

Customer Relationship Management – Case Study

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Reference - Perfect Competition

- Many buyers and sellers with insignificant market share
- Homogeneous and standard Products
- Sellers and Buyers are price takers
- Enough Commodity can be sold and bought without affecting price
- Low Entry and exit barriers (on basis of inputs, technologies, law)
- Complete information of Buyers, Sellers and commodity for all.

- **Note: Competition refers to price only, irrespective of costs**

Background of CRM in Electricity Distribution

- Selling of electricity defies rules of perfect competition
- It is network industry
 - Promote market power of incumbent seller
- It significantly differs from other commodities in terms of divisibility
- It is service industry
- It is public goods and merit goods commodity
- Highly regulated
- CRM applies to DisComs only.

Importance of CRM for Electricity Industry

- Seller meets same customers over long period (say more than 60 monthly cycles)
- Significantly economic efficiency in excellent relations with the customers
- Customer loyalty guards the commercial interests of utility
- Timely payment
- Satisfied customers are wall to save you from power thieves
- Confidence of Customer attracts Industrial customers/ remunerative customers

How to manage Customer Relations?

- Ease of payment for honest customers
- Ease of Access for honest customer
- Excellent online record keeping and multipoint access
- Complaint resolution
- Exceeding customer expectation
customer satisfaction => customer delight
- Measure and improve the performance

Noida Power CRM

Case of Customer Service Centre

- Location of centre – Most accessible bus route
- Clubbing all interactions in one place
 - New Connections
 - Bill/ payment Collection
 - Complaints (Supply outage to supply quality)
 - Meter testing
 - All time payment collection
- Standardisation of forms
- Internet as relationship tool

Speed of Service

- New Connection at Lightning speed
 - Domestic – 8 days (Target 30 days)
 - HT Connections – 20 days (target 3 months)
- Supply Outage – 4 hours
- Inspection of new connection – 7 days

Billing

- Remote meter reading
- HT supply for supply reliability for Industrial Customer
- Timely Bill delivery
- Widest bill payment options (post, courier, cash, cheque, DD, cheque drop box)
- Actual refund of security deposit and settlement of advances

IT System

- SAP system for all business information and customers information
- Asset database for accuracy

Constraints of CRM

- CRM is intended for commercial interests of utility
- Supply Code – Standardisation of customers interaction
- Type I error (α) & Type II error (β) – case of murder accused
- We are in business of profit and not policing on customer

END