRM system will collect, manage and link information about the customer with the goal of letting you market and sell services effectively. Organizations frequently looking for ways to personalize online experiences (a process also referred to as mass customization) through tools such as help-desk software, email organizers and different types of enterprise applications.(*Peterson; 2012: 105*)

2.1.5 CRM - Strategically Proven Management Tool

CRM is an acronym that stands for Customer Relationship Management. It describes the strategy that a company uses to handle customer interactions. One example of a common CRM strategy is the rewards card program offered by many supermarkets. The store gives its customers a free card that gives them access to special deals and discounts when they swipe the card during checkout. But that card also tracks everything the customer buys and allows the store to create an extremely detailed customer profile based on his or her purchasing habits. Armed with that information, the store can then offer its customers targeted coupons and other programs that will motivate its customers to buy more products from that store. Many CRM software and/or service packages exist to help companies manage the customer relationship process. In fact, salespeople tend to think of these computer programs as the be-all and end-all of CRM. But CRM has existed for much longer than the computer – in fact, it has been around in one form or another for as long as people have been buying and selling. Computers have greatly enhanced the customer relationship management process because the key to a good CRM is uncovering and storing information about customers. The more a company knows about its customers, the better it can manage those relationships – as in the above example of supermarket rewards cards. (Kumar;2006: 223)

2.1.6 Demystifying CRM

CRM is an enterprise wide business strategy designed to learn about customer's needs and behaviors to organize and manage Customer relationships to maximize profitability and minimize expenses. A well planned CRM can be viewed as a strategic process merging strategy and system to amalgamate information from across the company (sales, marketing, finance, accounting, etc.) to offer a complete view of the customer and develop stronger relationships with them. Information gained from all internal and in some cases, external, sources allows the company to complete a full 360 degree view of their customer in real time. CRM allows customer facing representatives of the company to have all the information they require to ensure the best customer experience in interactions with your company and opportunities to increase revenues through increased cross and up selling opportunities to competitive positioning tactics. (Dickie; 2008: 95)

2.2 What is CRM?

Customer relationship management appears to be simple and straightforward concept, but there are many different definitions and implementations of CRM. At present, a number of different conceptual understandings are associated with the term customer relationship management (CRM). Their understanding range from IT driven programs designed to optimize the customer contact to comprehensive approaches for the establishment and design of long term relationships. The effort to establish a meaningful relationship with the customer is characteristic of this last understanding).

CRM is a holistic process of acquiring, retaining and growing customers. It includes all in-line and off-line relationship management. CRM is an abbreviation for customer relationship management and not customer relationship marketing. Management is a broader concept than marketing because it covers strategic management, human resource management, marketing management, development management, financial management, service management, knowledge management, sales management, research management and development management. Thus CRM requires organizational and business level approaches which are customer-centric, to doing a business rather than simple marketing strategy. (*Source; www.nepjol.info/index.php*)

According to Michael Otto, Head of CRM at Erste Bank, Austria; there are many definitions of CRM and all of them are more or less correct. It is important that the client not the product is in the center. The CRM definition we use is the following “having the right offer for the right client, at the right time via the right channel”.

According to RadiBadidi, Vice-President, Marketing intelligence/CRM, ABN, AMRO Bank, Netherlands: “We consider CRM to be a business strategy than anything else-not just technology, not just analytics, not just an impressive story of how customer focused you is”.

All major banks have invested heavily in technology and infrastructure over the last 5-10 years in this area, but hardly any of them have been successful in actually getting it effective. Neither has the customer felt a real difference nor has it contributed to

higher ROI.I would say that optimizing every customer contact by effectively creating value for both your clients and your business, using customer knowledge is the main differentiator compared to non-CRM focused companies.(www.infosys.com/finacle)

2.3 Relationship Management

Effective management depends upon strong interpersonal skills to manage the many relationships. At the heart of these skills is an understanding of individuals within and outside the organization. Human relation is more than a common sense. It requires that you understand your behavior and the behavior of those with whom you interact.

Businesses have now become relationship-oriented and these relationships are critical to the success of the organization. Managers occupy boundary-spanning positions responsible for developing relationships both internally and externally. These external relationships are established across organizational borders (*Buhler;2001: 360*).

Effective relationship management is essential in any business and it has its own significance in the overall success of the business. It not only means the relationship with the customers, but also the relationship with the other stakeholders of the organization besides the customers such as government, suppliers, pressure groups, etc.

2.3.1 Trust in Every Relationship

Trust is a critical ingredient in any and all relationships. The trust of employees generates loyalty and reduces turnover. The trust of customers can generate repeat business. The trust of your creditors can result in credit being extended. Trust also ensures that the company pays their bills on time and maintains their good relationships. Trust, then, is a critical resource to be nurtured in every relationship.

You must build relationships of trust by first extending it. You can't empower a workforce that you don't trust. But you must give people a reason to trust you. Without trust, there is no risk-taking and there is no innovation (*Buhler; 2001: 365*).

In fact, trust is one of the most important phenomena without which none of the relationships can move forward. For any kind of relationship to take place, trust between both the parties is very essential which will consequently decide how far will the relationship go and in what way the parties will be benefitted by it.

Customer tend to continue to purchase from a service provider if they know that their best interest will be considered, particularly for credence-based service, for example, when using the same travel agent to book the holiday a customer may trust that the agent will provide them with the best possible deal for their money. Hence trust factor plays a vital role in developing effective customer relationships.

2.3.2 Relation Marketing Puts Customers ‘Center Stage’

The origin of the idea of relationship marketing can be traced back to the writings of American marketing experts. Theodore Levitt of the Harvard Business School in a seminal article in the Harvard Business Review argued that:

“Economic conditions, business strategies, customer wishes, competitive conditions and much more can determine what sensibly defines the product. One thing is certain. There is no such thing as a commodity or, at least from a competitive point of view, there need not be.” (*Bank; 2000: 98*).

Jonathan R. Copulsky and Michael J. Wolf, two US-based marketing consultants, describe the process in a product-led manner, saying:

“Relationship marketing combines elements of general advertising, sales promotions, public relations and direct marketing to create more effective and more efficient ways of reaching customers. It centers on developing a continuous relationship with customers across a family of related products.”

Regis McKenna, an international marketing consultant, argues that:

“We must build lasting relationship with our customers so that they do not move from product to product and suppliers to suppliers as the technology and options present themselves. Study after study demonstrates that by increasing service quality and

consequently customer satisfaction, a higher percentage of customers is retained”
(Bank; 2000:105).

After going through the various views presented by the various professionals as presented above, it's clearly understood that customers are of prime importance in any business as whatever the business does, it does for the customers and their success or failure is determined by the level of satisfaction of the customers with the organization because only if the customers are satisfied, they tend to take the service from the same organization and become loyal customers. They can also be the medium of attracting new customers as satisfied customers can say it to more others and advertisement via word-of-mouth can take place, which is definitely very beneficial for the organization. Relationship marketing is a means of developing relationships with customers which would be fruitful for both the organization and the customer and both of them benefit in some way or the other. Good customer relationship is crucial for the success of any organization.

2.4 The Customer as the King

Customers are:

-) The most important people in any business.
-) Not dependent on us. We are dependent on them.
-) Not an interruption of our work. They are the purpose of it.
-) Doing us a favor when they come in. We are not doing a favor by serving them.
-) A part of our business. Not outsiders.
-) Not just a statistic. They are flesh and blood human beings with feelings and emotions like us.
-) People come to us with their needs and wants. It's our job to fill them.
-) Deserving of the most courteous and attentive treatment we can give them.
-) The lifeblood of this and every other business. Without them, we would have to close our doors (Bank;2000: 150).

The above lines clearly imply that customers are the most important person in any business for whom the variety of products are produced or the services are designed. No business can think of existing in the market or no business can survive without customers as the author says customers are the lifeblood of every business whose absence can compel the business to discontinue their existence. Every organization should understand the fact that customers are the part of the business, not the outsiders. In fact, customers are the stakeholders of the organization whose activities have a great impact on the organizational performance.

Customers visit the organizations to fulfill their variety of needs and wants and it is the responsibility of the organization to fulfill these needs and wants of the customers as well as make sure that the customers are fully satisfied with the services provided by the organization. Providing services is not enough, it is the duty of the organization to ensure the satisfaction of the customers with the organizational good and services. Since the customers play the vital role in the growth and survival of every business and occupy the central position, the author has regarded the customers as “King” and it is the organization’s duty to respect them and give them due importance to make them feel that they are the major part of the business which will definitely keep the customers attached with the organization which will again be beneficial to the organization itself. It is because if the organization can retain more and more customers in the organization, it will be able to gain more and more profit for the business.

2.4.1 Customer Retention

One of the classic definitions of marketing is that it is connected with “getting and keeping customers”. In practice if we look at where most organizations’ marketing effort focuses, it is on the ‘getting’ of customers, rather than ‘keeping’ of them. Thus an examination of the typical marketing plan will show a bias towards increasing market share rather than towards customer retention. While new customers are always welcome in any business it has to be realized that an existing customer provides a higher profit contribution and has the potential to grow in terms of the value and frequency of purchases.

“It takes five times as much effort, time and money to attract a new customer than it does to keep an existing customer” (*USA White House Office of Consumer Affairs*, Source: www.whitehouse.gov).

Long term relationships with customers are more profitable for six reasons:

-) The cost of acquiring new customers can be substantial. A higher retention rate implies that fewer customers need to be acquired and they can be acquired more cheaply.
-) Established customers tend to buy more.
-) Regular customers place frequent, consistent orders and, therefore usually cost less to serve.
-) Satisfied customers often refer new customers to the suppliers at virtually no cost.
-) Satisfied customers are often willing to pay premium prices for a supplier they know and trust.
-) Retaining customers makes market entry or share gain difficult for competitors.

The above points have made it clear that how the long term relationships with the customers turn out to be fruitful for the organization. There could be more reasons as well, but here six major reasons have been highlighted. Keeping these points in mind, every organizations should aim to maintain long term relationships with the customers instead of focusing on the short term profits because, only the long run relationships with the customers can determine the long run existence of the business.

A prime objective of any customer service strategy should be to enhance customer retention. While customer service obviously also plays a role in winning new customers it is perhaps the most potent weapon in the marketing armory for the keeping of customers. There is rapidly emerging a new focus in marketing on the creation of ‘relationships’ with customers. The idea is that we should seek to create such a level of satisfaction with customers that they do not feel it necessary to consider alternative offers or suppliers. The principle behind relationship marketing is that the organization should continuously strive to develop marketing strategies to maintain and strengthen customer loyalty (*Christopher;1992, :196*).

The idea behind the above paragraph is that the aim of every business should be to retain their customers. Efforts have to be made to turn every new customer into the loyal customers of the organization. Services have to be provided in such a way that customers will not even think of alternative sources to get services and stick to the same institution for receiving services. In fact, their satisfaction level with the institution should be such that they even suggest others (their friends, colleagues, coworkers, relatives, etc.) to choose the same institution to receive the services. This would be very beneficial for the organization because they would be able to gain more and more customers for the organization via word-of-mouth advertisement done by their loyal customers. Hence, every organization should ensure that their customers are highly satisfied with the services provided by the organization. They should set the goal of gaining profitability through customer satisfaction which will definitely ensure its long term survival in this competitive market as well as provide itself a competitive advantage that would differentiate itself from its competitors.

2.4.2 Way of Retaining Customers

The key is to retain the customers that you have. This means viewing each contact with the customers as an opportunity to continue and further this relationship. Finding new customers means additional cost in terms of marketing, sales and advertising. The cost of attracting a new customer is five times the cost of retaining one. Establishing a relationship with your customers makes them more likely to stay with you.

“The 80-20 rule is especially helpful in customer relationships. The key is to identify the 20 percent of your customers that generate 80 percent of your business”.

You can't just make the customers aware of your product or service. It takes more. Customers have to want your product or service. There are number of tips that can help you become more effective in building and maintaining relationships with your customers which can be outlined as follows:

-) Make sure that customer service is a core value of the organization's culture (starting with top management). Set the tone by being a good role model. That is, deliver excellent customer service yourself

-) Convey to the customer that you know how important they are. Show you care and appreciate their business.
-) Determine the level of customer service that customers consider superior-then try to beat that.
-) Engage in continuous improvement of customer service. Deliver customer service training to employees. Don't assume that they will just pick it up.
-) Reinforce customers' decisions after the sale to help them feel good about their choice.
-) Contact your customers on a regular basis. Every contact with every customer is an opportunity to deliver superior service.
-) Track your progress in customer contacts. Know when to quit your pursuit of a customer. It takes practice to know when it's time to quit.
-) Use market research to really learn about your customers. Consider focus groups, public data, customer surveys and test marketing.
-) Don't try to be all things to all customers. Use niche marketing.
-) Remember that the customer is always right. Be customer-focused. Know what the customers want and deliver it.
-) Reward good customer service. Walk the talk and put your money where your mouth is.

There is good news with dissatisfied customers. If their complaints are quickly resolved, 95 percent of them will become loyal customers.

Remember that you have both internal and external customers. Customers include anyone who receives your goods and services. Internal customers should be treated with the same respect as external customers. These internal customers are critical in the sequential interdependence of work (*Buhler;2001: 266*).

2.4.3 Rediscovering the Customer

Ever since the development and general acceptance in business of the marketing concept, a great deal has been said and written about customers. Unfortunately much of the concern with customers has been at a superficial level and often more cosmetic than real. Organizations may talk about 'putting customers at the center of the

business', but in reality, they have few strategies or procedures for focusing the business around customer satisfaction. The truth is that the majority of companies are still focused more on the products or services they manufacture or provide, rather than with the customers that they service.

“There is only one valid definition of business purpose: to create a customer. It is the customer who determines what a business is. What the business thinks it produces is not of first importance-especially not to the future of the business and to its success. What the customer thinks he is buying and considers “value” is decisive-it determines what a business is, what it produces and whether it will prosper”.

There is considerable evidence that customers vote with their feet:

-) 96 percent of dissatisfied customers never complain
-) 90 percent of them will never return in the future
-) One unhappy customer will tell at least nine others
-) 13 percent of unhappy customers will tell at least twenty others

In the traditional business everything from the organization structure to the budgeting and cost control system reinforces the over-riding concern with products and resources. Thus we find product managers but not market managers; or detailed accounting information on product profitability, but none on customer profitability and so on. Yet the simple fact is that it is not the product that makes the profits but the customers (*Christopher;1992:263*).

Thus it's very important to keep in mind that customers are of prime importance in any service-oriented business. The organization should aim to produce goods and services according to the wants and desires of customers rather than sell what they have already produced which further means the organization should focus on “Pull strategy” rather than “Push strategy”. Pull strategy is customer-oriented whereas Push strategy is organization-oriented, but for the long run growth and survival of the organization, Pull strategy would be highly beneficial.

2.4.4 Ten Good Customer Service Habits To Develop

-) Be on time for appointments with your customers and also co-workers which itself is a statement of respect.
-) Follow up on your promises
-) Under promise and over deliver which means to promise the customer only what you can be sure of and not what you hope will happen.
-) Go extra mile which means to do some extra things for the customers by which your service is remembered and your company differentiates itself from its competitors.
-) Offer your customers option by giving them various alternatives when necessary which helps them to soften their natural disappointment.
-) Express empathy by using sentences like “I understand why you feel that way”, “I am sorry that happened”, etc.
-) Treat your customers as the most important part of your job.
-) Treat your co-workers as customers as with both the group of people, you need to have good relationships.
-) Give the customer your name and telephone number so that it will be easy for your customers to contact you whenever necessary.
-) Smile and use inflection on the telephone as smiling on the phone changes the sound of your voice because it alters the shape of your mouth, making the sound waves more fluid.

By developing the above habits with regard to customer service, it's very much sure that the customers will be impressed and they will be interested to continue the relationship with your organization rather than thinking of switching the organization. Hence, all the employees in an organization, especially those who have to make a direct contact with the customers need to develop the above habits so that they make sure that the customers will be retained in the organization because these customers can turn out to be the loyal customers who have significant role in increasing the profitability of the organization. They should be aware of the fact that they play a significant role in retaining the customers of an organization because they are the ones who provide the first impression of the organization and the customers form the

image of the organization in their mind according to the behavior that they portray. Therefore every customer service staffs need to develop the above habits strictly.

2.4.5 Ten Major “Don’ts” and “Do’s” of Customer Service

Following are the things that should be done and that should not be done in order to enhance the lasting relationships with the customers:

-) Instead of saying “I don’t know”, say “I’ll find out”.
-) Instead of saying “No”, say “What I can do is.....”
-) Instead of saying “That’s not my job, say “This is who can help you.....”.
-) Instead of saying “You’re right-This place stinks”, instead say “I understand your frustrations” because agreeing with customers even when they are talking against your organization is not correct, but in such conditions, customers should be treated in a special way.
-) Instead of saying “That’s not my fault”, say “Let’s see what we can do about this”.
-) Instead of saying “You need to talk to my manager”, say “I can help you”.
-) Instead of saying “You want it by when?”, say “I’ll try my best”.
-) Instead of saying “Calm down”, say “I am sorry”.
-) Instead of saying “I am busy right now”, say “I’ll be with you in just a moment”.
-) Instead of saying “Call me back”, say “I will call you back”.

(Leland & Baile; 1997:96)

The ten major “don’ts” and “do’s” of customer service as mentioned above should be followed by every customer service staffs who have to make contact with various customers on a regular basis. The above tips as suggested by “Karen Leland and Keith Bailey” in their book “Customer Service for Dummies” can prove to be a very useful/fruitful tips for those who are engaged in customer service and those who want to excel in the field of customer relationship management. The above sentences clearly show how a simple and sweet language can help you to win the heart of your customers. Thus, every customer service staffs engaged in any types of service-oriented business should develop the habit of talking politely with customers and avoid talking with them in a harsh or rude manner because this may disappoint their

customers and the customers might never think of going back to the same institution for receiving the services as they have many options available in the service market. The service institution and the service staffs should understand the fact that they are not as much important for the customers than the customers are for them. Hence, the survival and growth of any service institution entirely depends on its ability to gain and retain customers by the means of effective customer relationship management.

2.4.6 What do your customers really want?

If you want to find out what your customers really want, you have to discover what they really need. As you have certainly learned over the years, customers need many things. Or they say they need one thing, but really want another. Or they miscommunication or you misinterpret their priority of needs.

Whether your customer is an end user or a purchasing agent, he has one need that towers over all others. You may not know what that need is, even your customer may be unaware of it. But it exists in various forms and guises. I call it the “superior need”, and if you meet it, you have met the toughest test of customer satisfaction.

A customer can have more than one superior need. I realize that’s a contradiction from a grammatical standpoint, but from a customer satisfaction standpoint it makes sense. When I refer to a superior need, I’m talking about a need in each of the following seven categories:

-) Delivery
-) Customer service
-) Company image
-) Emergencies
-) Product quality
-) Pricing
-) Research and development

This superior need does more than simply satisfy the customer; it delights him. Therefore, it goes beyond the usual customer satisfaction standards- they don’t even have a measurement on their scale for delight. The typical way of looking at customer

satisfaction involves past and present customer relationships, whereas if you want to meet a superior customer need, you look to present and future relationships. (Lytle; 1994:632)

Thus, according to the author John F. Lytle, every organization should aim to fulfill the superior needs of the customers, that is, what the customers actually want or something that creates value for the customers. If the goods purchased or the services received is able to create the value for the customers, then they not only become satisfied, they become delighted and this is definitely beneficial for the organization as it will be able to earn a loyal customer for itself. Every organization should aim at developing present and future relationships with the customers.

2.4.7 Customer Service Objectives

Objectives are goals and must be clearly defines and understood if effective strategies are to be developed.

In the context of customer service, there are certain questions that need to be answered before objectives can sensibly be set such as:

-) How important is customer service compared to the other elements in the marketing mix, which is, product, price or promotional variables?
-) Which aspects of customer service contribute most to overall customer satisfaction and market share?
-) What dimensions of service are seen as priorities by customers when they make their choice of suppliers?

A considerable body of research has come to the conclusion that the following variables play a significant role when the customers make their purchase decision or when they think of taking services from the particular institution. They are:

-) **Reliability:** Ability to perform the promised service dependably, accurately and consistently. This means doing it right, over a period of time.
-) **Responsiveness:** Prompt service and willingness to help customers. Speed and flexibility are involved here.

-) **Assurance:** Knowledge and courtesy of staffs and their ability to inspire trust and confidence.
-) **Empathy:** Caring individualized attention to customers.
-) **Tangibles:** Physical facilities, equipment, staff appearance, etc. which means the physical evidence of the service which conveys both functional and symbolic meaning.

(Christopher;1992, :152)

The variables as mentioned above should be given due importance while providing various services to the customers which will help to develop the positive attitude of customers towards the organization as well as the services provided by it. Trust and confidence of the customers towards the organization can be gained by incorporating these variables while providing services to the customers. Incorporating these variables while providing the services will definitely impress the customers as well as ensure their satisfaction with the organizational products and services.

2.5 Types of Customers

-) **Mercenaries:** Those who always compare and shop around, not loyal to any brand and ready to switch over any time. But they are not fools.
-) **Terrorists:** These are highly unsatisfied customers, with low levels of loyalty and emotional attachment.
-) **Hostages:** They are loyal but not very satisfied. Due to some barriers, they are not able to change the service providers.
-) **Apostles:** These are the dream clients of every business. They are highly content and loyal.

(Source: Perspectives, The Himalayan Times;2012: July 29)

As cited in the perspectives of The Himalayan Times, the author, who is the executive director of K-Lab in Tangal, has classified the customers into four categories. According to the author, all these four categories of customers have their own distinctive nature and attitude that determines their level of satisfaction and loyalty to the organization and its products/services.

Apostles are the group of customers who are sought by every business undertakings as according to the author, Apostles are the group of customers who are very loyal and who do not seem to switch brands. Rather they seem to stick to the single brand/single seller for receiving their desired goods or services. Mercenaries are the group of customers which businesses do not want to possess as far as possible as they are not loyal to the any brands and also they tend to switch the brands very often. Similarly, Terrorists and Hostages are different group of customers with different nature and attitude towards different available brands in the market.

2.6 Critical Success Factors of CRM

CRM is a holistic approach which needs alignment of different aspects of the business. Management and Leadership, Change management, Human resources and use of right technologies are the critical success factors of CRM.

2.6.1 Management and Leadership

Leaders/managers in an organization should have an important role by sharing CRM team's vision with the management. The leader's role has to be facilitator for implementing CRM. Effective leadership skills result in CRM success. Innovative manager works with his team makes decisions by consulting his team, whilst still maintaining control of the group as well as appreciate the feedback received in the organization related with CRM implementation and tries to integrate people into it. Because CRM is the backbone of communication, managerial communication and coaching skills is important for CRM implementation in any organizations.

2.6.2 Change Management

CRM is an evaluation. Change is inevitable when new IT systems, software, etc. are deployed, the way people do their jobs would also change, so cultural change adaptation is crucial. It can also be called as multi -pronged change strategy. Instead of rushing, CRM team can prefer a gradual change. Workshops and brainstorming meetings with sales, marketing and customer service staffs as well as sharing their CRM strategies can be conducted. Organizations do train employees and first of all, they tried to change employees' mindset from operation centric ones to customer

centric ones. Change management is crucial to promote user adaptation. Major focus is based on training to achieve adaptation.

2.6.3 Information Technology (IT)

Nowadays many banks began to deploy new technologies according to their needs. With advanced technologies, it gets the advantage of doing the tasks faster and more accurately. There are various software for CRM like Siebel systems for operational CRM, Teradata for data warehouse, Unica'saffinium for campaign management, and SAS for data modeling activities. Banks also develop a task manager program that helps sales representatives to see 360-degree of customer view.

2.6.4 Human Resources

CRM is the backbone for communication. For a successful CRM implementation, human resource management of a company is very important. Integrating employees into strategies and training them is very important to adapt them to change. Employees are the interface of the company, so they will highly affect the organization's image.

2.7 Challenges for Implementing CRM

The challenges faced by many of the organizations while implementing CRM can be summarized as follows:

-) Getting management sponsorship
-) Quality of customer data
-) Alignment issue (Alignment of people and processes)
-) Lack of skilled people
-) Determining the right time for customer needs
-) Using customer data more intelligently
-) Incorporating customer data and customer preferences to the customer database
-) Using right technologies
-) Having 360-degree view of customers (single view of customers)

The present market of travel agencies is fiercely competitive and saturated. The competition is forcing these agencies to find new ways of satisfying customers and

quick adaptation to changes. The competition among the agencies itself is also the very major domestic players of the arena. Travel agencies are aware of this fact and exploit new trends to continue their existence in the market. CRM is one of these trends that are highly adopted by many travel agencies.

The satisfaction level of customers who agree that they are treated as the valued customers is the measuring part for the CRM's success in any organization. This could be attributed to the distinctive communication capabilities, which target to establish an emotional link with the customer. This is highly related with organizational learning philosophy and adaptive culture of the service institutions.

(source;www.nepjol.info/index.php)

Thus, according to the author, it is very challenging to implement CRM in any organization. Implementation of CRM is not an easy task; various factors have to be considered to successfully implement CRM in any organization in a full-fledged manner. As outlined by the author, there are several factors which needs to be strictly considered so as to implement CRM in any organization such as strong management team who are always customer focused, quality of customer data that can be easily retrieved as and when necessary, availability of skilled human resources who are always eager to serve their customers every time without any hesitation, use of appropriate technologies to properly manage the customer data base, appropriate system to properly manage the customer flow in an organization as well as the use of right technology to provide advance services to the customers.

Blend of all these factors in a proper manner can make the implementation and adoption of CRM easy in an organization and the benefits/advantages of CRM can also be achieved accordingly for which the effort and patience of the organizational personnel's is very necessary. Though it is a challenging task, but implementation of CRM can really prove to be one of the critical factors for the success of any organization today and also in the days to come. Once you accept to take the challenge, it can prove to be beneficial for you in the long run for which you have to prepare yourself, your organization and the organizational staffs to take the challenge. After all, the success of any organization resembles the success of each and everyone

who are associated with it and so each and every one in an organization should make an initiation to successfully implement CRM in an organization.

2.8 Review of Related Studies

2.8.1 Review of Articles/Journals

Oates (2009) in his article, "*Customer Relationship Management Systems An essential sales and marketing tool for the sporting business*", said that A CRM system is not just a data base, it is a system which is part of a "customer centric ethos" which allows you to understand your customer (we understand their wants and needs) and it allows you to communicate with them in a very personable way. A sporting club, whatever the size of it, should be viewed as a business. In common with any other business there is a need to increase the number of customers that spend money with us (season ticket holders, members, and sponsors), a need to retain all of these customers and a need to increase the amount of money they spend with us. There is a need to have a data culture in order to retain these customers (we use communication to generate loyalty), in order to reduce our costs (if we send everything out via E mail instead of direct mail we will reduce our costs) and finally to enable us to maximize the income we are able to generate from our customers (if we know who our customers are and what they buy from us we can target them for other products). The customer relationship management system is the "tool" which assists us with our aims of maximizing our sales, reducing our costs and therefore growing our business.

Dwivedy (2009) in his journal, "*Microsoft launches CRM solution*" said that, Microsoft India on Wednesday launched its customer relationship management (CRM) software to help businesses optimize costs and streamline processes amid the current economic scenario. Microsoft Dynamics CRM 4.0 is a value-driven customer relationship management solution that delivers the ability for organizations to optimize productivity, profitability, infrastructure and their budgets, the company said in a statement. "With customer service and loyalty becoming increasingly critical to business success, our CRM solution assists organizations place their customers at the center of all their business activities," Microsoft India Director (Business Solutions) Sushant Dwivedy said. In India, insurance sector is driving the adoption of CRM followed closely by the IT/ITeS segment, it added. According to a Forrester Research

study, the CRM software and services market is expected to grow from about USD 8.4 billion in 2006 to USD 10.9 billion in 2010, with much of the growth coming from the mid-market firms.

Forrester (2010) in his article, *“Perspective of CRM”*, defines customer relationship management as the business processes and supporting technologies that support the key activities of targeting, acquiring, retaining, understanding and collaborating with customers. The strong demand for CRM technology solutions has prompted leading vendors to continue to invest in improving their solutions and make acquisitions to fill out their solution portfolios. However, business and technology pros tell us that they struggle to determine how to define the right CRM strategies, re-engineer customer-facing business processes, effectively acquire and deploy the appropriate supporting technology solutions, and lead and sustain the organizational changes required to transition to new ways of working.

Robinson (2012) in his online article, *“How to make your company think like a customer”* said that, for too many companies, ensuring that every customer has a tailored experience remains an elusive goal. Indeed, in a 2010 survey of more than 140 North American companies, just 3 percent were identified as truly “customer-centric organizations.” Fully a third was found to be “customer oblivious.” The stakes are high. Some studies suggest that failing to deliver a high-quality customer experience can result in a staggering erosion of a company’s customer base—a loss of as much as 50 percent over a five-year period. Why do some companies succeed while so many fail? Often, the cause is internal barriers. Even the best-intentioned attempts at customer-centricity can be sabotaged by silo strategies, organizations, processes, technologies and data, which can result in disconnected sales, marketing and service functions. Your customer views all of your functions and business units as a single company. Merely adding customer-centricity to your vision statement isn’t enough. Thinking like your customer is the first challenge, and delivering a positive customer experience is even harder.

Achieving customer-centricity requires rethinking the way business is done. And this, in turn, requires a holistic approach that encompasses everything from analytics and insights to strategy and customer experience, from operating model design and

execution to governance and transformation management. Customers today expect an imaginative, high-quality experience in a multichannel environment. Failure to adapt to this new reality will mean not only lost business but a growing gap in product development. If you're not listening and responding to your customers, chances are you're not anticipating new needs and demands.

Ferrara (2013) in his article, "*Bringing back the 'R' in Customer Relationship Management*" said that, as we left it, CRM eventually went from enabling a team of people across a company to document, interact and share their knowledge about each customer, to essentially favor data collection about customers to find common cross-customer issues and forecast planning. Individual customers and companies became anonym is into aggregate profiles and scenarios, rather than enabling employees to collaborate on specific issues of each customer. In the old days, we used to yell at our customers how great our products would work, and we expected them to line up like lemmings in front of our salespeople who would control the conversation and get the order, and then they would line up in front of our 800 number and get the service people and be serviced, and that was it. The executive would hide behind the wall. The marketing people would rarely engage; product people, forget it. And that whole thing was just being torn up from the inside and the outside in.

2.8.2 Review of Unpublished Dissertations

Prior to this study numerous other related theses have been considered and reviewed for achieving the desired effectiveness. Some of the related thesis which played a vital role in completing this thesis has been discussed below:

Mahato (2008) had done a research entitled "*Effectiveness of Customer Relationship Management in Nepal Investment Bank Limited*" and has pinpointed the following objectives of the study:

-) To analyze the CRM structure of the bank.
-) To find out the relationship between CRM and its productivity.
-) To evaluate current problems and difficulties of CRM.

In his study he has incorporated certain research tools and techniques to draw the conclusion. Mainly in his thesis he has used graphs and charts like bar charts, pie charts, line charts, etc. Similarly the use of descriptive statistics like frequencies and percentage has also been made.

The major findings of the study were:

-) NIBL has focused on effective planning for the effective execution of CRM.
-) Positive impact on CRM leads to increased productivity.
-) NIBL has achieved optimal benefits through implementing effective CRM policies

Shrestha (2010) had done a research entitled “*Customer Relationship Management and its Efficiency in Himalayan Bank Limited*” and pinpointed the strength and weaknesses of Himalayan Bank Ltd with respect to its CRM.

The main objectives of the study were:

-) To access and explore the CRM system of the bank.
-) To distinguish between Human Resource Planning (HRP) and CRM show how they depends on each other to increase the organization’s effectiveness.
-) To identify how the bank can add value through adopting CRM.

In this study various research tools has been incorporated. The use of mean, median, mode and range has been done to classify the acquired data systematically. Also the use of inferential statistics like regression analysis and the use of coefficient of determination have been implemented.

The major findings were:

-) Himalayan Bank Ltd uses highly systematic and automated CRM system to avoid costs and increase efficiency.

-) The outcome of the research showed that HRP and CRM are closely interrelated with each other and thus, they work in conjunction for overall organizational effectiveness.
-) Implementing CRM enhances the performance of the organization.

Timsina (2011) had done a research entitled “*Impact of CRM in Nepalese Business*” and has highlighted how the scenario of Nepalese Business has been changed with the implementation of proper CRM.

The main objectives of the study were:

-) To measure the impact of CRM in Nepalese business market.
-) To identify the pros and cons of CRM that has been practiced in Nepalese business market.
-) To assess and explore the changes that has been made by CRM in Nepalese business market.

In this study graphs and charts has been used massively to analyze the acquired data. Also certain hypothesis has been created and tested accordingly to draw the genuine conclusion. The implementation of bar diagram and pic chart has made this study simple and user friendly.

The major findings were:

-) The evil practice of nepotism and favoritism has not been eradicated and is seen prevailing with CRM.
-) Most of the government offices do not still follow the proper CRM procedure.
-) Majority of private offices has developed strict CRM mechanisms so that they can achieve organizational efficiency.

Bajracharya (2011) had done a research entitled “*Customer Relationship Management in Nabil Bank Limited, Issue and Problem*” and concluded that CRM is the most prioritized tools and techniques to be followed in any organization.

The main objectives of the study were:

-) To study the background of the CRM in Nabil Bank Limited.
-) To analyze the effectiveness and problems of CRM.
-) To provide suggestions and recommendations for management for making effective CRM policies and practices.
-) To examine the contribution of CRM in the economic development of the bank.

In this study the responses are categorized, tabulated, processed and analyzed using different methods. Frequency distribution, mean, and correlations are calculated and to test the hypothesis Pearson correlation coefficient was used.

The major findings were:

-) The scenario of customer relationship management trend is normally satisfactory.
-) CRM is considered as one of the most vital management tool to be implemented in an organization.
-) CRM leads to increased efficiency.

Acharya (2012) had conducted a study entitles “*CRM and its Implementation: A General Guide to Nepalese Business*” and has highlighted the following objectives and findings of the study:

The major objectives of the study were:

-) To identify the major in-depth know how of CRM and other related tools which works in conjunction with CRM.
-) To assess and explore the pros and cons of CRM and its implementation.
-) To identify the current perspective of CRM and its impact on Nepalese business.

In this research the descriptive statistics are used such as mean, frequencies, percentage, etc. Also inferential tests are used like null hypothesis for tenability or non-tenability. It also incorporates the use of chi-square test.

The major findings of the study were:

-) The implementation of CRM in Nepal is not up to mark while comparing with international standards.
-) There is a need of CRM in every business organization in Nepal.
-) CRM must not only be taken as a tool to success but it should also be considered as a business strategy to cope with the changing environment.

2.9 Research Gap

There is gap between the present research and previous researches in terms of some objectives, tools used for analysis, period of data collection and so on. This topic is also considered as the difference between the previous researches and the current research. The main objective here is to draw a genuine conclusion about the effectiveness of CRM considering the previous studies. In this context, the previous studies can't be ignored because they provide the foundation to present study. Thus, to complete this research work, many books, journals, articles and various published and unpublished dissertations are followed as guideline to make the research effective and smooth through these reference material

CHAPTER III

RESEARCH METHODOLOGY

This chapter deals with the research design, nature of data, data gathering procedure, population and samples and data processing procedures this study has followed.

3.1 Introduction

Research methodology describes the method and process applied in the study. This chapter describes the methodology employed in the study which is the process of finding the solutions of the problem through planned and systematic dealing of the collected data resources. Research methodology refers to the various sequential steps which are adopted by the researcher in studying a problem with certain objectives. Research methodology is a way to systematically solve the research problem which facilitates the research work and provides reliability and validity to it. In other words, research methodology describes the method and process applied in the entire aspect of the study. It is the process of arriving at the solution of the problem through planned and systematic dealing with the collection, analysis, and interpretation of the facts and the figures. Research is a systematic method of finding right solutions for the problem whereas research methodology refers to the various sequential steps to be adopted by the researcher in studying a problem with certain objectives in view. In other words, research methodology refers to the various methods or practices applied by the researcher in the entire aspect of the study. This covers research design, sources of data, data collection procedures, data processing and tabulation and the various analytical tools used in deriving the conclusions.

The main objective of this research was to analyze the present status of CRM in the two travel agencies which have been taken as a sample of this study. By systematically following the various sequential steps of research methodology or by looking into the various aspects of research methodology such as research design, nature and sources of data, data collection procedure as well as proper analysis of the collected data, efforts was made to arrive at the conclusion and determine whether the companies are actually aware of CRM or not? Do they give importance to CRM?

What kind of CRM practices have been adopted by these travel agencies as well as which travel agency has been forward in implementing effective CRM in its company or more precisely, which company ranks higher in its CRM practices than other and for finding this, both the people inside and outside the company were interviewed, that is, both the management of the company as well as its customers were interviewed to find out their comments/compliments towards the CRM practices of the company and their answers were compared and analyzed to arrive at the distinct conclusion so that the objective of the study were met as much as possible.

3.2 Research Design

A research design is a framework or blueprint for conducting the research project. It details the procedures necessary for obtaining the information needed to structure or solve the research problems. A research design lays the foundation for conducting the project. Research design is the plan, structure and the strategy of investigation conceived so as to obtain answers to the research questions. A research design can be exploratory as well as conclusive where the conclusive research design is further classified into descriptive and causal.

The analysis of this research is based on certain research design keeping in mind the objective of the study. The research design used in this research will be both descriptive and analytical. Here the primary information will be collected through in-depth interview with the concerned person of the company who will be able to provide information on the CRM aspect of the company. Similarly, the survey research design will be employed to gain the general view of the customers towards the CRM practices/aspects of the company. Information collected from both group of people will be properly analyzed.

3.3 Sources of Data

The present study was based on both primary as well as secondary sources of data. Primary data refers to the first-hand information which is collected by interacting with the concerned person directly, that is, primary data is collected by face-to-face interaction between the interested parties. Secondary data refers to the collection of information from the various sources other than direct interaction with the responsible

person. It includes the information extracted from the various secondary sources such as brochures, booklets, pamphlets, information available on the internet, etc. Both the primary and secondary sources of data will be equally helpful in conducting an effective research and in this research also; both the sources of data have been employed.

In the present research, the primary sources of data included the information collected from the concerned person within the organization as well as the information collected from the various random customers who have been using the sample travel agencies for receiving the various travel related services.

The secondary sources of data included the brochures, pamphlets as well as the websites of the sample travel agencies from where the general information of the company was retrieved or extracted. But there was an extensive use of primary information in this research rather than the secondary information.

3.4 Sampling Plan

A sample is a subgroup of the elements of the population selected for participation in the study. Similarly an element is an object that possesses the information sought by the researcher. Sampling unit refers to the basic unit containing the elements of the population to be sampled. Sample size refers to the number of elements to be included in the study.

The total numbers of people using the services of the particular travel agencies represent the population of the study. Sample unit of the study comprises the individuals who make use of the travel agencies for receiving the travel related services. Since the population of study is large, a sample of 66 individuals were selected, where 35 respondents were for ABC Travel and Tours and 31 respondents were for Trijyoti Travel and Tours, which means the sample size is 66. The sample size was selected on the basis of judgmental sampling; a form of convenience sampling in which the population elements are purposely selected based on the judgment of the researcher. Hence, the selection of the sample size was solely based on the judgment of the researcher.

3.5 Data Collection Procedure

For collecting the primary data, the selected individuals were personally interviewed using the prepared questionnaires and they were requested to fill in the forms which included the research questionnaires which helped to gain the understanding of their attitude and response towards the CRM practices of the travel agency. Similarly, the secondary data were collected from the brochures, pamphlets and the websites of the sample travel agencies which was very helpful in gaining more information about the general background and aspect of the travel agency. Sample of the questionnaire used in this research is presented in the appendix.

3.6 Methods of Analysis

The collected data was properly checked, verified, compiled, analyzed and presented in a suitable format to convert them into useful information and derive an appropriate conclusion and useful findings from it which would meet the objectives of the study as well as which would be useful for the sample travel agencies to improve their performance in the future by taking the corrective actions and removing the defects from the root. Analysis was done both descriptively as well as statistically. For the analysis, statistical tools such as the average, percentage, ranking, bar diagrams, pie-chart, etc. was used.

3.7 Research Tools

In this study to measure and use the acquired data various statistical tools and techniques have been incorporated. Statistical tools like percentage has been incorporated whereas, graphical representation like bar diagram, pie chart, etc. has also been implemented along with the tabular representation of data. Also the use of Likert Scale is done to systematically tabulate the respondent's response.

) Percentage:

A percentage is defined as a number represented as a fraction of 100. Percentages are used to express numbers between zero and one. It is used to compare things and also used in ratios. It is denoted by the symbol %.

$$\text{Percentage} = (\text{Value} / \text{Total Value}) \times 100$$

) **Bar Graph / Diagram:**

A bar graph is a chart that uses either horizontal or vertical bars to show comparisons among categories. One axis of the chart shows the specific categories being compared, and the other axis represents a discrete value. Some bar graphs present bars clustered in groups of more than one (grouped bar graphs), and others show the bars divided into subparts to show cumulative effect (stacked bar graphs).

) **Pie Chart:**

A pie chart (or a circle graph) is a circular chart divided into sectors, illustrating numerical proportion. In a pie chart, the arc length of each sector (and consequently its central angle and area), is proportional to the quantity it represents. While it is named for its resemblance to a pie which has been sliced, there are variations on the way it can be presented.

) **Likert Scale:**

This is a self-report technique for attitude measurement in which the subjects are asked to indicate their degree of agreement or disagreement with each of a number of statements. A subject's attitude score is the total obtained by summing over the items in the scale.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

This chapter deals with the presentation and analysis of data in readable manner. The collection of data and its analysis tools are used as specified in chapter three. In this study, questionnaires as well as statistical tools are used to achieve the pre-determined objectives.

4.1 Introduction

It is the most important chapter among the five chapters of this study. It presents the data or information into different tables and graphs. These graphs, charts and tables are made of the result derived from the data analysis. All the data presented in this chapter will support to meet the research objectives in any way.

4.2 Respondent Information

Respondents of this study are those people who are the customer of either of the travel agencies. In this study, respondents are classified into three different categories: age, gender and occupation. This section plays an important role in conducting comparative study and is a base for data analysis.

4.2.1 Respondent Information as per Age

Demographic character, age is taken as a basic classification variable. It makes easy to perform some analysis which is based on age. It becomes very helpful when anyone needs to make inferences regarding different variables with respect to age.

Table 4.1

Respondent Information as per Age

	Minimum	Maximum	Mean	Std. Deviation
Age	21.00	57.00	36.95	9.70

(Source: field survey)

Table 4.1 presents the data about respondents' age. Minimum age of the respondent is 21 years and maximum reaches to 57 years.. It means to say that middle age people opt for travel agency services. Middle age people use the travel agency service but adults are also in the list of accounts of travel service consumers.

4.2.2 Distribution of Respondent as per Gender

Gender has been taken as a classification variable to understand the behavior of male and female in different area of Customer Relationship Management.

Table 4.2
Distribution of Respondent as per Gender

Gender	Frequency	Percent
Male	38	57.6
Female	28	42.4
Total	66	100.0

(Source: field survey)

Table 4.2 shows that out of total respondents, Male percentage account for 57.6% and Female percentage account for 42.4%. Here the distribution has been composed this way so that the inferences made from this study could be generalized for these two travel agencies.

4.2.3 Distribution of Respondent as per their Employment Status

To represent the demographic characteristic of respondents, their current employment status has been taken as classification variable. It makes easy to make cross analysis among different occupational groups.

Table 4.3
Distribution of Respondent as per their Employment Status

Employment status	Frequency	Percent
Employed	20	30.3
Self-Employed	29	43.9
Unemployed	17	25.8
Total	66	100.0

(Source: field survey)

Table 4.3 shows that out of total respondents, people within employed category account for 30.3%, people within self-employed category account for 43.9% and people within unemployed category account for 25.8%. This distribution has been composed this way so that varied habits of people from different employment category with regard to their travel related habits/preferences could be found out.

4.3 Analysis of Customer Relationship Management adopted by Travel Agencies

This study deals with the customer relationship management that is embraced by two travel agencies to attract, retain and satisfy their loyal and profitable customers. This study does cover the CRM in relation to end customers. It doesn't deal with the other aspect of CRM like: sales automation, relationship with suppliers, employee relationship etc. In this part of the study, all the figures, charts, table's present data about CRM related to Customer (end customers) Relationship.

4.3.1 Analysis of Duration of Service Usage to Measure the Degree of Loyalty of Customers

Both travel agencies seem to use the time duration of the relationship with their customers to determine the degree of loyalty. The older the customer, the more profitable and loyal the customers are supposed to be.

Table 4.4

Duration of Time for which the Customers have taken the Services

Time Duration	Frequency	Percent
Less Than One Year	10	15.2
1-5	24	36.4
More Than Five	32	48.5
Total	66	100.0

(Source: field survey)

Table 4.4 shows that new customers are very less in comparison to loyal customers. New customers are those customers who have just started using the service provided by those travel agencies. These customers account for only 15% of our sample. Rest 85% of respondents is loyal customers. CRM is all about maintaining long term profitable relationship with all the loyal customers that the organization have been able to acquire during its service period and according to the study, both the travel agencies have adopted various measures to maintain proper relationship with its loyal customers and also make sure that every new customers turn out to be loyal customers after certain time period.

4.3.2 Analysis of Benefits Offered to Customers

To attract, satisfy, retain and enhance the customers, companies use different inducements. These inducements are called benefits as well. Incentives offered to customers play a great role in making customers satisfied and strengthening the relationship between service provider and the customer. Especially in customer relationship management, these benefits should be instrumental in creating value to customers.

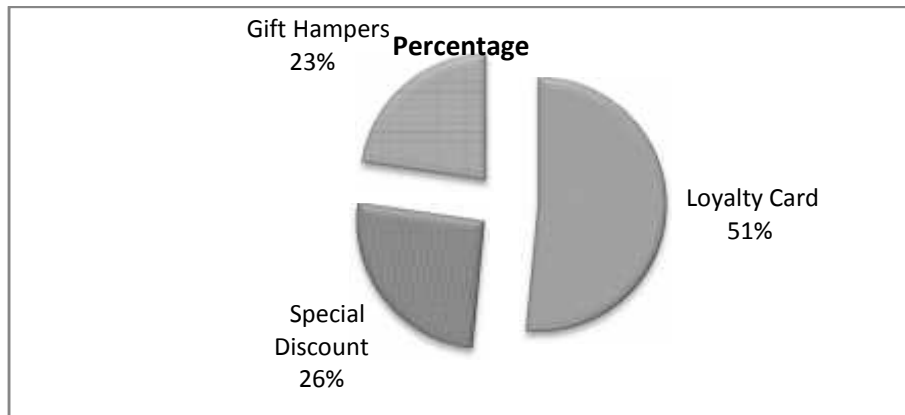
From the analysis done in both the travel agencies, it was known that both the travel agencies have been using same sort of benefits which includes various gift hampers, special discounts and loyalty cards. These sort of benefits offered to customers have been playing an important role to retain the customers of the travel agency as well as develop an important bond with the customers.

Table 4.5
Benefits Offered to Customer

Benefits	Percentage
Gift Hamper	23%
Special Discount	26%
Loyalty Card	51%

(Source: field survey)

Figure 4.1
Benefits Offered to Customers



(Source: table 4.5)

Figure 4.1 presents overall information about benefits offered by the travel agencies. Mainly three things are offered to their loyal customers i.e. Gift Hampers, Special Discounts and Loyalty Cards. Loyalty card covers the largest share of offered benefits with 51% of total size, likewise special discounts follows the loyalty card with 26% of total size and gift hampers fall at last with 23% of total size. Gift hampers and special discounts are instantaneous benefits which means customers are benefited at the moment they are offered. But loyalty card is such a benefit which fosters the long relationship because to utilize its benefits card holder (customer) has to make purchase again and again. Therefore it has a greater share in overall incentive size.

4.3.2.1 Comparison between Special Benefits Offered by Sample Travel Agencies

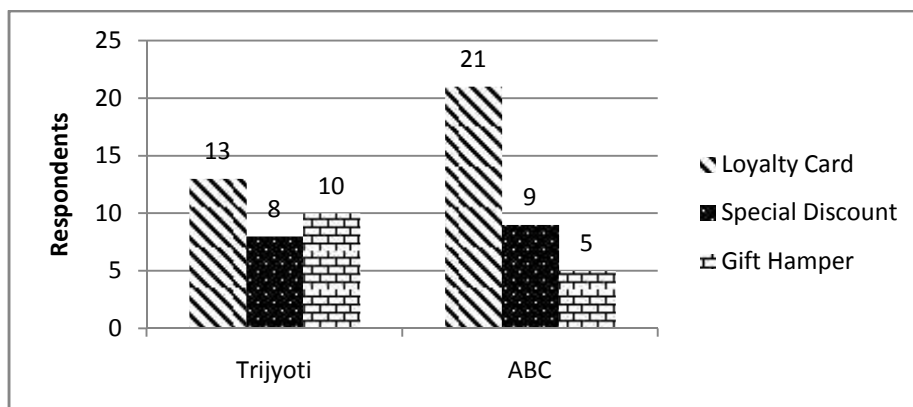
How the travel agencies utilize the special benefits? In what manner they make use of the various special benefits to different customers so as to satisfy and retain them in the travel agency itself? To answer this question the bar diagram has been conducted which helps to get an answer of this question and find out in what proportion the sample travel agencies have been making use of the various special benefits. This analysis helps reader understand the individual use of special benefits by travel agencies.

Table 4.6
Special Benefits Offered to Customers

Special Benefits	Trijyoti	ABC
Loyalty Card	13	21
Special Discount	8	9
Gift Hamper	10	5

(Source: field survey)

Figure 4.2
Comparison of Special Benefits Offered to Customers



(Source: table 4.6)

Figure 4.2 presents the information about the usage of special benefits by both travel agencies in percentage. ABC Travel and tours has made usage of loyalty card up to 60% i.e. 21, special benefits 26% i.e. 9 and Gift Hampers 14% i.e. 5. However,

Trijyoti Travels has made usage of those special benefits in a different manner, that is, loyalty card 42% i.e. 13, special discounts 26% i.e. 8 and gift hampers 32% i.e. 10. Trijyoti Travels is more concerned in Gift hampers rather than loyalty card whereas ABC is more concerned in loyalty card.

4.3.3 Customer Expectation and Customer Satisfaction

When the perceived service cannot meet the expected service the customer gap come into existence. If customer gap occurs, customer will be dissatisfied with the service provider. Therefore if any service provider wants to keep its customers satisfied, it should know the customers' expectation. Knowing customers expectation is a key to build a satisfied customers base.

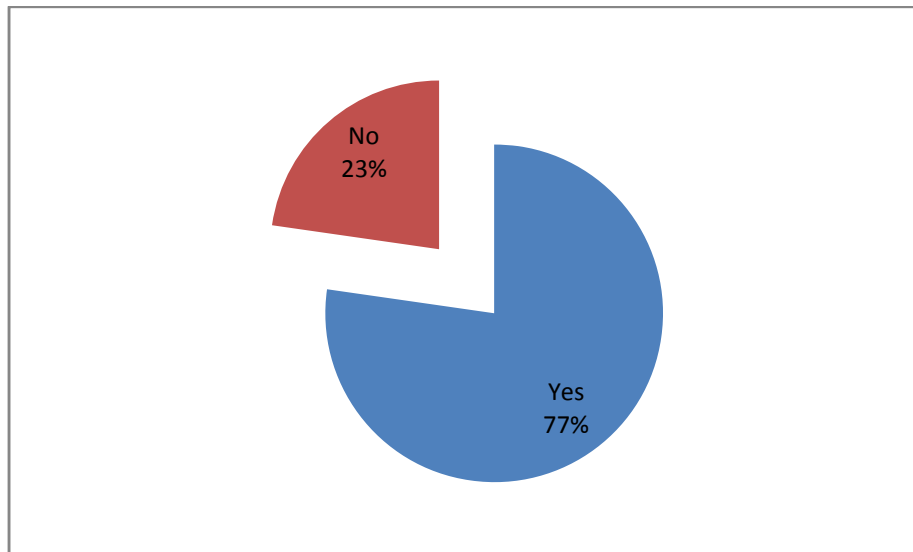
In order to find out whether the customers have found any gap in service experience and expectation or not, they were asked a dichotomous question which asked about experience and expectation. The answer given by the respondents helped to find out whether they have actually received what they had expected which further helped to analyze the current performance level of the sample travel agencies, that is, how far the sample travel agencies have been successful in meeting the expectation level of its customers with respect to the travel related services.

Table 4.7
Service Experience Meeting Expectancy Level of Customers

Expectency Level	Percentage
Yes	77%
No	23%

(Source: field survey)

Figure 4.3
Service Experience Meeting Expectancy Level of Customers



(Source: table 4.7)

Figure 4.3 show that 77% of respondents are satisfied ie. Yes with the services provided by travel agencies which definitely reflect that the travel agencies have been successful in providing appropriate services and gain customer satisfaction. But 23% of respondents feel that service providers couldn't meet their expectation. Though they have a huge chunk of satisfied customers but still 23% of them are dissatisfied ie. No so this figure should be taken into consideration because one dissatisfied customer can render many negative consequences. Both of the travel agencies should conduct a research to know where did they fail while serving their customers so that they can initiate necessary steps in the future to reduce the number of dissatisfied customers and make sure that each and every customers are satisfied with the services provided by the travel agencies and these satisfied customers could be the source of bringing more and more new customers to the travel agencies.

Table 4.8
Customers' Opinion on Travel Agency being Successful on Meeting their
Expectation

Customers opinion on travel agency being successful on meeting their expectation level	Name of Agency			
	ABC Travel and Tours	Percentage	Trijyoti Travel and Tours	Percentage
Yes	28	80	23	74
No	7	20	8	26
Total	35	100	31	100

(Source: field survey)

Table 4.8 shows the customer base of both travel agencies in relation to their satisfaction (matched service experience and expectation). ABC travels have 80% satisfied customers and 20% dissatisfied customers. Trijyoti travels have 74% satisfied customers and 26% dissatisfied customers. From this data it can be inferred that ABC travels has a better customer base than that of Trijyoti travels though difference is not that significant. So we can say that both the travel agencies have maximum number of satisfied customers rather than the dissatisfied ones and both of them are successful in meeting the expectation level of their customers to the large extent.

4.3.4 Analysis of Customer's Opinion about the Services and Service Providers

Customer's views and their level of satisfaction regarding the services that are being provided to them by the service providers (i.e. Travel Agencies) are analyzed here by the means of tools and techniques like bar chart and tables.

4.3.4.1 Right Place for Fulfilling their Travel Related Services

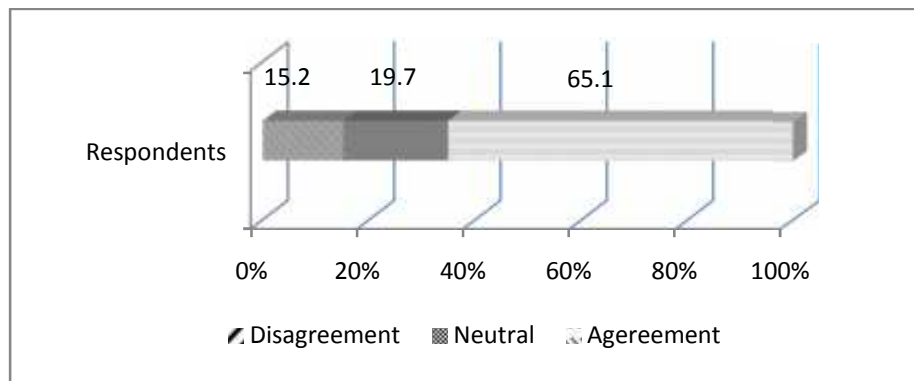
The response of the respondents is collected here regarding whether they feel that the travel agencies they have been consulting is appropriate and beneficial to them or has not helped to know their attitude and views towards the travel agency. In other words, whether they feel that the travel agency they have been using is the right place for fulfilling the travel related services.

Table 4.9
Right place fulfilling travel related services

Level of Satisfaction	percentage
Disagree	15.2%
Neutral	19.7%
Agree	65.1%

(Source: field survey)

Figure 4.4
Right Place for Fulfilling their Travel Related Services



(Source: table 4.9)

As per the information collected, 15.2% of respondents showed disagreement towards the statement and 19.7% remained neutral and 65.1% agreed on that statement that it is the right place for travel agency services. This data shows that though majority of customers are positive regarding services provided by the agencies but still around 35% customers are out of the influence of service provided by agencies which further means that these travel agencies should take certain steps to make sure that their customers actually feel that they have come to the right place for receiving the travel related services so that they never think of choosing any other travel agencies for fulfilling their travel related services.

4.3.4.2 Behavior/Response shown to Customers by Service Providers

Customer satisfaction highly depends on the response shown by the service providers to its customers and it is also the means of measuring the performance of any organization.

Table 4.10
Behavior/Response shown to Customers by Service Providers

Customers opinion on “Your service provider treats you the way you want to be treated as a valuable customer”	Percentage
Disagree	10.6
Neutral	22.7
Agree	28.8
Strongly Agree	37.9
Total	100.0

(Source: field survey)

Table 4.10 presents the data of customers’ opinion on response shown by the service providers. The figure derived from the above table shows what percentage of people has liked the hospitality trend of the travel agencies and what percentage has disliked it. 10.6% of respondents denied that they were treated well by the travel agency which shows that they have not liked the hospitality shown by the travel agency, 22% said nothing about the hospitality which means that their feelings towards the hospitality shown by the travel agency is neutral, but 66.7% people, that is, the huge mass of people agreed that the hospitality shown by the travel agency made them feel that they are the valuable customers to their service providers. This data suggests that they need to customize their hospitality by segmenting their market into different niches so that they can better serve their customers and make them feel that they are actually the valuable customers of the travel agency. Here maximum number of respondents were positive towards the response/treatment of the service providers.

4.3.4.3 Employee Response in Service Encounter

Employee response plays an important role in customer satisfaction ie. Agree. Especially in service industries employees are supposed to be the part of the whole marketing strategy. Services' marketing includes people, physical evidences and process in addition to 4Ps of traditional marketing. Therefore the analysis of employee response is also important in Customer Relationship Management because the behavior shown by the employees helps to develop the basic image of the organization and its norms, values and tradition. Thus the analysis of employee behavior is also equally important in analyzing the total performance of the organization.

Positive employee response and positive employee behavior is vital in any service organization as they have to deal with the customers face-to-face and the customers can immediately understand the basic culture and tradition of the organization as soon as they deal with the employees of the organization. Therefore the employees should be well-behaved and well-spoken so that the customers will have positive impact about the organization from where they are receiving their services. For this, the organization itself should conduct basic training programs and seminars to groom their employees. Employees play a vital role in any service institutions and their attitude and behavior towards the customers can retain the customers in the organization itself. But if the customers are disagree with the behavior shown by the employees, they may not come back to the same organization again and this applies for all the service organizations.

Table 4.11

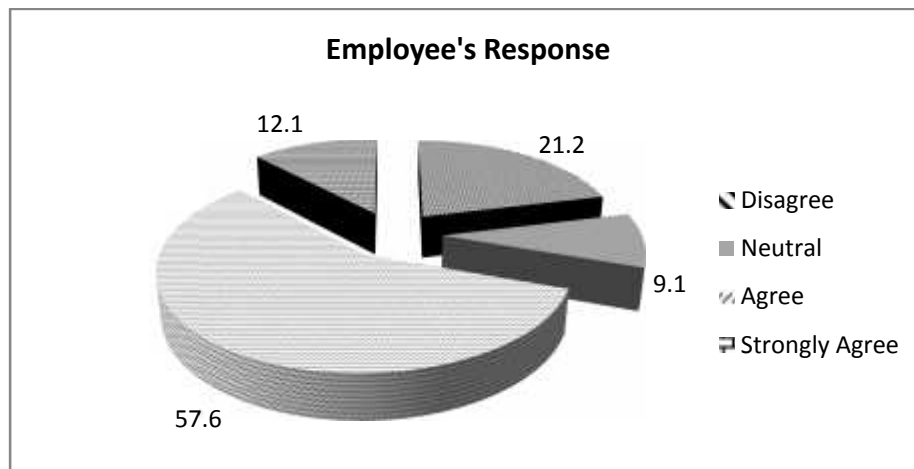
Service Experience Meeting Expectancy Level of Customers

Employee's Response	percentage
Disagree	21.2%
Neutral	9.1%
Agree	57.6%
Strongly Agree	12.1%

(Source: field survey)

Figure 4.5

Customer Response on Employees Reaction or Response



(Source: table 4.11)

The figure shows that the customers opinion on the response shown by the employees of the travel agency, it was known that 21.2% people were disagree with the service provided by the employees of the travel agency, 9.1% people were neutral, 57.6% people agreed that they have received a good response from the employees and 12.1% people were Strongly Agree with the services provided by the employees of the travel agency which means that they have liked the way the employees treat and behave with their customers and they appreciate the response shown by the employees of the travel agencies.

Table 4.12

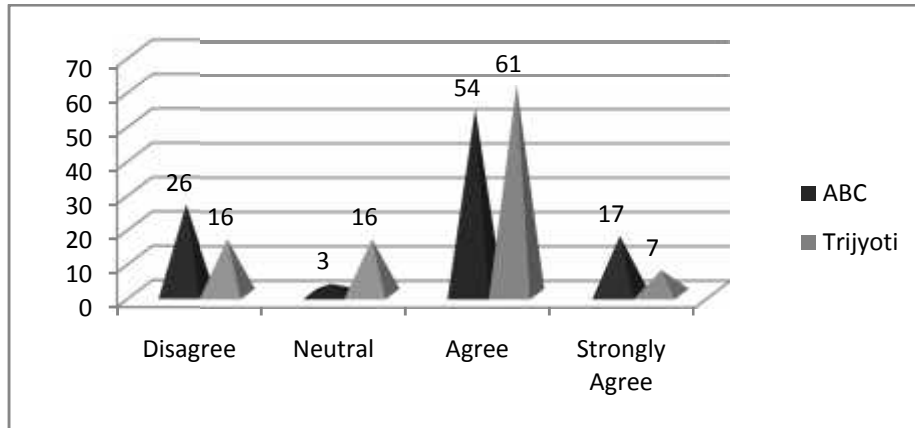
Service Experience Meeting Expectancy Level of Customers

Customer Response	ABC	Trijyoti
Disagree	26%	16%
Neutral	3%	16%
Agree	54%	61%
Strongly Agree	17%	7%

(Source: field survey)

Figure: 4.6

Customer Response on Employees Reaction or Response on the Basis of Travel Agencies



(Source: table 4.12)

Figure 4.6 shows the opinion given by the respondents regarding the behavior of the employees of the sample travel agencies.

For ABC Travel and Tours, 26% people disagreed that they receive the positive employee response, 3% people were neutral which means they did not have any positive or negative view regarding the employee response, 54% people agreed that they were satisfied with the employee behavior and 17% people strongly agreed that the behavior and response of the employees towards its customers is very good and satisfactory.

For Trijyoti Travel and Tours, 16% people disagreed that they receive the positive employee response, similarly 16% people were neutral which means they did not have any positive or negative view regarding the employee response, 61% people agreed that they were satisfied with the employee behavior and 7% people strongly agreed that the behavior and response of the employees towards its customers is very good and satisfactory ie. Agree.

From the figure 4.6, it is very clear that in both the travel agencies maximum people/respondents/customers agreed that they have received a good response from

the employees while there were few others who disagreed to this statement as well as there were some others who were completely neutral and did not want to express any views and opinions regarding the employee response.

Here, the mean value is 3.61, which denotes that maximum number of respondents were satisfied with the response shown by the employees of the respective travel agencies which further means that they were agree with the services provided by the employees and the travel agency as a whole.

4.3.4.4 Customers Opinion on Price of Services

In order to understand what the customers feel about the price that they have been paying for receiving the travel related services, they were asked a set of question which further helped to analyze their satisfaction level with the travel agency.

Table 4.13
Customers Opinion on Price of Services

Customers opinion on “The price that you paid is reasonable as per your requirement”	Percentage
Disagree	14
Neutral	12.5
Agree	51.5
Strongly Agree	22
Total	100.0

(Source: field survey)

Table 4.7 shows that 14% people disagree that the price imposed by the travel agencies is reasonable, 12.5% people are neutral, 51.5% people agree that the prices paid by them is reasonable and 22% people strongly agree that the prices imposed by the travel agencies is reasonable and they do not have any complaints regarding the price structure of the travel agencies.

Here maximum number of respondents agreed that they were paying reasonable price for receiving the services.

Customer's Opinion on Prices of Sample Travel Agencies

Individual customers opinion on the prices of the sample travel agencies have been shown in next table which helped to know whether they are satisfied with the prices offered by sample travel agencies.

Table 4.14
Perceived Price of Services by Customers of Two Travel Agencies

Customers opinion on "The price of the service is reasonable"	Name of Agency	
	ABC Travel and Tours	Trijyoti Travel and Tours
Disagree	9%	19%
Neutral	6%	19%
Agree	71%	32%
Strongly Agree	14%	30%
Total	100	100

(Source: field survey)

Table 4.14 shows the views of respondents regarding the price structure for individual travel agencies where they have shown their disagreement, agreement and strong agreement to the statement while there were few who were neutral to this statement.

For ABC Travel and Tours, 9% people/respondents disagreed that they were offered reasonable prices by the travel agency, 6% were neutral, 71% people showed their agreement and 14% people strongly agreed that they were offered reasonable prices by the travel agency and they are satisfied with what they are paying for receiving the travel related services.

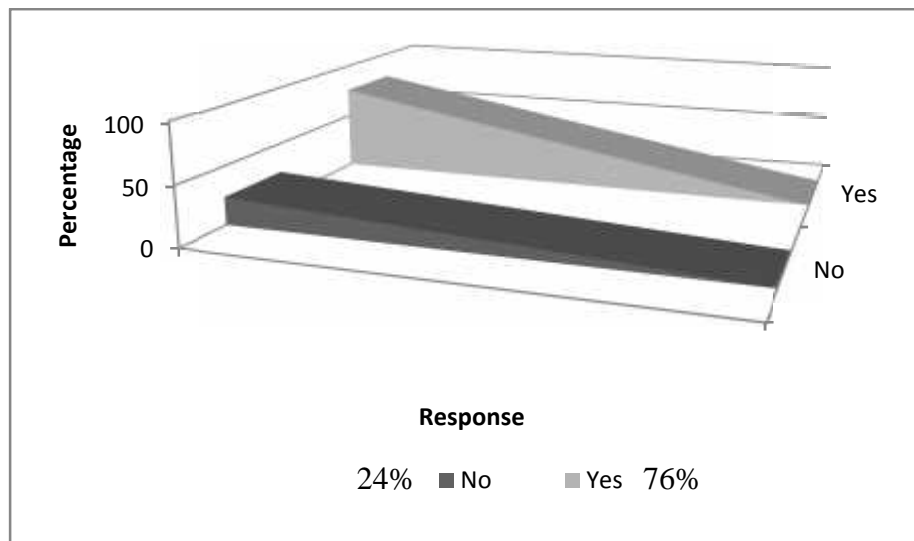
For Trijyoti Travel and Tours, 19% people/respondents disagreed that they were offered reasonable prices by the travel agency, 19% were neutral, 32% people showed their agreement and 30% people strongly agreed that they were offered reasonable prices by the travel agency and they are satisfied with what they are paying for receiving the travel related services. Here maximum number of respondents for both the travel agencies felt that they were paying reasonable prices for fulfilling their travel related services.

4.3.4.5 Customers Opinion on Recommending their Service Provider

One of the most important aspects of CRM is that it helps the organization becomes successful in increasing customer level through word of mouth advertisement.

Figure 4.7

Customers Opinion on Recommending their Service Provider



(Source: field survey)

Figure 4.7 shows the views/opinions of total 66 respondents regarding their intention to recommend their own service providers to others. This means whether the respondents are willing to recommend the travel agency from where they are fulfilling their travel related services to others so that they would also choose the same travel agency to fulfill their travel related services. This is one of the benefits of CRM where more and more customers can be gained through word-of-mouth advertisement. It should also be understood that the customers will only be willing to recommend the same travel agency to others only if they are fully satisfied with the overall services provided by the service providers.

From the figure it is known that 24% people did not want to recommend the sample travel agency to others while 76% people wanted to recommend the sample travel agency to others. The proportion of those who want to recommend the sample travel agency to others is higher than the proportion of those who do not want to recommend

the sample travel agency to others which somehow shows the positive sign regarding the sample travel agencies.

Thus, we can conclude that CRM has helped the travel agencies to gain more number of customers from the existing customers.

4.4 Major Finding of the Study

From the above analysis and integration of data, the major finding of this study are summarized below:

-) Both the travel agencies have focused on attracting, retaining and satisfying their customers by using various means so that they can build a long run profitable customers relationship. But Trijyoti is a step ahead than ABC in terms of retaining customer.
-) Maximum number of customers in both the travel agencies is the recurring customers who have been using the same travel agency for fulfilling their travel related services since a long time.
-) Both the travel agencies have been offering special benefits to their regular customers, which includes loyalty cards, special discounts and gift hampers.
-) Both the travel agencies have tried their best to meet the expectation level of customers and they have been successful in meeting this goal to the maximum extent.
-) Maximum number of customers of both the travel agencies feels that they have come to the right place to fulfill their travel related services.
-) Maximum number of customers agreed that they have received good response from the employees of the respective travel agencies. They are satisfied with the behavior shown by the employees.
-) Maximum number of customers feels that they have paid reasonable price for the services rendered. They are satisfied with the prices paid by them.
-) Maximum number of customers in both the travel agencies felt that they have no complaints regarding the service quality of the travel agencies. They were very much satisfied with the service quality of the respective travel agencies.

-) Maximum number of customers was positive regarding their intention to recommend their own service providers to others. Both the travel agencies were successful in attracting more customers via word-of-mouth communication.
-) In an overall, maximum number of respondents who were approached for the study was positive towards the various aspects of the travel agencies which further show that the travel agencies have been successful in ensuring the customer satisfaction and customers' retention, i.e., they have been successful in maintaining proper customer relationship management.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATION

This chapter is a complete conclusive and suggestive package, which contains summary, conclusions and recommendation. This would be meaningful to the top management of the Travel Agencies to initiate action and achieve the desire result. This chapter is dedicated to provide conclusions after the comparatively analyzing the CRM of Nepalese selected travel agencies with reference to Trijyoti and ABC. This chapter shows the final report of the study. The chapter is divided into three sections. First section deals with the summary of the study. Shortcut of the decision that is found in previous chapter is presented in short manner.

Summary gives the brief introduction to the entire chapter of the study and shows the actual facts of the present situation under the topic of the study. This is called summary of the study. The details of the findings are not better to show. So, the short forms of the previous chapter are presented here to make easy to the reader as well as the researcher to show the final report. The second section is related with the conclusion of the study in which overall decision made under the study are presented. The third section of this chapter is remedies of recommendation of the study. The details of this section are presented below.

5.1 Summary

The main objective of this thesis is to understand the importance of customer relationship management for the success of any organization. Customers are the key persons in any organization who have their important role to play in the survival and growth of any organization. The CRM practices have been in existence since ages and its importance have been realized for the success of any type of business undertakings. Customer relationship management is a process of identifying, attracting, differentiating and retaining customers. Top level management must have a customer centric philosophy and culture to support effective marketing, sales and service processes. Few major objectives of keeping CRM intact are to find, attract, and win new clients while nurturing and retaining those the company already has.

CRM involves using technology to organize, automate and synchronize business processes-principally sales activities, marketing, customer service and technical support. There must be a system in place to handle it by a professional and trained customer interface department. Eventually what all businesses want is reduced cost of service and wonderful customer experience that can lead them towards success. Understanding customer requirement is the key to success for any business. CRM is an art. Businesses have to discover the essence to attract customers and try out that, which will surely narrow the gap between perceived and actually served quality. High value customer differentiation, providing them special treatment, loyalty enhancement programs, collecting voice of customers and treating them as opportunities for improvement rather than problems, are the basic starting points for humble start of CRM in the company.

Customers are the reasons why businesses exist. Hence business organization should try to turn them into customer-centric. Businesses should understand the fact that, though the main aim of any business is to earn profit, they should keep in mind that they should aim to earn profit through customer satisfaction as, if one customer is wow by its service or product, it can stop other hundreds of customers coming to the same organization for acquiring the same products or services. Similarly, if one customer is fully satisfied with the organizational products or services, it can be a medium of inviting other hundreds of new customers to the same organization which is definitely very beneficial for the organization for its long run growth and survival. One happy customer can invite hundreds of others. Hence, every business must give prime importance to CRM for ensuring its success in this stage of tough competition. The importance of CRM cannot be neglected as CRM is all about the customers and the customers are the central point of any business as no business can survive without the customers. Whatever the business is, it is for the customers and the business can only be successful, if it can satisfy its customers who come to take their services. The success and prosperity of any business is directly related to its customer's base. Businesses should understand the fact that larger the customer base, larger the business and its prospects to grow in the future, and the customer base can only be maximized if there is smooth and effective CRM policy being implemented in the organization.

Today, marketers require better customer information as they try to develop and market improved products and provide superior services. Implementation of CRM in an organization is a sure-fire way to find out what your customers really want from you and what they are willing to pay for it. Realizing the importance of CRM, many companies have made the switch from product-driven to customer-driven strategies and it has actually proved to be beneficial for them as well as help them to achieve their goals and objectives.

Thus, in order to be successful in any sort of business, the involvement of customers is very necessary and the involvement of customers can only be increased through customer satisfaction. Hence, every business should give prime importance to customer satisfaction which will finally lead them towards success and the ultimate goal/objective of any business, that is, profit maximization can be achieved. Thus, customer satisfaction is the means by which any business can reach to the peak and achieve what they want.

5.2 Conclusions

As we know, that number of travel agencies is growing day by day, in fact, we can see numerous travel agencies in nooks and corners of the country; it is very difficult to attract large number of customers to the same travel agency. Various factors have to be considered to attract customers to the particular travel agency such as suitable location, perfect layout, organizational environment, behavior of employees, attitude towards the customers, availability of various services including customized services, reasonable prices, etc.

For this thesis, two travel agencies were selected to make a comparative study of their CRM practices and after conducting a detailed study, it was found that both the travel agencies were successful in implementing the various aspects of CRM in their organization. They were aware about the importance of CRM and they have adopted various means to gain more and more new customers as well as retain the existing ones. Various facilities were provided to the recurring customers such as providing them special discounts, providing them various gifts such as free tickets free tour

packages during special occasions and both the new customers as well as the existing customers were provided customized products on their demand as much as possible.

After the conduction of this research, it was very difficult to identify which one ranks higher in their CRM practices because both the travel agencies have tried their best to implement CRM in their agency. ABC Travel and Tours is good in some aspect whereas Trijyoti Travel and Tours is good in some other aspects. For instance, Trijyoti Travel and Tours has good organizational layout and advanced infrastructure, but it provides limited services to the customers, whereas ABC Travel and Tours has limited infrastructure and satisfactory organizational layout, but it provides wide range of services to the customers.

After collecting the customers' response of the sample travel agencies, there were no customers who were completely dissatisfied with the services provided by the sample travel agencies. Maximum customers expressed their satisfaction towards the organization and also expressed their commitment to receive the services from the same travel agency in future as well. The positive responses shown by the customers is an evidence that both the travel agencies have been successful in gaining customer acceptance and satisfaction which is really an advantage for both the travel agencies because of which they have been able to survive and grow in this competitive markets.

Thus what we can conclude from the research that both the sample travel agencies have successfully implemented the CRM practices in their organization and have also been able to gain customer acceptance and satisfaction since long time which has been the reason for their survival and growth in this competitive market and to make CRM even more effective, they are in the process of adopting new strategies and policies related to CRM in the days to come, which would further help them to strengthen their position in the market as well as increase their customer base.

5.3 Recommendation

This research is totally related to CRM - its meaning, its importance for organizational success, ways of implementing CRM, challenges for implementing CRM in an organization and the benefits that an organization can receive after implementing

CRM in the organization. Though this research has focused on the CRM of travel agency, but the concept of CRM can be applied to any other service sectors such as banks, hospitals, insurance companies, educational institutions, consultancies, beauty parlours, cyber cafes, hotels and restaurants or any other institutions where there arises direct contact with customers.

-) From this research, everyone can understand the fact that customers are the key players in any business and the success of any business, specifically service-oriented business is directly related to the satisfaction level of customers. Keeping this fact in mind, every business should give prime importance to customers and provide what customers want, rather than provide what they have produced without considering the needs and wants of the customers.
-) Businesses should try to become customer-centric. CRM is all about customers. CRM is the means of managing long term relationships with the customers which will definitely prove to be profitable for the organization in the long run.
-) For the success of any business, the role played by customers cannot be neglected and in order to gain customer acceptance and satisfaction, implementation of CRM is very essential. In order to ensure survival and growth in this competitive market, implementation of CRM is very essential and not only for travel agencies, it is equally important for all the service institutions who aim to earn profits by providing various diversified services to its customers.
-) This research can prove to be very useful for those who are involved in service oriented business where the success of business is directly associated with the customer base. If they are not able to gain the remarkable customer base at present, they can implement the various CRM strategies and policies that will definitely help them to achieve the desired customer base. It requires expenditure and patience to implement CRM in the organization and it may even take time to achieve the desired results, but the success can be ensured with the implementation of CRM.

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APPENDIX

Questionnaire for Customers

Customer Details

Name:

Gender:

Age:

Occupation:

Address:

Section: 1 Multiple Choice

1. For how long have you been using this travel agency for receiving the travel related services?
 - Less than 1 year
 - 1-5 years
 - More than 5 years
2. Have you been offered any special benefits by the agency for repeatedly using its services?
 - Yes
 - No
3. Do these benefits include any of the followings:
 - Loyalty card
 - Special discount
 - Gifts hampers
4. Has the agency been able to offer you what you want or what you expect?
 - Yes
 - No
5. Do you recommend this travel agency to other people based on your experiences?
 - Yes
 - No

Section: 2 Likert Scale

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I have come to the right place to receive the travel related services that I desire.					
I am treated as a valuable customer every time I visit this travel agency.					
I am very satisfied with the manner the employees respond to their customers.					
I will even suggest others to receive the services from the same agency.					
This is the best place from where I can fulfill my travel related services without any complaints.					

Note:

-) Strongly Disagree (1)
-) Disagree (2)
-) Neutral (3)
-) Agree (4)
-) Strongly Agree (5)

THANK YOU FOR YOUR KIND COOPERATION