CUSTOMER RELATIONSHIP MANAGEMENT-THE KEY TO SUCCESS FOR MSME SECTOR IN INDIA

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ABSTRACT

The purpose of this paper is to bring out the importance of Customer Relationship Management - the process of bringing the customer and the service provider closer, for the MSME Sector which is the thrust area for the Government, the regulator and players in the Banking Sector in India.

In this study, the importance and influence of implementation of customer relationship management (CRM) in the medium, small and micro enterprises (MSME) in India are analyzed.

This paper deals with the role of Customer Relationship Management in MSME sector which is drawing increasing attention from all stakeholders in view of their low-capital-outlay, yet high labour-intensive nature.

Customer Relationship Management is the process through which a business analyzes their customers and makes changes accordingly. The findings of the study indicate that Customer relations play an especially critical role in a sector like MSME where customer orientation is the key success factor.

Nowadays, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customers, retain existing ones and maximize their lifetime value. This is especially true in case of MSME Sector which also suffers from certain fundamental problems that require strengthening of CRM practices.

KEYWORDS: Customer Relationship Management (CRM), MSME Sector, low-capital-outlay, high labour-intensive, customer orientation.