

Consultancy Project

Consultancy Project Report

On

Nestle Water Lahore, Pakistan

Project report submitted to Superior University, Lahore

**In Partial Fulfillment of the requirement for the Degree of
Bachelor of Business Administration (Marketing 2012-2016)**

Submitted By

ABDULLAH IQBAL BBA- 13204

ABDUL MANAN BBA- 13208

ANAM FIAZ BBA- 13263



Submitted To

SIR KASHIF MEHMOOD

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Acknowledgement

Project in any field of study is the kind of achievement for which every student is looking for and thinking upon throughout his academic session that what it should be & how should it be completed. It is definitely a keen desire of every student to full fill his requirement. It needs thorough study, untiring efforts, hard work with full devotion towards the cause and last but not the least proper guidance and corporation from seniors and instructors.

We would like to thank the following persons without whose guidance this project could not have been completed. First of all we would like to express our sincere appreciation and gratitude to our project instructor Sir Kashif Mehmood for his guidance and insight throughout in doing project sand, especially, his valuable suggestions and comments that really guided our work and also helped us to structure our project. Secondly we would like to acknowledge nestle waters especially Mr Jazib who coordinated with us thoroughly and provide his precious time whenever we needed, we can never forget his kindness.

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Executive Summary

This research is being conducted to check the relationship between customer relationship management and customer retention. This is a project report of consultancy research work which is conducted for the nestle water customer care department Lahore, in which we have to make a group of three students and have to provide the consultancy services to the nestle water Lahore Pakistan. We have arranged the meeting with the customer care department of nestle waters in which firstly we signed the consultancy contract agreement with the nestle water and brief them about the consultancy research work which we conducted in the nestle waters Lahore. Secondly we arranged meeting with the employee of department in which we have to take the overview of the department and the problems which this department is facing while conducting activities related customer services and customer relationship management. According to the analysis of the interview we have understand that customers are facing some problems from nestle waters. Due to this case of uncertainty this is a threat for the company that customer are rapidly switching off from nestle to other companies. According to the analysis of customer, there are facing issues from services as well as from product quality due to this company have weak relationship with their customers and low rate deals are driving switching contributing to reduced profit.

These consultancy project reports have five chapters in total, which are prepared during the completion time period of project. First chap of this project report is the chapter of introduction in which we comprehensively share the background, problems, context of organization, research gap, term definition and other related content regarding introduction which explain overall project scope and importance. Second Chapter of project involve literature review of the research variables which we select for our study, as a literature review is an evaluative report of information found in the literature related to your selected area of study. This review describe, summarize, evaluate and clarify the study. It should give a theoretical base for the research and help researcher to determine the nature of the research, this second chapter also contain the research model which we prepare for our study.

Afterward Third chapter of this project explains comprehensively about the paradigm adopted, approach adopted, research method adopted, data collection method and source adopted and also this chapter explains the research instrument which we used for the analysis also in this chapter

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we prepare questionnaire for the study which related with our research topic and variables as well as we also wrote ethical consideration regarding our data collection method. Fourth chapter of this research report contains analysis of the overall study which broadly tell the researcher and other stakeholders about the result of the study. This chapter actually contains the analysis which we got from our survey of the research which performs with the help of questionnaire which is distributed to the selected population for our research. This chapter include some tables, charts, diagram which are demographic information, Histogram, Scatter plot, Reliability and some other items related to the analysis.

The fifth and last chapter of this study broadly explains all the finding which we got form the study also this chapter share the conclusion, recommendation and implications. After all the research phases are completed. We shares valuable suggestion with the customer care department of nestle waters regarding their problem and we hope our consultancy services help them in their future business process and increase their profit.

Increase Customer Retention through Customer Relationship Management

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CHAPTER NO 1
INTRODUCTION

Increase Customer Retention through Customer Relationship Management

Chapter 1: Introduction

1.1 Background

Since many years, In FMCG industry creating customer satisfaction through product and services is a very critical problem which every company manage for the customers. Many years before companies are more product centric and focuses more on their product but suddenly change has came and companies starts focusing to become more customer centric organization only because of the customer satisfaction. The reason behind focusing on customer satisfaction is that customer rapidly shift from one product or services to another so highly the customer satisfaction will lower the switching rate of the customers. The challenging task in the current arena is to make customers satisfied and loyal to ensure the long-term survival and profitability of the firm. Manager of the companies therefore look for the ways to attract the potential customers and to retain the existing customers. In other words of (Oliver 1991) refers customers satisfaction as the response or feedback from the customer as the result of the customers emotions or feelings based on the past purchase experience and their expectations towards the product or services purchased. Customer satisfaction is also an important driver for re-patronage and customer loyalty (Liao et al., 2009., Eggert and Ulaga 2002). This is the consumer satisfaction which contribute for the future money making for a company (Hauser & Wernerfelt 1994). It is very important for every company to satisfy its customers from the product and services there are providing to the customers, and it is only possible when companies directly interact with their customers and understand what customers wants from the organization, the successful interaction possible only when customer relationship management is smoothly working because maintaining long term relationship with the customers is very important for the organization. There are many different variables which has great influence on customer relationship management as many researcher did study on customer satisfaction with customer relationship management and retaining customers. The ultimate reason for implementing customers relationship management is to retain the customers so on the basis of the analysis of our interview with nestle employees we decided to do study on increase customer retention through customer relationship management because if company is successful in maintaining

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strong and long term relationship with the customers, its customers never try to switch from the brand and which is ultimately linked with customer satisfaction and loyalty which directly profitable for the company.

The concept of CRM that began in the early 1970 has evolved rapidly in a global scale. Peter Drucker, a well renowned management consultant said fifty years ago “The true business of every company is to make and keep customers”. Today it is a philosophy we now call CRM or customer relationship management. Customer relationship management is a concept that offered numerous benefits and long term changes to business. The 1980 were a foundation for CRM software. The concept in trend at that time was data marketing and earlier version of CRM. In 1990 companies began using it for a number of reasons. Big organizations used this method to interact with customers and handle all the voluminous data, in this era of 1990 this marketing system was impart with a number of new techniques. That was when customer relationship management was introduced. It now become a dual system, but now the customer received more than just product satisfaction. This was done to create a sense of loyalty in the customer. In the past customer were simply buying from the company and nothing much was done to build a relationship to get them to come back, CRM was now being used to increase sales and also to improve customer service.

In this era of globalization customer relationship management is the foundation on which organization builds a successful long term relationship with the customers. Customer Relationship management is a comprehensive approach for creating, maintaining and expanding customer relationship. Now in the strong business environment it is recognized as entire organization process as it has an impact on all organization activity. The reason behind considering the CRM as whole is that organization now understands that existing customers are more valuable than acquiring new customers. That’s why now companies are focusing on customer retention through customer relationship management.

Now in the world of competition companies are now begin focusing on customer retention as customer retention is the activity company undertakes to prevent customers from switching toward alternative companies. According to the researchers successful customer retention starts with the first contact and continues throughout the entire lifetime of relationship and strong relationship is build through emphasizing on customer relationship management. It is very

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common quote that dissatisfy customer can tell 10 more customers about its experience so it is very critical task while company is communicating with their customers. When you retain a customer, you are retaining their lifetime value, the value of their entire future relationship with your business. Customer retention depend on understanding the needs of your customers and addressing them before they have an opportunity to exit to a competitor. Doing this effectively is predicated on effective listening. If you aren't adequately capturing customer feedback about your products or services, then it's nearly impossible to retain them in a cost effective manner. Companies that shift their focus to customer retention often find it to be more efficient process because they are marketing customer who already have expressed an interest in the products and are engaged with the brand, making it easier to capitalize on their experiences with the company. In fact, retention is a more sustainable business model that is a key to sustainable growth. The proof is in the numbers, according to the studies done by Bain & Company, increasing customer retention by 5% can leads to an increase in profits of 25% to 95% and the likelihood of converting an existing customer into a repeat customer is 60% to 70 & while the probability of converting a new lead is 5% to 20% at best.

Many companies are focusing on maintaining relationship through customer services management as many beverages companies in the world like Coca Cola established their customer contact center from that customer services center companies are taking complaints, resolving complaints and provide queries of their customer. Ultimately from this customer service management process companies are also maintaining strong relationship with their consumers. Customer service is defined as all interaction between a customer and a product provider at the time of sale, and thereafter. Customer service adds value to a product and builds enduring relationship with customers.

1.2 Problem Statement

Why company is failed to manage the procedures of customer relationship management.

1.3 Context of the organization

1.3.1 Industry Analysis

Water is an essential need of the human body. Most of the biological functions are based on appropriate consumptions of water per day (eight glasses for a normal human being). Its shortage

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(Dehydration) leads to problems. The process of purified bottled water manufacturing consist of collecting water from a suitable source, filtration, demineralization, blending with salts, aeration, testing for standards conformation, bottling and packaging. A process for the production of bacteria free, clean and palatable bottled water was developed by PCSIR Laboratories complex Karachi. It had very simple process consisting of physical operations of settling, filtration and Ultra Violet radiation treatment. This plant was put into process in 1987. During 1990's much of the mineral water was imported. But today there are more than 26 brands of drinking water available in the market thus showing a substantial growth by the industry.

The market for mineral water has been showing a mushroom growth trend over the last few years. The country's market is very small on a global scale and was estimated at 33 million liters a year by the end of 1992. The last three years have shown more growth and the market has been estimated to grow 70 million liters and the per capita consumption is 0.5 liter. The annual growth rate for bottled water is 40%. According to a study conducted in 2001, Pakistan registered the highest growth of 140% in 2000 amongst the countries in Asia and Middle East region. The potential markets for bottled mineral water consist of foreign tourists and foreigners working in Pakistan, hotel industry, patients (bottle water is also used to avoid the possible consumption of contaminated water for the patients) and travelers. Moreover the bottled mineral water has been emerging as a daily preference of the elite class. Karachi being the biggest city of Pakistan has been facing the problem of drinking water shortage. This further integrates the demand for pure drinking water in Karachi city.

There are around 26 players in the bottled water sector. According to the industry sources, the number of bottlers scales up well above 70 during summer season due to increased demand for drinking water. However, the much publicized laboratory report published by the Pakistan Council of Research on Water Resources (PCRWR) after conducting a survey of 26 brands in the Rawalpindi and Islamabad region declaring that, all the 26 brands available on the market are contaminated while 10 out of them are unsafe for drinking, forced the Pakistan Standards & Quality Control Authority (PSQCA) to make it obligatory for the companies to obtain license from the authority before commencing operations.

Pakistan's bottled water market comprises of two main segments i.e. retail market and bulk market. The retail market consists of 0.5 liter, 1.5 liter, 3.1 liter and 5.0 liter capacity PET

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bottles. The bulk market consists of home and office deliveries in 3 and 5 gallon cans. According to the market figures, the Nestle pure life brand dominates the retail market with market share of 50%. The Sparklet holds 10% of the market share and BSW brand of M/S Wah Valley Corporation has share of 5%. The rest of the market consists of small players.

Pakistan is the sixth largest country in the world by population. As of 2005, it has a population of 153.4 million, which represents 2.36 percent of the world's population, with a density of more than 190 persons per square kilometer. By the year 2025, the population of Pakistan would raise to 228.8 million and 295 million by 2050.¹ This increase in population will have direct impact on the water sector for meeting the domestic, industrial and agricultural needs. Pakistan has now essentially exhausted its available water resources and is on the verge of becoming a water deficit country.

The total annual water resources available to Pakistan, approximately 6 percent is used by the domestic and industrial sector of which 30 to 40 percent gets wasted and the remaining 94 percent is used for irrigation purposes. The per capita water availability has dropped from 5600 cubic meter in 1952 to 1200 cubic meter in 2003 and if immediate action will not be taken, the per capita water availability would decrease to less than 1000 cubic meter by year 2012. The quality of ground water and surface water is low and is further deteriorating because of unchecked disposal of untreated municipal and industrial waste-water and excessive use of fertilizers and insecticides.

Water quality issues are on the top, in developing countries, followed by air pollution, solid waste and waste water disposal. With the passage of time, quantity of water is becoming scarce and the quality is deteriorating due to urbanization, industrialization, deforestation, land degradation, global warming, increasing of population, and diversified domestic uses. It is estimated that in Pakistan around 30 and 40 percent diseases and deaths are attributed to poor water quality respectively. Water quality is linked to the density of population, where population is dense it is susceptible to have more pollution. In Karachi only, more than 10,000 people die annually of renal infection; due to the polluted drinking water

According to an estimate today 1.2 billion people lack safe drinking water and 2.4 billion lack access to basic sanitation. United Nations officials say that if we continue with business as usual,

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two-thirds of the world's population will be living in moderate to severe water stress by 2025. More than two billion people worldwide live in regions facing water scarcity and in Pakistan this is a particularly acute crisis. Millions of Pakistanis currently lack access to clean drinking water, and the situation is only getting worse. Pakistan has approximately 35 million acres (140,000 km²) of cultivable land irrigated by canals and tube wells, mostly using water from the Indus River.

Pakistan luckily had the largest irrigation system, but water losses from the system were the highest in the World, due to which its agricultural sector have been affecting badly as population of country increasing rapidly but as compare to population growing capacity of agricultural sectors reducing rapidly due to water shortage.

Timber mafia and rapid industrialization are also playing important role in reduction of agricultural sector. Chashma, Mangla, and Tarbela are mainly use for irrigation purposes but the gross capacity of these dams has decreased because of sedimentation, a continual process. Per-capita surface-water availability for irrigation was 5,260 cubic meters per year in 1951. This has been reduced to a mere 1,100 cubic meters per year in 2006. The water shortage will cause a wheat deficit of 12 million tons per year by 2012–13.

No doubt Pakistan's water crisis is predominantly a man made problem. Pakistan's climate is not particularly dry in fact semi arid to arid, nor is it lacking in rivers and groundwater. Extremely poor management, unclear laws, government corruption, and industrial and human waste have caused this water supply crunch and rendered what water is available practically useless due to the huge quantity of pollution.

According g to World Bank report of 2006 Pakistan was fast moving from being a water-stressed country to a water-scarce country, primarily because of its high population growth, over-exploitation of ground water, pollution, poor repair in water infrastructures and financially no sustainability of water management system. Interestingly, the country's large parts have good soil, sunshine and excellent farmers and these can get much more value from the existing flows. The most water- rich country in terms of the run-off from rain-fall to population is Iceland, with more than 500,000 cubic meters per person per year; the most water- poor are Egypt, with just 0.02 cubic meters. Water is absolutely essential for plant life. It is pertinent to mention here that

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the major source of drinking water in Pakistan is groundwater, so water availability is the second most serious issue.

Growth rate of water industry from 2010 – 2014					
Years	2010	2011	2012	2013	2014
Growth	12.37	7.43	7.78	0.92	0.96
Source: Pakistan Bureau of Statistics (PBS) (Retrieve on date 4 August 2016)					

Future water demand will be affected by many factors, including population growth, wealth and sharing. Globally, it is estimated that between half a billion and almost two billion people are already under high water stress, and this number is expected to increase significantly by 2025, due primarily to population growth and increasing to climate change.

It is a matter of satisfaction that awareness regarding purified and hygienic water among masses is growing with the passage of time and hence making the mineral water business swell up to 15 per cent as compared to yester year, pushing the quantum of demand up to around 1. 1 billion liters per year since contaminated water persistently coming out of governmental-run water pipelines. The demand of mineral water, supplied in plastic bottles, has been witnessed upward trend in recent years as earlier urban middle class of the society wanted to avoid water born diseases But now the use of bottle water has become status symbol in society and most of people especially female usually carry plastic mineral water bottles with them while going to shopping or somewhere else.

The trend of carrying mineral bottles is not only healthy sign but also it keeps end-consumers away from doctors. This healthy trend has also spurred the traders and active businessmen because, after foreseeing the market demand, they have started mineral water business within last four years as just five years back the mineral water market was hardly 25 per cent of the current level of 1.1 billion liters per year.

Though modern laboratories including PCSIR have declared most of the companies samples as unhygienic and contaminated but still this business is growing rapidly. In a corporate atmosphere, multinational company's employers usually use branded mineral water for their employees to keep their health up to international standard while local companies rely on low

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priced water for their workers whereas dwellers living in posh areas seemed to be switching over to mineral bottle water regime.

This is the main reason we are witnessing a mushroom growth of mineral water companies across the country. Though these companies have no facility at their premises to give guarantee of quality mineral water but still people are using water provided by them as these companies supply their products with low rates especially in low income areas. Just few years ago, it was hard to think that drinking water would be sold in open market but diseases like Hepatitis A, B, C and other deadly diseases have rise the prices of mineral water and now a 1.5-litre mineral water bottle is being sold in open market around Rs 50 as compared to Rs45 few months back while its price in the open market was Rs40.

Similarly, the price of 19-litre bottle is being sold around Rs 90 by Gourmet Company whereas the same quantity water bottle is being sold around 200 by Nestle Company while many other companies intentionally do not print the price on bottles that allows retailers to charge extraordinarily in areas where demand overtakes supplies. It would be not out of place to mention here that even Nestle Company uses basic raw material water from their own tube wells located in factory premises to make mineral water by adding different chemicals.

However, the good aspect of Nestle Company is that no human hands are involved in manufacturing plastic bottles, filling water and finally packing them but the question is when every resource is available at cheapest form locally then why prices of mineral water go up from time to time. In fact, the price hike is due to rising price of raw material used for making plastic bottles. For example, the price of Resin that is raw material used in making plastic bottles is linked with the oil prices while higher transportation cost followed by rising utility tariff can be blamed for hike in mineral water price. The water being used in these markets is, though, fresh but not highly hygienic and hence can create health problems for the shopkeepers in the long run. The old saying that water is life is 100 per cent right and there is no doubt that water is the chief life-giver next to air. That is why; it is not possible for a living thing to survive without water.

However, almost 97 per cent of the earth's water is saltwater in oceans and seas. Only three per cent is freshwater while only one per cent is available for drinking - the remaining two per cent is frozen in polar ice caps in the shape of glaciers. Oceans are not only the homes of millions of

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plant and animal species but they also serve as nature's thermometer, helping to regulate the earth's temperature. Water boils at 212 degrees Fahrenheit, 100 degrees Celsius while it freezes at 32 degrees Fahrenheit, 0 degrees Celsius. Though, we use water in many ways such as drink, spill and throw away but it never runs short of is the real question. It is because Nature has set up a regular system for maintaining water volume on Earth that based on evaporation, condensation and precipitation. It is a fact that though mineral water industry is growing day after day but still large chunk of people cannot afford bottle mineral water due to their exorbitant prices.

1.3.2 Introduction of the Company

Nestle Pakistan Limited is a Pakistan based food and beverages company. The Company is engaged in manufacturing, processing and sale of food products. Nestle has been serving Pakistani consumers since 1988, when their parent company, the Swiss-based Nestle SA. First acquired a share in Milk Pak Ltd. Nestle Pakistan Limited is registered on the Karachi and Lahore stock exchange and has been declared one of the top 25 companies on the Karachi Stock Exchange by 2014. Nestle Pakistan aims to be a Rs. 100 billion company. Nestle is a human company and offers tremendous opportunities for career growth and learning at domestic and international levels.

With over 8000 brands preferred for their good quality, taste and health benefits. Nestle is the number one food company in the world. Nestle is leading the change in the food industry as it is also the leading food company in terms of having the largest set up of research and development in food science and nutrition. They are uniquely positioned to provide products that help consumers live a good life. Many Nestle brands have benefited from the active ingredients developed by Nestle research and with over 130 years of expertise, consumers know they are getting the best in quality when they choose a Nestle brand. Happy and healthy consumers are at the heart of what they do. Their philosophy is summed up in the phrase "Good Food, Good Life: and they remain committed to help consumers choose better tasting and healthier products to help them enjoy happier, healthier lives

In line with their parent company's global philosophy, Nestle is proud of its commitment to excellence in product safety, quality, and value. From spreading awareness about nutrition and wellness to digging wells in the Thar Desert and succoring earthquake victims, they are committed to serving this country and its people. The consumer's voice is key to Nestle

Pakistan's vision and working. Their products are manufactured in five facilities scattered around the country, from Islamabad to Karachi. Two state-of the-art multipurpose factories are located in the agricultural heart land of the Punjab, and the remaining three arcs dedicated to producing their trusted brands of bottled water.

1.3.3 Company Vision

Nestle vision is to be the globally recognized leading Nutrition, Health and Wellness (NHW) Company. Nestle Pakistan subscribes fully to this vision and the values that come with it.

1.3.4 Company Mission

To positively enhance the quality of life of people of Pakistan by all that we do through our people, our brands, products and our creating shared value (CSV) initiatives.

1.3.5 Company Ambition

To be the leading Nutrition, Health and Wellness Company in Pakistan.

1.3.6 SWOT analysis of nestle company

Strength

- Strong brand image
- Research & Development capabilities
- Major Shareholder in food industry of Pakistan
- Worldwide Distribution channel geographic presence

Weakness

- Less proactive
- More concerned about profit
- Prices are so high than competitors
- Focused on Elite class income group

Opportunities

- Open separate stores for eliminating retailers.
- Expansion of Product Folio
- Few and weak competitors

- Increase demand for healthier food

Threats

- Government Regulations
- Increase in competition among competitors
- Inflation rate
- Unfavorable change in consumer demands

1.3.7 Introduction of Selected Department

We selected customer relations department of nestle waters located in K-Block Model town extension Lahore Pakistan, we arranged a meeting with the employees of the department who gave introduction about the customer relations department of nestle waters. According to the employees, Nestle waters introduce its consumer care department which is actually a customer contact center responsible for the pre-sales and after sales services to the customers also directly or indirectly handle customer relationship management of nestle waters. This department is working from many years in nestle but nestle officially unified this department in year 2012 after that this department start working with the some rules and regulations made by nestle but according to the employees of nestle waters this department is still in the stage of takeoff that's why this department faces some problems and with time to time this department are continuously improving its overall working.

1.3.8 Activities Department Performs

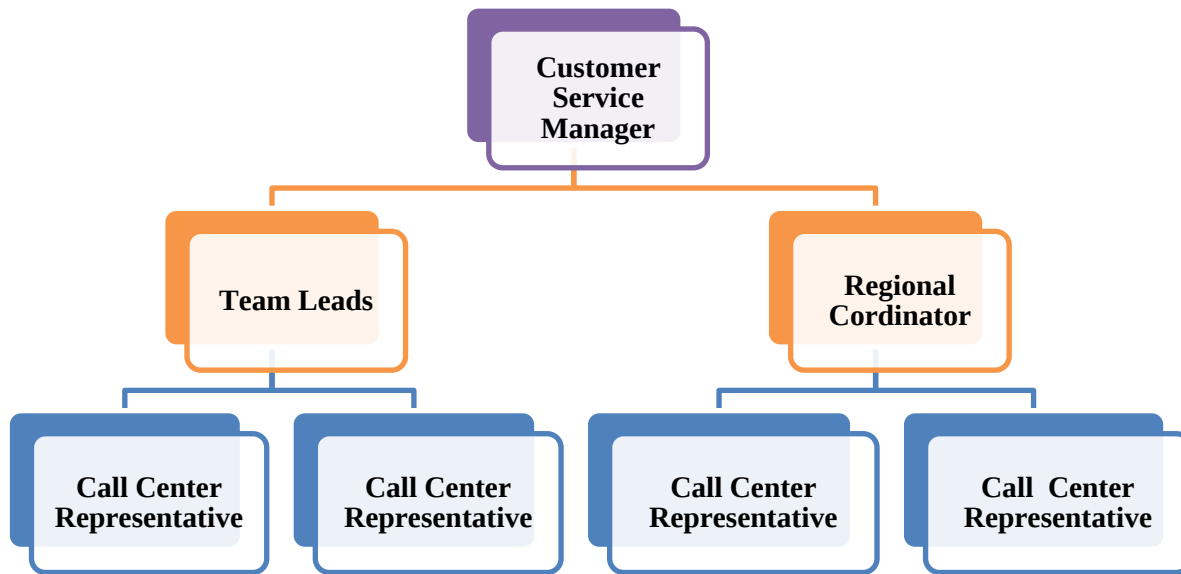
The employees of customer relations department of nestle water are responsible for five activities which are incoming calls, outgoing calls, recorded Messages, Emails, Written Quires and through these activities employees handles below mention points:

- Handling complains of nestle waters.
- Handles issues among DSR and customers
- Open new accounts of nestle waters
- Handle issues regarding distribution of water
- Maintain customer relationship
- Maintain nestle waters customer database

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- Handle Promotional activities of nestle waters
- Satisfy nestle water customer needs
- Make reports regarding customers services

1.3.9 Hierarchy of the Department



1.3.10 Customer Categorization

Nestle water separately divided its customers but deals them as whole from the customer contact center. The division of nestle water customers are as follow:-

- Residential
- Corporate
- Retail
- Employees

1.3.11 Problems of Customers

- The overall findings of customers are given below:-
- Less Reliability on committed delivery time and day
- Waiting time at call center is very high
- No proper Uniform at nestle water shop
- Uneducated sales and delivery representative

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- Unhappy with the physical condition of nestle water shop
- Didn't get clean bottle water.
- Customer suggest to improve appearance of water bottle
- Some customer feel nestle water become very expensive now
- No proper Delivery vans must need to improve that vans appearance.
- Call center takes time to resolve issue.
- Got late reply on Recorded Messages
- Cant Receive receipt from DSR
- Rare issue of water quality sometimes found unexpected item inside the bottle.
- Nestle must have to maintain data of water shop customers.
- Increase number of employees at nestle call centers.
- Out of stock and call not attended at country special occasions.
- Call center system problem during Ramadan.

1.3.12 SWOT analysis of Consumer Care department nestle waters

Strength

- Direct Contact with customers
- Medium between management and customers
- Overall Pakistan customer database
- Help in analyzing customers data to make future decisions

Weakness

- Less working space issue
- Lower salaries of employees as compared to other similar call centers
- No Proper Hierarchy
- Improper employee hiring systems

Opportunities

- Adopted New technology for improve answering ratio.
- Hiring more employees
- Distribute the workload

Threats

- Loss of customer database
- Theft of customer database
- Connectivity problem due to any external or internal problems
- Political Instability

1.4 Research Gap

Different Researchers have different point of views which are as follow:-

As one of the research study tells us that CRM has significant impact on customer retention and it contribute more than 68% on retaining customers. The organization should focuses on CRM while developing organization strategy for the purpose of implementing successful CRM initiatives.(Khan, R. I., Durrani & M. K., Tauni, S 2014).

The finding of the articles tells us that services quality and its determinants which are tangibles, reliability, assurance and empathy have strong influence on customer satisfaction and customer loyalty. Which means those higher services qualities create high customer satisfaction and customer loyalty in banking sector. (Khan, M. M & Fasih. M 2014)

With the arrival of new technologies and given the continuous change in the customer needs companies must have to switched from CRM to E-CRM because it is very quick and fast as technology is very fast rather than manual system of CRM for the customers. It reduce time and cost. (S. Alim and W. Ozuem 2014).

The finding of the articles tells that High quality of services increase up the customer satisfaction and also this satisfaction will strength the customer loyalty. Customer loyalty is a very important aspect in hotel industry because it create strong brand image in the mind of the customers. (Saleem, H & Raja, N.S 2014).

The research finding clearly shows that company have to emphasize specially these factors, such as quality, and price and customer satisfaction if they want to keep their customer retain. Also finding of the study tells us that quality has more contribution toward customer satisfaction instead of price. (S.Ullah, S.Khan. S, 2015).

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The finding of the article that us that satisfaction is a psychological or emotional feeling of the customer, it's may affect as a result of comparison between the performance, goods services and expectation. Finding also indicates that employee satisfaction is also necessary through which good customer services generated and customer ultimately became loyal. (Khartabiel, M.I., & Saydam, S.2014).

The study shows customers expectations are key determinants of their consumption experiences, satisfaction, and loyalty. Therefore, knowing in advance what customers expect is critical for the success. If organizations wants to satisfy their customer and loyal them with the company it is very important to know the customer expectations. (Al-Msallam, S.2015).

Operational CRM's major role is to automate the business processes underpinning the day-today tasks of sales, marketing, and service functions in order to optimize sales productivity by improving the speed and quality of information flow to improve internal communications between the sales force and management. Operational CRM is an influential strategy to gain competitive advantage in current market scenario. Company competitiveness can be obtained through managing companies automated call centers, their intelligent networks and subscriber base in a way which is superior to competition. For CRM to be truly effective, an organization must first understand who its customers are and what their lifetime value (LTV) is. Therefore, operational CRM, if implemented with the customer in mind will most likely result in the creation of customer loyalty. (Makasi, A., & Saruchera, F. 2014).

This study investigated the dimensions of retail service quality and the relationship between service quality dimensions and customer loyalty across three emerging markets. The five retail service quality dimensions namely, personal interaction, physical aspects, reliability, policy and product quality, can be identified in the researched market. Product quality is the new dimension that has emerged from items previously used in policy and reliability dimensions. The findings suggest that retail service quality has a positive effect on customer loyalty. (Ivanauskienė, N., & Volungėnaitė, J. 2014).

The study shows that Service convenience can results in customer satisfaction; customer finds that shopping at particular retail store seems speedy and store location best suits to the customer as it saves time and efforts. Thus, the customer will be satisfied and customer is retained. In other

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words, shopping convenience creates customer satisfaction retention; moreover, this conclusion with respect to store location or access holds only for utilitarian shopping. inconvenience in service will lead to dissatisfaction; dissatisfaction will provide a solid ground to discontinue the service. Therefore, it does not matter whether shopping is hedonic or utilitarian dissatisfaction will make the exit intention very high. In other words convenience in shopping will lead to satisfaction and ultimately customer retention. Shopping convenience also has direct relationship with customer retention. (A. Kanwal., & A. Rajput 2014).

The study was conducted to increase the understanding of customer retention by investigating a service company, which can improve their customer retention through customer relationship management. Companies may choose to apply different parts of customer relationship management to their business through technology and other means of communication with their customers, various training programs and other resources devoted towards the employees of the company. Companies have to realize that they have to do things right by listening to their customers and adopting a strategy based on mutual understanding with customers. The company has a better chance to overcome their competitors and be more efficient in building relationships with their customers by promoting customer retention. (Ck, N. 2015).

This quantitative research project examined the relationship between product quality and customer satisfaction. The challenges of producing quality product and satisfying customers in the U.S. still remain unresolved. Negative customer satisfaction and decreased customer loyalty continue to emerge, because consumers compare product quality, product cost, and product safety features associated with competitive product offerings. The purpose of this no experimental, correlation research was to examine relationships among product quality, product cost, product safety, and consumer satisfaction Product quality and customer satisfaction are critical factors that can promote positive social change. (Cruz, A. V. 2015).

The study shows that Customer satisfaction does not seem to be a simple (basic) variable; on the contrary, it is composed of several partial variables that affect the company and its performance in a complex manner. Only in this way is the power of the effect sufficient to influence corporate performance. At the same time, the variables related to customer satisfaction seem to be exerting influence at various time intervals, so the complexity of their effect can best be monitored over a long period of time. For companies this is an important finding since, if they intend to maintain

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long-term performance, they have to watch not only immediate customer satisfaction but also ensure that customers are satisfied in the future as well. The companies ensure such satisfaction, among others, by the quality of their products, and they logically have to continuously improve that quality (based on the requirements of customers). (Suchánek and Maria Králová. 2014)

The findings of the study show that the influence of demographic factors on customers' awareness towards CRM policies in Canara bank was examined. The customer perception on customer relationship management practices adopted by the Canara bank is agreed about nine practices. In factor analysis, this research identified six key dimensions of various past history of CRM; they are physical service, reliability in service, openness in service, service delivery, need understanding and personal welfare. In order to assess the impact of different past history of customer relationship management, multiple regressions is also used. The results clearly revealed that there is a significant impact exists among the variables. E-CRM has significant attention on the maintaining relationship with the customers. It is seen that banks are applying customer oriented relationship management and attempting for the establishment of long-term relationships. (A. Parathasarthy & T. Ramasany 2015)

At the beginning, an enterprise should introduce CRM marketing strategy to meet the actual needs of customers, which should firmly establish "customer-centric" development strategy, so that enterprises can get continuous development in the pursuit of customer satisfaction, While improving customer satisfaction, customer expectations should be noticed and be conducted; the enterprises also should manage customer expectations and make customer satisfaction from the source. Customer satisfactions are dynamic and relative. Only the idea "customer-centric" can help companies improve customer satisfaction and keep customer truly; conversely, if its competitor improves customer satisfaction, then it own may loss corporate customers. So it is clear that high level of customer satisfaction is necessary for maintaining relationship with customers. (Tao. F, 2014).

The issue of attracting new customers, retaining the existing customers and creation of long relationship management among them has been the ultimate aim of every organization. This can only be achieved through a comprehensive understanding of CRM, its evolution, CRM process and successful implementation of CRM which has been the motivation of this study. This study

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is limited to only concepts of CRM, its evolution, processes and implementation of CRM successfully. (OSR Journal of Business and Management January 2016).

The study tells us that many retailers have shifted their focus to CRM. This article focuses on the paradigm of customer relationship management (CRM), regarding the principles of customer value and the constructs of customer loyalty and customer satisfaction. e CRM outline the main directions for development of client oriented products, high level consumer service and long term partnership with the company audiences and it is also an instrument of the intelligent company management in the field of customers relationship, taking into consideration the personal preferences and characteristics. The significance of customer relationship management is to lead to satisfied and loyal clients. (Tănase, G. C 2014).

Customer Relationship Management (CRM) is the new competitive weapon for organizations in the developed nations. Many organizations are focusing on conquering the minds of customers, to make them loyal brand followers ,as well as satisfying their individual needs with the help of sophisticated CRM systems .Globalization is the new era. Telecom industries are the recent cults, each one of them looking to gain the largest customer base. The telecom service providers are expected to struggle with complex issues of modern technologies, and value added services through continuous innovations. (ALghaswyneh, O. F. M. 2014).

The main focus of this consultancy project is to identify the issues which customers face from the nestle water and also not only identify that issues but also theoretically analyze that issues and gave recommendation regarding the loop holes which become beneficial for organization and also for customers in the near future. After detailed interviews with customers and company we decided to explore the perception of Pakistani people about the customer relationship management that how much service quality impact on the customer relationship management and also how much product quality impacts on the customer relationship management, we have to analyze relationship of these both variables on customer relationship management and on which basis we have to draw our conclusion and recommendation for the nestle waters. This type of research studies are conducted in Europe and other developed countries in different sectors like in the context of customer satisfaction and customer loyalty but it is different from that studies which is not conducted before in Pakistan because it is the discussion of customer

relationship management which is created by these factors mentions above so it is new topic or research study which is conducted in Pakistan for the FMCG Industry.

1.5 Research Aim & Objective

Main Objective

- Examine the impact of product quality and services quality of nestle waters on customer relationship management.
- Study the impact of customer relationship management on the customer retention for nestle waters Pakistan.

Sub Objectives

- To examine the influence of service quality on customer relationship management.
- To inspect the influence of waiting time on customer relationship management
- To Test the influence of product quality on customer relationship management.
- To determine the influence of product appearance and design on CRM.

1.6 Research Significance

This study has great importance as it is use in three different categories It is used as theoretical, practical and also it is important for the nestle waters customer relationship management department. The significance of division are as follow:-

1. This study play a very important role for the manager of nestle waters and help the manager in making strategies and decision making in choosing the factor which is more important for the customer relationship management. The study give the perception of Pakistani people about their desired needs and wants in water industry so manager can easily earn profit and build strong and long term relationship with customers by focusing on the specific factor which has more influence on customer relationship management. The finding of the study help manager to make their future business strategy which is helpful for him to make long term relationship with customers manage the process of customer relationship management efficiently and effectively.

2. The policy makers would be able to understand the hidden perception of customer while making the decision about standard of water business industry. Study will help in making

potential legislation and will be helpful in covering the legal loopholes regarding the customer services quality and product quality in FMCG product industry. This study will be useful while making some legal regulation for the water business industry in Pakistan.

3. The study will increase the knowledge regarding this sector and will also help in future researches and practices. It will be also helpful in the developing countries especially in Pakistan as there is a less scope of understanding of the factors which create difference and give more benefits. It is a value added in literature views of this sector.

1.7 Research Questions

Q1. What is the relationship between CRM and Customer retention?

Q2. Does there is any relationship between product quality and CRM?

Q3. Is there is a relationship between service quality and CRM?

Q4. Does waiting time, appearance and design is important for CRM?

1.8 List of Hypothesis

H_{1a} There is a relationship between service quality and customer relationship management.

H_{1b} There is a relationship between product quality and customer relationship management.

H_{1c} There is a relationship between waiting time and customer relationship management.

H_{1d} There is a relationship between appearance, design and customer relationship management.

1.9 Term Definition

1.9.1 Independent Variables

A variable that is not influenced in a specific situation but causes change other variable such as in above frame work Services Quality, Product quality causes change in the process of customer relationship management. Because of these independent variables Nestle waters are failed to manage strong and long term relationship with their customers.

1.9.2 Dependent Variables

A variable that is influenced by any other variables is called dependent variable. As above frame work shows that customer relationship management is influenced by some variables and these variables are named as independent variables. Company are failed to manage long term relationship with their water customers because commonly every customer faces issues from these independent variables as some customers faces the problems about call centers, some of the customers complains about waters shops and also delivery sales representative which is considered in Service Quality also some customer suggest to improve the appearance of water bottle so because of these reasons customers last decision is to switch the brand which in turn a loss for nestle water and shows nestle cannot manage its relationship with customers for a long period of time.

1.9.3 Moderating Variables (Waiting time)

A variable that reduce the intensity or strength of independent and dependent variable is called moderating variable. As shown in the frame work waiting time is a (moderating variable) which is directly affect the customer relationship management and this waiting time is link with Independent variable Service Quality and dependent variable customer relationship management, If nestle waters handle the waiting time and gave convince according to the expectation of customers so it is easy for the nestle to manage long term relationship with the customers. As nestle water customers always complains about the waiting time of the customer call centers and also the late delivery of water bottle as nestle is a large organization in Pakistan and also a symbol of quality for the customer so nestle must have to focus on the services quality and should gave customer a high value of service quality and should manage the problem of waiting time. It is very important for the company because for maintaining long term relationship with the customers it is very important for the nestle to manage this issue otherwise it may cause in the reduction of relationship with the customers. In conclusion service quality (Independent variable) and customer relationship management (Dependent variable) have a positive and negative relationship and negative relation is arises when moderating variables reduces the intensity or strength of the dependent and independent variables so nestle company must have to focus on their moderating variables so than company can easily manage the relationship with the customers

1.9.4 Moderating Variables (Appearance and Design)

A variable that reduce the intensity or strength of independent and dependent variable is called moderating variable. As shown in the frame work Appearance of water bottle is a (moderating variable) which is directly affect the customer relationship management and this appearance of bottle is link with Product Quality, If the quality of the water bottle is according to the demand of the customers so it is easy for nestle waters to manage long term relationship with the customers. As nestle waters customers demands to the nestle waters to change the appearance of bottle as nestle is a big brand of Pakistan and it is a symbol of quality so nestle must have to focus on the cleanness of the bottle and also the appearance of water bottle like some of the customers also demands to change the design of nestle 19 liter bottle water and also improve quality of bottle but nestle are still producing it's in old manner which may cause in the reduction of relationship with the customers as nestle are not providing the quality of bottle according to the expectation of nestle water customers. In conclusion product quality (Independent variable) and customer relationship management (Dependent variable) have a positive and negative relationship and negative relation is arises when moderating variables reduces the intensity or strength of the dependent and independent variables so nestle company must have to focus on the moderating variables so than company can manage the relationship with the customers.

1.9.5 Service quality

Service quality is the gap between what the customers want and what they actually get or perceive they are getting (Berry et al., 1988). Consequently, many companies would attempt to offer a high service quality in order to retain their customers. It has been empirically proved that high service quality motivates positive customer behavioral intention to repurchase, and in turn, promotes customer retention (Zeithaml et al., 1996).

1.9.6 Waiting time

Waiting time is the first contact the customer has with service centers, a critical component of impressions of the service encounter (Bitner 1992).

1.9.7 Product quality

Product Quality is defined as the collection of features and characteristics of a product that contribute to its ability to meet given requirements. It is recommended that products offering

value for money not only influence customer's choice behavior at the pre purchase phase but also affect their satisfaction, intention to recommend and return behavior at the post purchase phase (Dodds, Monroe and Grewal 1991).

1.9.8 Appearance of product

The whole process in which a meaning is derived from a product appearance can be summarized in two steps first when consumer see a product, consumer perceive certain physical properties that together make up the design of the product (E.g colour) Second certain combination of colors, material and other physical aspects give a product a look that can be described by a certain appearance attribute (Brunswick 1952).

1.9.9 Design of product

Design is an important tools to communicate messages and information to the consumers by using the semantic power of sign/signifier/signified trilogy (Crilly et al. 2004)

1.9.10 Customer relationship management

CRM is the process of learning as much as possible about customers and doing everything you can to satisfy them or even exceed their expectations with goods and services over time. (Nickels ,2008). Finally, customer relationship management is an information technology system that gathers and utilizes customer information for the organization so that the organization may anticipate customer wants, need, and desires and thereby building lasting customer business relationships (Schermerhorn, 2008).

CHAPTER NO 2
LITERATURE REVIEW AND FRAME WORK

Chapter 2: Literature Review & Theatrical Frame Work

2. Literature Review

2.1 Customer Relationship Management

With the arrival of time and technology, the marketing practices are also changing. The new and modern marketing is based on acquiring knowledge regarding customers and knowing their experiences (McKenna, 1991, Payne et al, 2005, Payne et al, 2006) The term CRM is being used widely these days. Customer relationship management is a two way process, also known as interactive process that utilizes the information of customers to maintain relationship with customers. CRM is basically technique of relationship marketing and process that enables a firm to identify, evaluate, analyze and serve customers to improve customer relationship, so organization may be able to retain market share through existing customers, and may help to provide retaining capabilities of existing customers (Z.S Dimitriadis 2006).

According to the Buttle (2004) state that: "CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit." Buttle tells us that CRM is a very important strategy and play very important role in integrating the procedure and functions of a company so that company will easily target its valued customers and increase profit for the business.

With the initiation of internet and new technology advancement, the idea of CRM has been transformed to electronic CRM (e-CRM). E-CRM is a combine process of hardware, software technology process, its useful applications in enhancing technology for customer's services and organization commitment to improve deficiency in customer services and to retain customer (D. Norton, 2007). Ab Hamid, 2005 focused on the Electronic Customer Relationship Management is a procedure to maintain its customer relations by using the internet and the advantages which are obtained by using the idea and successful implementation of e-CRM in an organization.

Customer relationship management (CRM) is a combination of methods that companies use to interact with their customers. Managing relationships with customers is challenging for many firms because they engage in many different types of transactions and their customers vary considerably as to their wants and needs (Fichman and Goodman 1996). In the world of

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competition different customers have different needs and wants and companies must have to fulfill the needs and wants of every selected segment of customers so CRM is a method which help companies to manage the needs and wants of the customers.

To meet different challenges, many firms are turning to formal, customer relationship management (CRM) programs. CRM focuses on segmenting customers based on needs or profitability and designing and implementing programs to allocate efficiently effectively the appropriate resources to each customer (Srivastava, Shervanie, and Fahey 1999).

Concurrently, other marketing scholars turned their attention to the core capabilities of the firm that were necessary to develop and maintain good customer relationships. As a result, concepts such as market orientation (Kohli and Jaworski 1990; Narver and Slater 1990), market focus (Day 1994), and market-based learning (Vorhies and Hunt 2005) were developed that emphasized the establishment of good information processes and capabilities within the firm to understand the needs and wants of customers, thus making firms more efficient and effective in managing customer relationships.

In addition, there was an evolution from product, or brand, management to customer management (Sheth 2005) and from product portfolio management to customer portfolio management (Johnson and Selnes 2004). These transitions were due in part to work in the area of brand equity, which recognized that equity resides in the minds of consumers (Keller 1993); this shifted the focus of attention from brands and products to customers and ultimately towards the customer relationship management.

Customer Relationship Management (CRM) involves attracting, developing, and maintaining successful long-term relationships with the firm's customer (Day, 2000). CRM aim is to create the most effective customer relationship possible and to develop competence building good relationship, which can help a company do service better and higher added value to the customer. Nowadays, it is becoming increasingly important from managerial and theoretical to measure Customer Relationship Management (CRM) as a key intangible asset to enhance customer experience. Hence, the goal is to modify the current and future value of the customer for this hotel industry. CRM has become a important strategic for successful firms in every business sector.

Many firms do not succeed in implementing CRM, and many companies find it difficult to realize the benefits of using a CRM strategy (Finnegan and Currie, 2010). Finnegan and Currie (2010) suggest that a reason why firms often fail in implementing CRM is that they focus on a software package, with little understanding of issues such as culture and people. CRM has emerged as a useful tool for organizations to bring together information about customer, sales, and market trends, to improve the relationship with the customer. A CRM tool that is well implemented can serve as an important tool for continuing developing the firm. By integrating people, knowledge, sales, processes, and technology, companies are able to target resources and develop new capabilities in specific areas (Finnegan and Currie, 2010).

Several researchers have started to link the successful use of CRM processes with the development of innovation capabilities (Lin et al., 2009). Ramani and Kumar (2008) argue that firms that use CRM for creating and maintaining customer relationships benefit in the product innovation process. The interaction with their customers will contribute with important information about tastes and preferences, which might lead to competitive advantages. When customers and the companies interact with each other, it provides valuable information for product development and innovation (Lin et al., 2009). Lin et al. (2009) mean that firms who use CRM will increase their innovation capabilities.

The successful implementation of CRM strategy will be of great benefit to the organizations, adopting it, as such organizations can reap the benefit of increasing sales through better market segmentation, customizing products and services, obtaining higher quality products, gaining access to information and employee satisfaction, and above all, ensuring long-lasting customer-retention and loyalty (Alomtairi, 2009; Ozgener and Iraz, 2006; Stockdale, 2007; Verma and Chandhuri, 2009).

2.2 Waiting Time

The customers who are disappointed with the received services on time would not likely to have long lasting relationships with the company (J.-S.C. Lin & Wu, 2011). The firm will find customers that are more loyal due to the increase in improvement of customer satisfaction. The firm can attract more customers with reference of loyal customer (khan, March 2012). The customer satisfaction is increase when customer waiting time become low for the products or services received.

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A satisfied buyer tends to tell at least three other people about their shopping experience whereas a dissatisfied buyer tends to complain to at least nine other people. Satisfied buyers also tend to become loyal customers (Sheth, Mitral, Newman, 1999, p.22). Reichheld and Sasser (1990) found that profits in service industries increased in direct proportion to the length of a customer's relationship.

According to Reichheld (1996) showed that even a 5% reduction in the customer defection rate can increase profits by 25% to 85%, depending on the industry. Its mean waiting time is a very critical part for every industry where customer and company interact with each other. This study influence that little decrease in the customers of the company will decrease large number of profit of the company which may become a threat for the company in the future business of that company.

Call centers now serve as the “public face” for many firms, there is increasing executive consideration of their vital role in customer acquisition and retention. Similarly, the managerial awareness of call centers potential to generate significant incremental revenue by augmenting service encounters with potential sales opportunities has also been growing rapidly. For example a McKinsey study revealed that credit card companies generate up to 25% of new revenue from inbound calls centers (Eichfeld et al. 2006) However, for call center managers, there is significant additional complexity associated with managing this dual service and sales role without compromising response time and customer satisfaction.

Many researchers have studied the influence of waiting time over customer relationship management. Their studies concluded that although waiting time does not affect loyalty directly, it influence service satisfaction which has direct effect on customer loyalty. Waiting time issues arise due to imbalance between demand and capacity. (John. S, 1987).

Operational performance of service delivery can positively affect customer satisfaction (Stank et al. 1999). This study builds upon this by pointing out performance as a direct determinant of customer loyalty. It has been argued that poor operations performance of service delivery negatively affects customer loyalty, Performance sometime evaluate on the basis of response time which is given by services department to customers so operational time to handle complain is very important in delivering services to the customers.

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The wait is often treated as subsidiary to the core service experience, when in fact, it is the first interaction in the sequence of experiences that customers have with the firm (Chase and Dasu, 2001; Dixon and Verma, 2009). Waiting is the first contact the customer has with service centers, a critical component of impressions of the service encounter (Bitner 1992).

Although the link between waiting and service satisfaction is well documented in the literature (Dube-Rioux et al., 1989; Katz et al., 1991; Taylor, 1994; Huston et al., Weiters et al., 2007) the relationship can change when situational and environmental factors in the waiting time in the services are altered (Baker and Cameron, 1996).

According to Velaro, 60% of customers are not willing to wait more than one minute on hold. Zappos – legendary for its customer service – strives to answer 80% of calls within the first 20 seconds. Tech CU was faced with call issues on a daily, weekly and monthly basis due to unpredictable spikes in call volume. No matter how well they scheduled their staff, abandon rates were sky rocketing upwards of 20%. Members began to voice their concerns about the long wait times. In order to improve the call center experience, Tech CU sought a solution to reduce the high abandon rate and manage the sporadic increase in call volume. Tech CU turned to Fonolo's In-Call Rescue solution to give members the option of a call-back rather than waiting on hold. Call-backs allow the call center to "smooth out" volume spikes, which makes agents more efficient by deferring calls until volumes are more manageable. Overall, Tech CU improved the caller experience by giving members an alternative to waiting on hold. (– Jeannie Sugaoka, Senior Vice President of Support Services, Tech CU)

2.3 Service Quality

The firm can attract more customers with reference of loyal customer (khan, March 2012). The ultimate result of customer satisfaction is through the recognition of quality conception and efforts to improve the quality; the recognition of quality conception and efforts has caused high-quality service.

The satisfied customers are the assurance against the firm's probable mistakes because the regular customers ignore such mistakes just because of they have received satisfactory service before and now they can disregard small mistakes of the firm and these customers will not switch

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to the competitor's product after confronting insignificant mistake.(Yalghouzaghaj& Shorbolagh, 2013).

Retention and attraction of new customer are used as drivers for increase in market share and revenues. In the retention of customer, it is important for firm to know who to serve their customers. Post sales services are the important drivers for customer retentions. It is important for product/service provider to emphasis on the quality of service. As it is stated (Lin & Wu, 2011) that there is statistically significant relationship between quality commitment, trust and satisfaction and customer retention and future use of product, as retention is influenced by future use of product.

In hotel industry, CRM application with more satisfied customer can bring a lot of benefits, such as increase their retention, revenue, and profit. There are some elements from CRM that can impact for customer satisfaction. One of the impacts is service quality; service quality can define as a scale for evaluating the customer's satisfaction. Service quality can measure the level of customer satisfaction. In the service quality based on the Parasuraman et al (1985), came up with a gap model' used for analyzing sources of quality problems and to understand how service quality can improved. Gap1: The management perception Gap, this gap can be happened when the management perceives the quality expectations inaccurately. Gap2:The Quality Specification Gap, this gap happened when service quality specifications are not consistent with management perceptions of quality expectations.

Gap 3: The service delivery Gap, this gap happened when quality specifications are not met by performances in the service process. Gap4:The marketing communication Gap, this gap happened when promises given by market communication are not consistent with the service delivered. Gap 5: The perceived service quality Gap, this gap happened when the perceived or experienced service is not consistent with the expected services.

According on the Buttle (2004) state that: CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. Based on this CRM, Customer Relationship Management can impact for qualityof service in the hotel industry. In implementing CRM, hotel can make a long-term relationship that the customer gets their satisfaction by their service of quality.

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Customer service is responding to customer needs and expectations in a way that will make them have a memorable experience and motivate them to come back and to tell others. In this, competitive world, business organizations must understand the importance of customer as its future or growth is concerned. It must understand that its existence lies in the hands of the customer and therefore the company should make many efforts at all costs to attract, maintain and capture customer's loyalty. It should seek first the needs and wants of the target market and deliver them in an efficient and effective way that satisfies the target market (Maxhand & plowman 1992).

Customer service is a concept-taking root in Kenya. The technologies have seen immense changes making the industry a leading showpiece of technology expertise in service delivery to customer and the general public as whole. Quality customer service is crucial in service delivery. It maintains that by understanding and meeting clients needs and improve the quality of its services. Businesses, which provide excellent service to their customers, yield many benefits to both business and to customers. Companies which concentrate on giving excellent customer service can often rely on word of mouth to boost the number of customers rather than advertising. Dissatisfied customers can seriously damage the reputation of a business and keep new customers away (Caryforth, Rawlison & Weld, 1993). A customer is the only one key focal point for business in the world. A customer is anybody who buys goods and services for his or her own use or for selling (Lesley & Faure, 1992).

2.4 Product Quality

Lau et al. (2006) mentioned in his article that there were several factors that influenced consumers toward certain brands and spend long term relationship with that brand and become loyal for a long period of time. The factors were brand name, product quality, price, promotion and service quality. This study will critically look at product quality as a factor that influence the customer to loyal with the brand for a long period of time and the extent to which the quality of a product make customers loyal to that product.

Product quality can be defined as those characteristics of a product that satisfy customer's wants and needs in exchange for monetary consideration. A perception of high quality or that which is above expectations can help to create high brand loyalty and high brand loyalty of customer

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means that company maintain the long term and sustainable customer relationship with the customer by providing the brand according to their needs and wants. (The Economic Glossary)

The concept of product quality can be analyzed under two main different perspectives, the objective quality and the perceived quality (Brunso et al., 2005). Objective quality refers to the technical, measurable, and verifiable nature of product/services, processes, and quality controls. This includes product features, product performance, and durability amongst others. While subjective or perceived quality refers to the consumer's value judgments or perceptions of quality. This could include aesthetics and the perceived quality of the brand image.

Manufacturers and consumers have different views on the judgment of the quality dimensions (Morgan, 1985; Aaker, 1996), customers rarely hold enough information to assess a product objectively and even though customers have enough information, there may be insufficient time and motivation to do a further judgment, and at the end they may only be able to select little important information to make an evaluation on quality (Aaker, 1996; Wan, 2006).

There are a variety of models which attempt to explain the concept of product quality. These models are very effective to comprehensively explain the importance and concept of product quality. The models are Kano two-dimensional quality model, the Swedish Customer Satisfaction Barometer (SCSB), The American Customer Satisfaction Index model (ACSI), The European Customer Satisfaction Index (ESCI) model, the integrated Model for the Effects of Perceived Product Quality, Perceived Service Quality and Perceived Price Fairness on Consumer satisfaction and loyalty (Lien-Ti Bei and Yu Ching Chiao 2001).

If a product fulfils the customer's expectations, the customer will be pleased and consider that the product is of acceptable or even high quality. While studies on the way in which quality affects customer satisfaction have been going for more than two decades, most of the research on how quality affect satisfaction and loyalty in the past has focused largely in pure product (e.g. Garvin 1988, Gronroos 1983, Steenkamp 1990). TQM is defined as the management approach of an organization, centered on quality, based participation of all its members and aiming at the long-run success through customer satisfaction and benefits to all members of the organization and to society (Slovenski standard 2005).

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Quality was of two parts namely, the quality of design and also the quality of conformance (Juran, 1951). Providing satisfaction to customers by the design the products to the needs of customer is referred to the “quality of design” (Juran, 1974). In manufacturing-based approach has its origins from operation and production management; hence it is called as conformance to specification. The areas responsible for quality control are marketing, design, procurement, process design, production, inspection and test, packaging and storage and product service (Besterfield2004).

Henning-Thrau & Klee (1997) claim that product manufacturers should work on customer satisfaction measures in products offerings to attain competitive advantage on ever exploring marketing competition in the globalized world. It can be achieved through an appropriate fit between customer’s expectation and performance levels of products or services offered. Companies must to focus on the product innovation of regular product so than customer will become satisfied and ultimately relationship between and company become long lasting. Gustafsson, Johnson and Roos (2005) explain that customer satisfaction is all about the customer’s determination of a particular product or service.

Haughton and Topi (2007) believe that the marketers or manufacturers should propose a clear differentiation in the product as well as build a close relationship with the customers for getting a maximum altitude of customer satisfaction because it customer’s satisfaction plays an important role in contemporary business world. Furthermore, this strong relationship with the customers and their satisfaction can enlarge the number of loyal customers. They also worked on relation between customer’s satisfaction and brand development and argue that customer satisfactions can a cause for customer retention that can be very profitable for the organization.

Anderson, Fornell and Mzvan Cheryl (2004). Gustafsson, Johnson and Roos (2005) emphasizes organizations to pay additional concentration to improve the quality and match it with an appropriate price so that satisfied customers can be made that will be directly concerned to the organizational betterment and customer retention. Hausman (1995) works on the relation between customer satisfaction and innovation. He argues that innovation plays an important role in making customers happy and satisfied because mostly the customers are eager to behavior in the light of company feedback or behavior in the terms of complaints that have been made or customer service and research that has been conducted for innovation in customers favor.

2.5 Product Appearance & Design

Companies that are able to communicate a certain meaning (e.g. prestige) through the appearance of a product design can create a competitive advantage in the market and increase the product's chance of success (Lewalski, 1988; Bloch, 1995; Hertenstein, Platt, & Veryzer, 2005; Yamamoto & Lambert, 1994; Chang & Wu, 2007).

According to Krippendorf (1989), the products of design should be understandable or meaningful to someone. The whole process in which a meaning is derived from a product appearance can be summarized in two steps, First, when consumers see a product appearance, consumers perceive certain physical properties that together make up the design of the product (e.g., color, shape, and texture). For example, refrigerators are rectangular and have a smooth, shiny white surface. Second, certain combinations of colors, materials and other physical aspects give a product a look that can be described by a certain appearance attribute (Brunswick, 1952).

The research process of identifying the product appearance attributes that consumers use for distinguishing products is divided into two parts. In the first part, appearance attributes will be identified on the basis of appearance description that consumers generate in a categorization task. In the second part, these results are confirmed using a Structural Equation Modeling process that provides the generally used appearance attributes and shows their relationships with the separate appearance descriptions. Design is an important tool to communicate messages and information to the consumers by using the semantic power of sign/signifier/signified triology (Crilly et al. 2004). A product could be regarded as a successful one in the market, provided that it successfully communicates its intended use, functions, meanings and aesthetic values to its target users. The appearance of a product is the first signal that is communicated to the consumers.

The appearance of a product is a central concern of design and most person - product relationships (i.e., interactions) begin with (the perception of) a product's appearance (Izzi and Caplan 1972). Design and appearance of a product play a crucial role in communicating a product's identity, functions and use to consumers. Bloch (1995) defines that “a product's form represents a number of elements chosen and blended into a whole by the design team to achieve a particular sensory effect”. These elements include the perceptual characteristics of a product, such as “shape, scale, tempo, proportion, materials, color, reflectivity, ornamentation, and texture” (Bloch 1995, 17)

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The form or exterior appearance of a product is important as a way of communicating information to consumers (Nussbaum 1993). For example, Oxo Good Grips Kitchen Gadgets by Smart Design possesses a compact, simple form to communicate ease of use and ergonomics. Offering highly usable products which communicate their ergonomic information to the consumers, including children as well; Oxo Good Grips are on the market for more than 19 years (see Figure 3.2) (Moore 2006). Product appearance may also have long lasting influences. Although many goods are quickly discarded or consumed, the aesthetic characteristics of more durable products can create emotional bonds with users as products become part of their environment (Pye 1978). The strength of the emotional bonds between the user and the product may create attachment or detachment.

Norman (2004) distinguishes three different levels of inferences which human beings' response to objects in their environment: visceral level, behavioral level, and reflective level. At the visceral level, physical features look, feel, and sound dominate. The visceral level makes spontaneous judgments of what is good or bad, safe or dangerous and sends appropriate signals to the motor system and warns the rest of the brain to start the affective processing. Behavioral level is about function, understandability, usability, and physical feel. Reflective level includes the meaning or use of a product perceived by the consumer (Norman 2004)

The most important effects of design are felt in image, target group research and turnover increase. Design provides opportunities to improve the function of information flows and to clearly deliver the product characteristics. (Riezebos 2003 p.134) It is important to balance the design elements. Every combination of these design elements provides different possibilities. (Riezebos 2003 p.140). The visual appearance of a product consists of its shape, color, material, structure, logo and character. They are the critical parts of the brand identity and they represent the brand personality. (Hart & Murphy 1998 p. 61) Visual appearance of a product is very important for a consumer at the point of sale because it presents a brand instantly and tangibly (Hart & Murphy 1998 p. 61).

Von Hippel (1988) and Philipson (2012) describe that companies cannot only make in-house innovation, but also involve external sources in the innovation process. Companies can use suppliers, customers, or third parties as sources of innovation. Collaboration with external sources have become common for several organizations, to create value, receive new knowledge,

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design successful solutions, create customer loyalty and sustain competitiveness in the market (Hakanen and Jaakkola, 2012; Aarikka-Stenroos and Jaakkola, 2012; Carbonell et al., 2009).

Companies can involve and integrate their customers in different ways. Due to the development of communication technology, it is easier for firms to integrate with external sources and receive valuable information regarding preferences and needs (Gassmann, 2006).

Researchers argue that customer involvement in the product innovation process might reduce. The importance of the relationships between buyers and sellers is well established among researchers. Research states that relationships between firms can result in benefits; such as exchange of knowledge, uncertainty decrease, and better performance (Ganesan et al., 2010).

According to Lumpkin et al. (2010) a business partnership can result in significantly improved performance for the firm, which might result in uniqueness, giving the firm competitive advantage. They continue to argue that innovativeness is more likely to positively develop in a firm where long-term values are important. Innovation has become an essential aspect when researchers try to identify how firms can become successful (Verhees and Meulenbergh, 2004). Faemes et al (2005) suggest that innovation has since a couple of decades become recognized as one of the major motivating forces in building social capital. To survive, grow and differentiate in the long run, firms need to innovate continuously (Faemes et al., 2005; Westland, 2008).

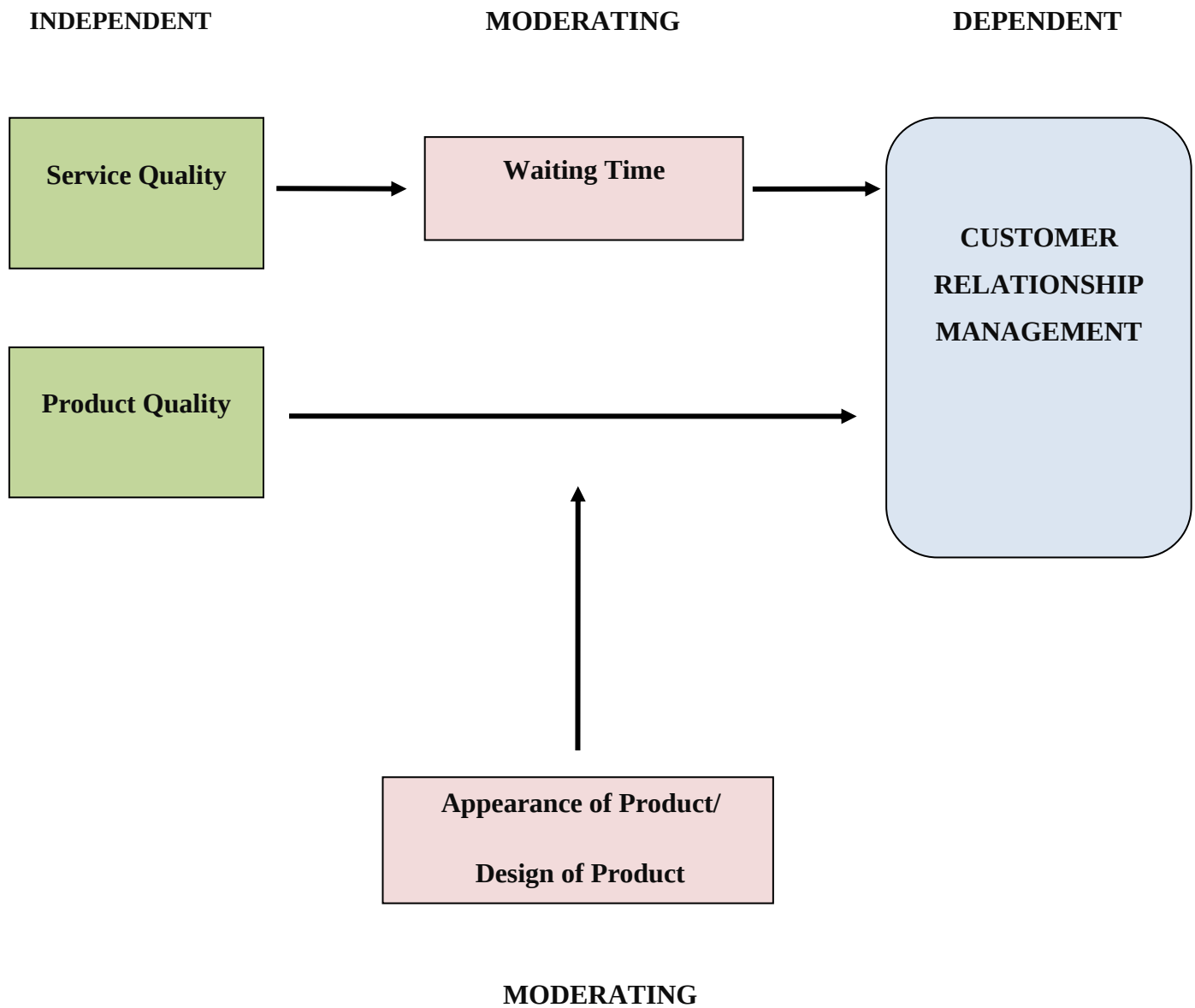
The water industry provide drinking water to residential, commercial, and industrial sectors of the economy. The water industry includes manufacturers and suppliers of bottled water. Water privatization by companies in the water industry is becoming an issue as water security threatens the global community. the modern water industry operates sophisticated and costly water and wastewater networks and sewage treatment plants, and typically consumes 1-2% of GDP. Against a background of a growing population and growing demands for water, Pakistan is now essentially at the limit of its surface water resources. The drought of the past three years has led to water shortages and have illustrated just how close water use is to the limits of the resource. The share of service sector in economy of Pakistan is 54 %.(economic survey of Pakistan 2011-12).

2.6 Understanding after Literature Review

Research is creating new knowledge. Research means to investigate something you do not know. After studied the literature review we find that managing relationships with customers is challenging for many firms. To meet these challenges, many firms are turning to formal, customer relationship management programs. Quality of customer services is very important and play a significant role in the organization, through company can enhance and make strong the relations with their new and existing customers. Good customer service creates good words of mouth as well as associated with better company performance. The major goal of the organization is to create satisfaction with product and service quality.

The customer can be loyal with organization if the goods should be delivering on time, quality of products should be match with customer order, for creating effective relation with customer it totally based on application of CRM in the organization as customer service is part of customer relation management. Collaborative communication with customers is also important to enhance sales relationships. CRM also helps to sales manager for achieve the target of company through the efficient utilize the resources of organization. If the company also proper maintain data regarding customers they can easily achieve the customer satisfaction. If any customer face problem regarding the products or service quality and company employees will recover it on time these things also enhance the loyalty with the organization. So if companies want to implement CRM effectively it is very important for the company to manage service quality and product quality as well because after studying different research works, we find that product which satisfy the customer needs and wants are very important because if company cannot provide product according to the customer expectation so company fails to manage long lasting relationship with the customers also CRM is not beneficial until you satisfy the customers perfectly. The literature also tells that service quality is very important part for the customer relationship management and as for Nestle Water it is very important to provide quality customer service and quality delivery services because customers didn't like waiting time from the company side so for Nestle water for retaining more customers through customer relationship management it is important to focus on the services quality and product quality because Customer relationship management is depending both of these variables.

2.7 Theatrical Frame Work



CHAPTER NO 3
METHODOLOGY

Chapter No: 3 Methodology

3.1 Research Paradigm

According to (Kuhn 1962) a research paradigm is the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed.

3.1.1 Positivism

(Carson et al., 1988) tells us that the positivist ontology believes that the world is external and that there is a single objective reality to any research phenomenon or situation regardless of the researchers perspective or belief. Thus this paradigm take a controlled and structural approach in conducting research. This type of research paradigm is used for theory verification and deductive research methodology is used with surveys, experiments and field work.

3.1.2 Interpretivist

According to (Hudson & Ozanne 1988) Interpretivists believe the reality is multiple and relative. Interpretivism studies are multiple realities according to researcher understanding and generally assumed according to one's perception. Biased research is conducted with informal style of inductive methodology where grounded theory is explored with open ended questions and research methods.

3.1.3 Pragmatism

(Feilzer 2010) tells us that pragmatism is a deconstructive paradigm that advocates the use of mixed methods in research, sidesteps the controversial issues of truth and reality and focuses instead on what works as the truth regarding the research questions under investigation. In this type of research paradigm both singular and multiple realities are discussed, depended upon the researcher choice. Multiple stances regarding topic can be obtained with formal and informal style of language and there is mixture of research methodology of positivism and Interpretive.

3.1.4 Adopted Research Paradigm

We will choose positivism research paradigm as we were going to do research verification with deduction method in which we will also check cause and effect relationship of variables. So in such case positivism method is much suitable for this type of survey and research work.

3.2 Research Approaches

There are two types of research theory approaches which are as follow:-

- Deductive Approach
- Inductive Approach

3.2.1 Deductive Approach

(William M.K Trochim 2006) states that's deductive approach aims to test an existing theory. Its works from the more general to more specific Deductive approach is concerned with testing or conforming hypothesis. It typically begins with selecting a pre-existing theory about a certain topic of interest. The theory is then narrowed down into more specific hypotheses that can be tested. Next, observation are collected to address the hypotheses. This ultimately leads to the ability to test the hypotheses with specific data and confirm or deny the original theory.

3.2.2 Inductive Approach

According to (William M.K Trochim 2006) Inductive research aims to generate new theories from observed data. Inductive research is more open-ended and exploratory, especially at the beginning. Inductive research works from more specific observation to more general theories. Inductive research works in the other direction, and it relies heavily on a bottom-up approach. Inductive research begins by detecting patterns and regularities within specific observations and measures. From these patterns, a tentative hypothesis is formulated that can be explored. Finally, some general conclusions or theories are developed from the results found when testing the hypothesis.

3.2.3 Adopted Research Approach

We are decided to select deductive research approach as we are doing quantitative research. We selected this approach for our research study because we are going to test the hypotheses with some specific data and confirm or deny the original theory. This approach is beneficent for us as we are testing or conforming hypothesis so that's why we select deductive research approach for our research study regarding customer relationship management.

3.3 Research Method

There are three types of research Methods. Those are as follows:

- Quantitative Research Method
- Qualitative Research Method
- Mixed Method Research Method

3.3.1 Quantitative Research Method

Quantitative research can be used in response to relational questions of variables within the research. Quantitative researchers seek out explanations and predications that will generate to other person and places. The aim is to establish, confirm, or validate relationship and to develop generalizations that contribute to theory (Leedy and Omrod 2001). Quantitative research employ strategies of inquiry such as experimental and surveys and collect data on predetermined instruments that yield statistical data. The finding from quantitative research can be predictive, explanatory, and confirming.

3.3.2 Qualitative Research Method

Qualitative research is a holistic approach that involves discovery. Qualitative research is also described as an unfolding model that occurs in a natural setting that enables the researcher to develop a level of detail from high involvement in the actual experiences (Creswell, 1994). There are several different methods for conducting a qualitative research, however, some of these following five which are Case studies, grounded theory, ethnography, content analysis and phenomenological describes how these methods meet different needs. For instance, case studies and the grounded theory research explore processes, activities, and events while ethnographic research analyses broad cultural sharing behaviors of individual or groups. Case studies as well as phenomenology can be used to study individuals.

3.3.3 Mixed Method Research

In mixed method approach to research, researchers incorporate methods of collecting or analyzing data from the quantitative and qualitative research approaches in a single research study (Creswell 2003). Researchers collect or analyzed not only numerical data, which is customary for quantitative research, but also narrative data, which is the rule for qualitative research in order to address the research questions defined for a particular research study. As an

example, in order to collect a mixture of data, researchers might distribute a survey that contains close ended questions to collect the numerical or quantitative data and conduct an interview using open ended questions to collect the narrative or qualitative data.

3.3.4 Adopted Research Method

We are using quantitative research approach as the purpose was to good customer relation management creates good words of mouth as well as associated with better company performance. The major goal of the organization is to create satisfaction with product and services quality for which fresh data was needed and this was only possible through the quantitative approach. Furthermore, the study was about the general view point of customers regarding customer services as why they are facing problems regarding delivery of water which was not practically to be handled in qualitative style for which we had taken the help of quantitative approach of research. It was easy for us to collect the view of targeted customers on comparatively large scale and to analyze them with the help of the application of statistical analysis tools. Afterwards results drawn with the help of software SPSS were easy to interpret as they were in numeric already as they were analyzed in the software when different statistical tools were applied. So in this project, we has used quantitative method as fresh data was collected from population by ignoring their feelings and emotions and just received answers through close ended questions.

3.4 Research Design

A detailed outline of how an investigation will take place. A research design will typically include how data is to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected (business dictionary). The research design include following below mention points:-

3.4.1 Population

Polit and Hungler (1999) refers to the population as an aggregate or totality of all the objects, subjects or members that conform to a set of specification. Population is the entire pool from which a statistical sample is drawn. We selected Nestle customers as a population who has similar nature and interest. We decided that our population is consumer of nestle water who are participating or those people who are selected from the population as we are working on nestle

so It is difficult to collect data from each element of the population so sample is selected from the population which represents the whole population and suggest the customer care department how to overcome with issues face by them.

3.4.2 Sampling Frame

(Jan Wretman 2003) states that's a sampling frame is the source of material or device from which a sample is drawn. It is a list of all those within a population who can be sampled, and may include individual, household or institutions. We specifically decide to selected all the individual or household customer who got the delivery of nestle water at their place.

3.4.3 Sampling Techniques

Sampling is concerned with choosing a subset of individual from a statistical population to estimate characteristics of a whole population (Retrieved from boundless 2016). The segment of population that is selected for investigation. It is a subset of the population. There are a variety of different sampling technique available to select individual for a study. Techniques mainly fall into two categories: Probability sampling and No probability sampling

- **Probability sampling**

Every individual in the population is known and each has a certain probability of being selected. A random process decides the sampling based on each individuals probability.

- **No Probability sampling**

The population is not entirely known, thus individual probabilities cannot be known. Common sense or ease is used to choose the sample, but efforts are made to avoid bias and keep the sample representative.

Adopted Sampling Techniques

We are using Simple Random Sampling as it is type of probability sampling. The simple random sampling is the subset of a statistical population in which each member of the subset has an equal probability of being chosen. A Simple random sample is meant to be an unbiased representation of a group. An example of a simple random sample would be a group of 25 employee chosen out of a hat from a company of 250 employees. To collect a simple random sample, each unit of the target population is assigned a number. A set of random numbers is then generated and the units having those numbers are included in the sample.

3.4.4 Sample Size

Sample size is the number of observation in a sample (Evans et al. 2000). A general rule of the thumb is to always use the largest sample possible. The larger the sample the more representative it is going to be, smaller samples produce less accurate results because they are likely to be less representative of the populations. We selected 150 customers from Nestle Water by using simple random sampling under the head of probability sampling technique and for the sake of good results we decided to select nestle water individual or household customers from different areas of Lahore.

3.4.5 Data Collection Method

Data collection method is the process of gathering and measuring information on target variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes. (Wikipedia data collection and analysis By Dr . Roger) There are two types of data collection method; Interview and Questionnaire

Questionnaire

It is pre-formulated written set of questions to which respondents record their answers. Questionnaires are self-explanatory, read and answered by respondents by themselves. They are relatively cheaper, quicker to administer unbiased and convenient for respondents as well as researcher but on the other hand they are limited with respect to information gathered, sometimes irrelevant to respondents, and mainly have lower response rate. Questionnaires can be; On-line, Postal and Self-Administered Questionnaires.

Interviews

Any person to person interaction between two or more individuals with a specific purpose in mind is called an interview. Structured Interviewing is the process of administering an interview schedule by an interviewer. The aim is for all interviewees to be given exactly the same context of questioning. In this way the interviewers are supposed to read questions exactly. Interviews can be; Face to Face and Telephone Interviews.

Adopted Data collection Method

We are decided to use questionnaire method because Interview method which is also called qualitative data collection method in which open-ended question are asked to respondent by

researcher and respondent give answer in his or her own words, open ended questions are asked generally during exploratory research and where statistical validity is not a prime objective. Questionnaire method which is also called quantitative data collection method in which close-ended question are asked to respondent by researcher and this method limits the respondent with a list of choices from which they must choose to answer the question.

3.4.6 Data Collection Instruments

As the present study aim to be quantitative in nature which will going to verify the pervious researches with deductive research methodology and it focused on positivism paradigm for the results. Therefore, structured questionnaire simple random technique will be the best suitable instrument to conduct the study. Moreover, the questionnaire generate the outcome in the form of numbers which will be easy to put in SPSS software.

The questionnaire uses 5-point liker scale from: 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree, 5-strongly agree. The questionnaire will be close ended because the research will be quantitative in nature. The questionnaire will give importance to all the elements through which company will make strong and long term relationship with their customers in the water industry. The questionnaire include different questions which will relate to the variables which has great influence on customer relationship management and overall customer satisfaction from the product and services of nestle water. The questionnaire attached in appendices shows that we take the questions of services quality, waiting time, product quality, appearance and design of product and also form customer relationship management. By combing all these questions, the study enables to take an in depth sight of customers through which beneficent result are obtained.

3.4.7 Validity of data

Validity is described as the degree to which a research study measures what is intends to measure. There are two main types of validity, internal and external. Internal validity refers to the validity of the measurement and test itself, whereas external validity refers to the ability to generalize the findings to the target population. Both are very important in analyzing the appropriateness, meaningfulness and usefulness of research study. However we will focus on the validity of measurement technique such as internal validity:-

Four main types of validity

There are four main types of validity used when assessing internal validity. Each type views validity from a different perspective and evaluates different relationship between measurements.

Face validity: This refers to whether a technique looks as if it should measure the variable it intends to measure. For example, a method where a participant is required to click a button as soon as a stimulus appears and this time is measured appears to have face validity for measuring reaction time.

Concurrent validity: This compares the results from a new measurement technique to those of a more established technique that claims to measure the same variable to see if they are related. Often two measurements will behave in the same way, but are not necessarily measuring the same variable, therefore this kind of validity must be examined thoroughly.

Predictive validity: This is when the results obtained from measuring a construct can be accurately used to predict behavior. There are obvious limitations to this as behavior cannot be fully predicted to great depths, but this validity helps predict basic trends to a certain degree.

Construct validity: This is whether the measurements of a variable in a study behave in exactly the same way as the variable itself. This involves examining past research regarding different aspects of the same variable.

3.4.8 Reliability of data

A test can be reliable but not valid, whereas a test cannot be valid yet unreliable. Reliability in simple terms describes the repeatability and consistency of a test. Research requires dependable measurement. Measurements are reliable to the extent that they are repeatable and that any random influence which tends to make measurements different from occasion to occasion or circumstance to circumstance is a source of measurement error. There are many forms of reliability, all of which have an effect on the overall reliability of the instruments and therefore the data collected. It is possible to have a reliable measure that is not valid, however a valid measure must also be reliable.

Types of Reliability

Some of the forms of reliability that different researcher will address are as follow:-

Test retest Reliability: Test-retest reliability is the degree to which scores are consistent over time. It indicates scores variation that occurs from testing session to testing session as a result of errors of measurement.

Equivalent-Forms or Alternate-Forms Reliability: Two tests that are identical in every way except for the actual items included. Used when it is likely that test takers will recall responses made during the first session and when alternate forms are available.

Split-Half Reliability: This test requires only one administration. Especially appropriate when the test is very long. Since longer tests tend to be more reliable and since split half reliability represents the reliability of a test only half as long as the actual test, a correction formula must be applied to the coefficient.

Rationale Equivalence Reliability: Rationale equivalence reliability is not established through correlation but rather estimates internal consistency by determining how all items on a test relate to all other items and to the total test.

Internal Consistency Reliability: Determining how all items on the test relates to all other items.

Standard Error of Measurement: Reliability can also be expressed in terms of the standard error of measurement. It is an estimate of how often you can expect errors of a given size.

3.4.9 Data Analysis

We will use two methods of data analysis regarding research work which is descriptive statistics and inferential statistics. In the descriptive statistics the research problem will be described and explained whereas in inferential statistics the relationship between variables and its cause and effect will be discussed. we will going to do Quantitative research by using simple random sampling that's why we apply descriptive statistics and inferential statistics analysis for the sake of describing research problem and check the relationship between dependent and independent

variables of research study in order to generalized or make prediction about the future. In the descriptive statistics, histogram, and single box plot in order to check the normality and linearity of data. However in inferential statistics, the data will be analyzed with parametric test which is further categorized into co-relation and regression tests which can be apply on quantitative data. As co relation test will measure the cause and effect of each variable of whereas, regression will test the relationship between Independent variables and dependent variable Therefore, these tests are best suitable as it will check the relationship, cause and effect of variables which help in generating the appropriate results of study.

3.4.9 Ethical Considerations

During the complete research process, ethical issue will be deeply and wholly kept into consideration till the completion of study. The following ethical issues will be kept under consideration during the research process and aftermaths.

- The purpose of study is made clear and simple to be easily understood by the readers as well as the respondents to avoid any ambiguity at any end.
- While anticipating the data collection, the wellbeing of the respondents will be ensured through securing their right to participate and withdraw at any time voluntarily.
- Precisely yet comprehensive information will be provided to respondents in order to make them clear about all aspects, objectives and outcomes of the research.
- Mutual consent form, permission letter and any other written approval if needed will be dually signed by both the researcher and respondent.
- The data provided by the respondents will be kept confidential.
- The data of respondent will not be manipulated.

CHAPTER NO 4
ANALYSIS

Chapter No: 4 Analysis

4.1 Data and Analysis

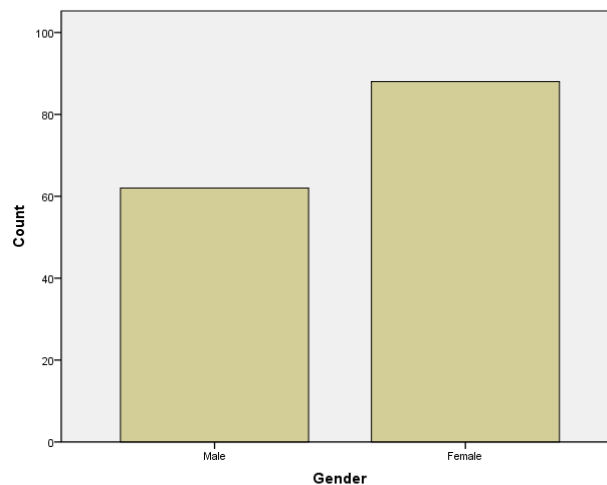
Demographic Profile of Respondents

Respondents Demographics		Frequency	Percentage
Gender (N=150)	Male	62	41.3
	Female	88	58.7
Age (N=150)	15-25	97	64.7
	26-40	42	28.0
	41-60	8	5.3
	60 Above	3	2.0

Interpretation

The 1st part of results is profile of demographic information provided by the respondents. Data is collect from 150 respondents from which 62 are male which are 41.3 percent of all respondents and 88 are female which 58.7 percent of all the respondents are. Ages of the respondents are classified in 4 groups. First group is in between 15-25 and 64.7 percent of all respondents. Second is 26-40 and 28 percent of all respondents. Third is 41-60 and 5.3 percent of all respondents. Last group involved are which are 60 and above and 2 percent of all the respondents.

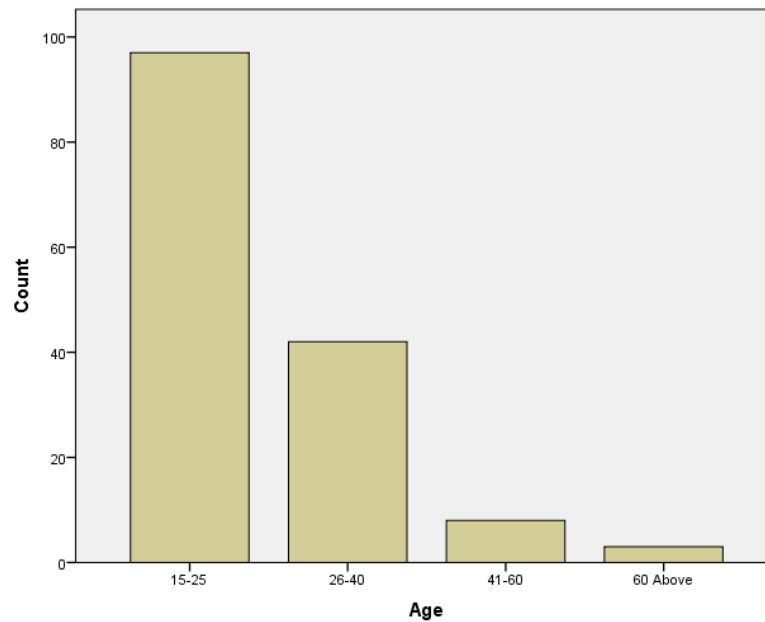
4.2 Bar Charts of Demographic profile



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The above bar chart showed females were at higher as compare to male.

Age



Bar chart of age showed people with age category 15-20 at first, 26-40 were at 2nd, 41-60 were at 3rd and 60 and above were at 4th level.

4.3 Reliability and KMO of Measurement

Construct	Valid N	Number of Items	Cronbach's Alpha
Service Quality	150	6	0.933
Product Quality	150	6	0.953
Waiting time	150	7	0.891
Appearance of Bottles	150	7	0.833
Bottles Design	150	4	0.906
Customer Relationship Management	150	8	0.796

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Principle Component Analysis

Construct	KMO	Bartlett's Test of Sphericity Chi-square	Sig.
Service Quality	.876	773.294	.000
Product Quality	.875	1090.125	.000
Waiting time	.650	1488.517	.000
Appearance of Bottles	.601	1276.426	.000
Bottles Design	.504	113.791	.000
Customer Relationship Management	.746	1171.506	.000

Interpretation

The above table showed reliability of independent, moderator and dependent variable. All 38 items in this questionnaire defined on likert scales according to which items are answered from respondents. For check the reliability of data cronbach's alpha test is used. The minimum value of cronbach's alpha should be equal or greater than 0.70 that is acceptable. The items of service quality are 06 and its cronbach's alpha value is 0.933 which is greater from 0.7 , therefore it is reliable. The items of product quality are 06 and its cronbach's alpha value is 0.953 which is greater from 0.7 , therefore it is reliable. The items of waiting time are 07 and its cronbach's alpha value is 0.891 which is greater from 0.7 , therefore it is reliable. The items of appearance of bottles are 07 and its cronbach's alpha value is 0.833 which is greater from 0.7 , therefore it is reliable. The items of bottle design are 04 and its cronbach's alpha value is 0.906 which is greater from 0.7 , therefore it is reliable. The items of customer relationship management are 08 and its cronbach's alpha value is 0.796 which is greater from 0.7 , therefore it is reliable. All variables are reliable.

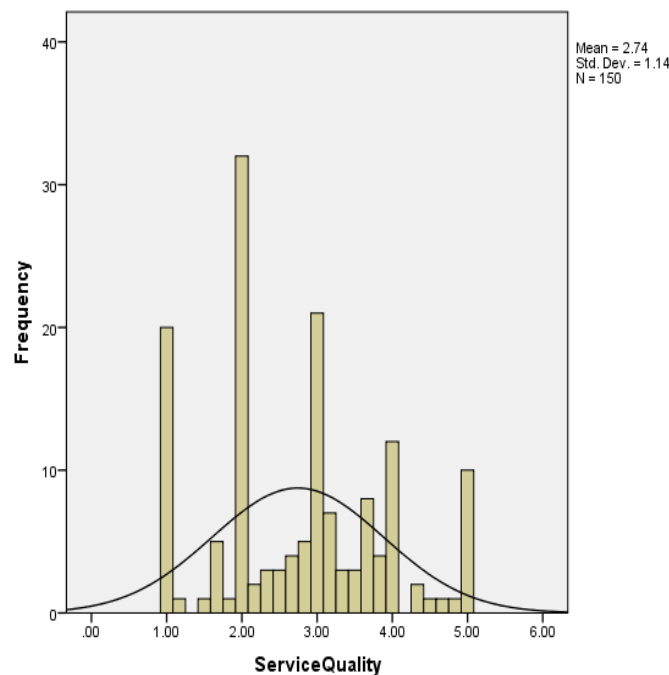
We measured the validity of our collected data by using the face-back and construct validity through apply the Principle Component Analysis (PCA) and also measure the reliability through applying the Chronbach's. KMO values of service quality is 0.876 as it is above from 0.60 which showed it is valid and its sig value is less than 0.05 which showed significant relationship exist.

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So this hypothesis accepted. KMO values of product quality is 0.875 as it is above from 0.60 which showed it is valid and its sig value is less than 0.05 which showed significant relationship exist. So this hypothesis accepted. KMO values of waiting time is 0.650 as it is above from 0.60 which showed it is valid and its sig value is less than 0.05 which showed significant relationship exist. So this hypothesis accepted. KMO values of appearance of bottles is 0.601 as it is above from 0.60 which showed it is valid and its sig value is less than 0.05 which showed significant relationship exist. So this hypothesis accepted. KMO values of bottle design is 0.504 as it is below from 0.60 which showed it is not much valid and its sig value is less than 0.05 which showed significant relationship exist. So this hypothesis accepted. KMO values of CRM is 0.746 as it is above from 0.60 which showed it is valid and its sig value is less than 0.05 which showed significant relationship exist. So this hypothesis accepted.

4.4 Histogram

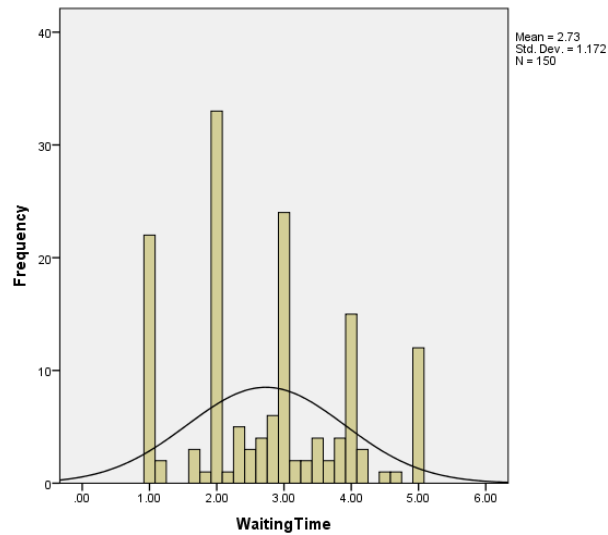
Service Quality



Here I have been used histogram to show the effect of service quality. In this graph the variable service quality on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is not normally distributed as it is not in bell shape.

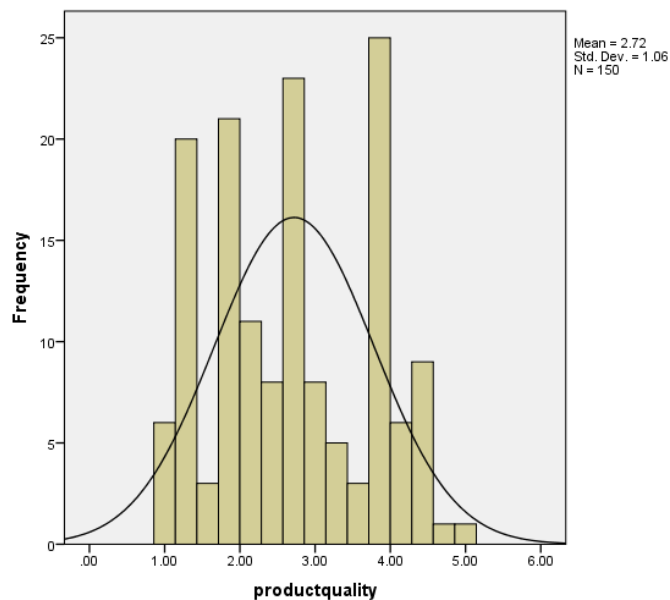
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Waiting Time



Here I have been used histogram to show the effect of waiting time. In this graph the variable waiting time on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is not normally distributed as it is not in bell shape.

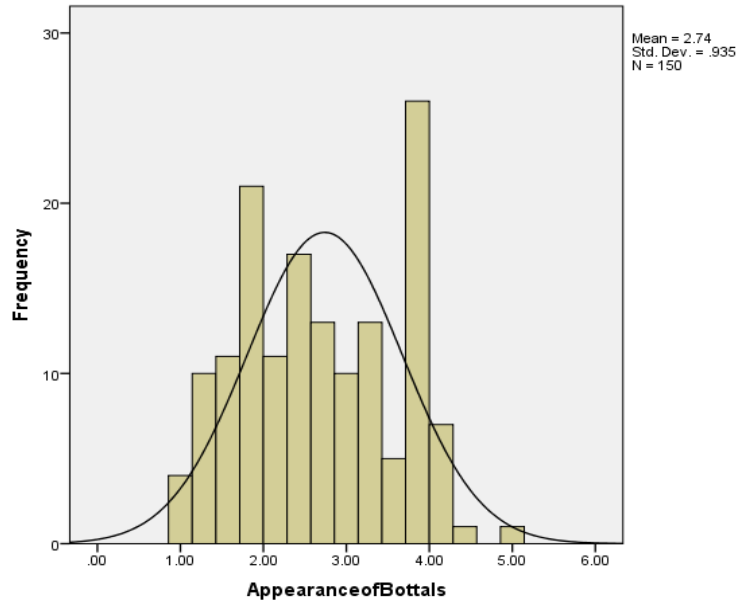
Product Quality



Here I have been used histogram to show the effect of product quality. In this graph the variable product quality on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is normally distributed as it is in bell shape.

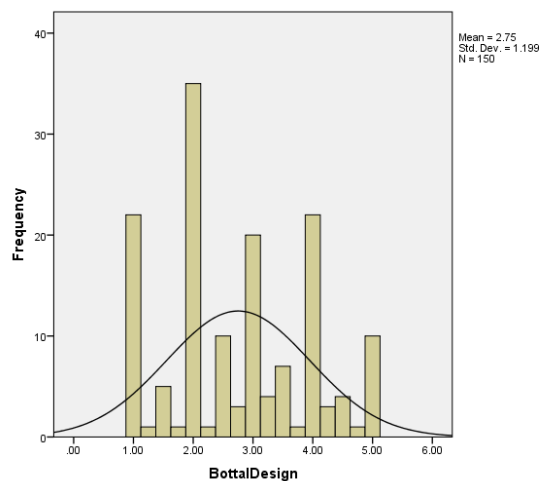
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Appearance of Bottles



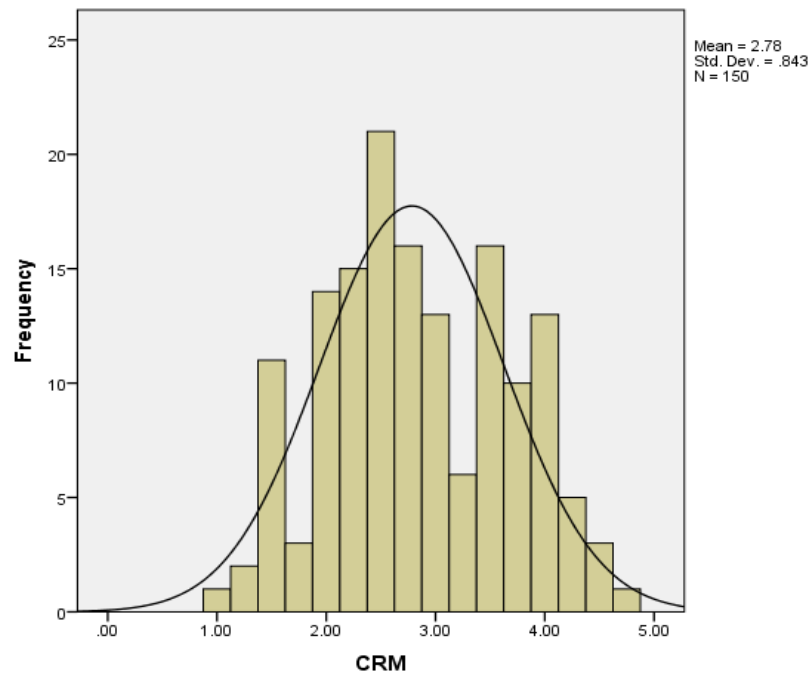
Here I have been used histogram to show the effect of appearance of bottles. In this graph the variable appearance of bottles on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is normally distributed as it is in bell shape.

Bottle Designs



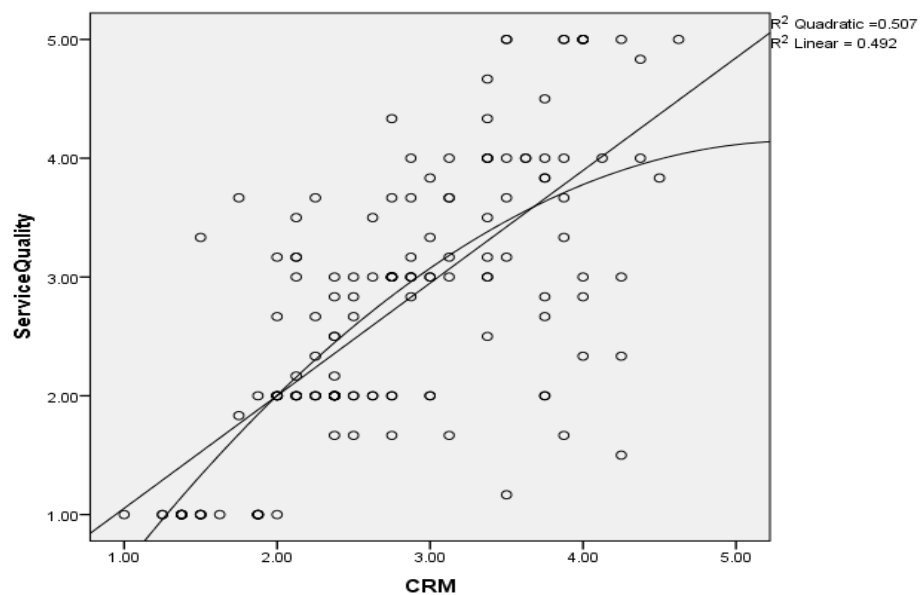
Here I have been used histogram to show the effect of bottle design. In this graph the variable bottle design on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is not normally distributed as it is not in bell shape.

CRM



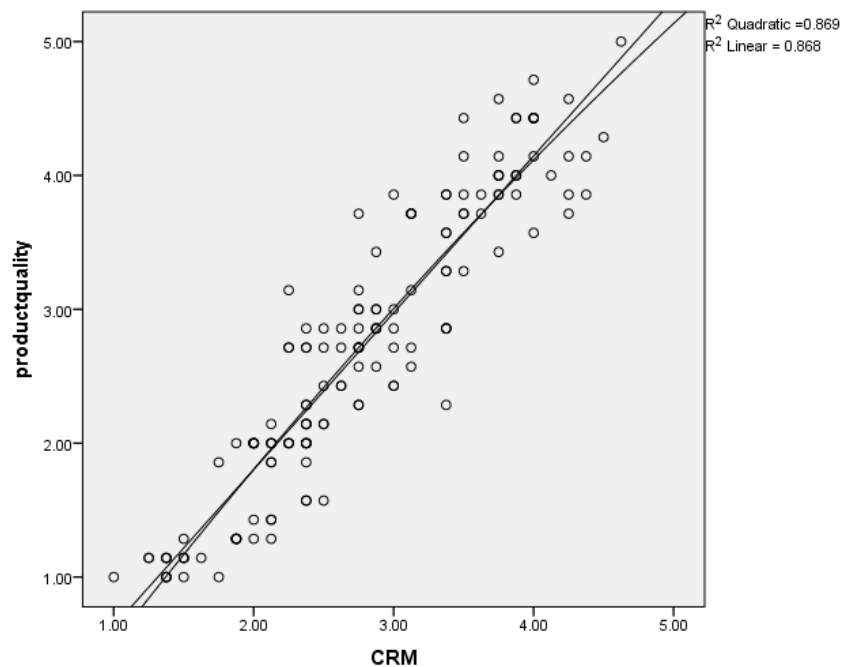
Here I have been used histogram to show the effect of CRM. In this graph the variable CRM on X-Axis and on Y-Axis shows the frequency of questions. The curve of histogram showed it is normally distributed as it is in bell shape.

4.5 Scatter plot



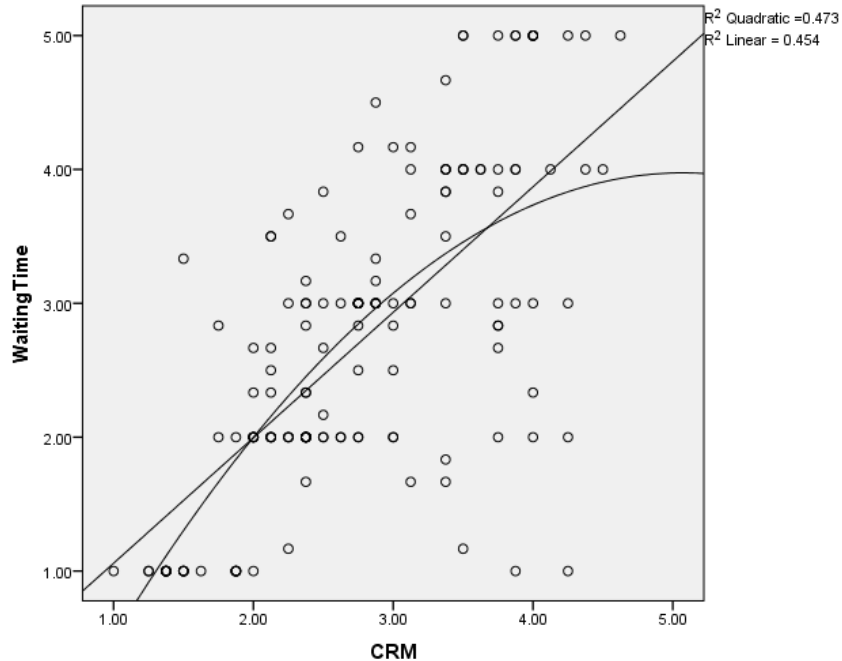
Consultancy Project

In this table, the output shows a scatter plot for 2 scale variables i.e. service quality and CRM. The entire pattern of the dots show that it is from diagonal upward straight regression line showing positive association among the two variables and the points fit the line pretty well and there are very few values dispersed far from the regression line so it seems that there is strong relationship among service quality and CRM. The difference between linear and quadratic is less than 0.05 which showed linear relation among variables.

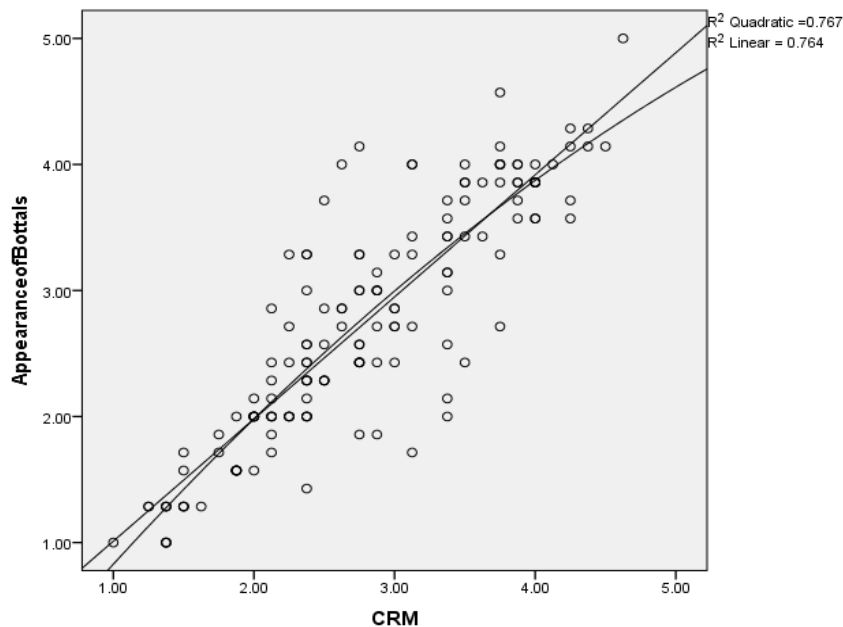


In this table, the output shows a scatter plot for 2 scale variables i.e. product quality and CRM. The entire pattern of the dots show that it is from diagonal upward straight regression line showing positive association among the two variables and the points fit the line pretty well and there are very few values dispersed far from the regression line so it seems that there is strong relationship among product quality and CRM. The difference between linear and quadratic is less than 0.05 which showed linear relation among variables.

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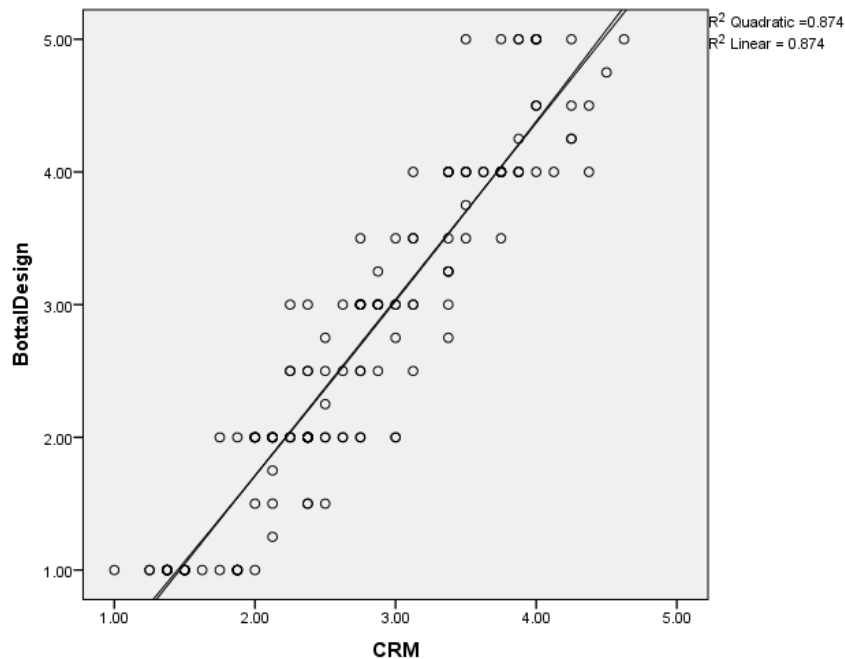


In this table, the output shows a scatter plot for 2 scale variables i.e. waiting time and CRM. The entire pattern of the dots show that it is from diagonal upward straight regression line showing positive association among the two variables and the points fit the line pretty well and there are very few values dispersed far from the regression line so it seems that there is strong relationship among waiting time and CRM. The difference between linear and quadratic is less than 0.05 which showed linear relation among variables.



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In this table, the output shows a scatter plot for 2 scale variables i.e. appearance of bottles and CRM. The entire pattern of the dots show that it is from diagonal upward straight regression line showing positive association among the two variables and the points fit the line pretty well and there are very few values dispersed far from the regression line so it seems that there is strong relationship among appearance of bottles and CRM. The difference between linear and quadratic is less than 0.05 which showed linear relation among variables.



In this table, the output shows a scatter plot for 2 scale variables i.e. design bottles and CRM. The entire pattern of the dots show that it is from diagonal upward straight regression line showing positive association among the two variables and the points fit the line pretty well and there are very few values dispersed far from the regression line so it seems that there is strong relationship among appearance of bottles and CRM. The difference between linear and quadratic is less than 0.05 which showed linear relation among variables.

4.6 Descriptive Statistics

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Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Service Quality	150	1.00	5.00	2.7433	1.13985
Waiting Time	150	1.00	5.00	2.7300	1.17243
Product quality	150	1.00	5.00	2.7210	1.05995
Appearance of Bottle	150	1.00	5.00	2.7390	.93476
Bottle Design	150	1.00	5.00	2.7517	1.19896
CRM	150	1.00	4.63	2.7833	.84304
Valid N (list wise)	150				

The above table showed descriptive statistics of independent and dependent variables. All the descriptive are presented in table. Respondents were consistent for CRM and answer differently for bottle designs.

4.7 Correlation

		CRM
Service Quality	Pearson Correlation	.701**
	Sig. (2-tailed)	.000
	N	150
Product quality	Pearson Correlation	.932**
	Sig. (2-tailed)	.000
	N	150
Waiting time	Pearson Correlation	.674**
	Sig. (2-tailed)	.000
	N	150
Appearance of Bottles	Pearson Correlation	.874**
	Sig. (2-tailed)	.000
	N	150
Bottle designs	Pearson Correlation	.935**
	Sig. (2-tailed)	.000
	N	150

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In 1st table, I have to examine if there was a statistically significant association among service quality and CRM, a correlation was computed. Both the variables were approximately normal there is linear relationship among them hence satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.701$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported

In 2nd table, I have to examine if there was a statistically significant association among product quality and CRM, a correlation was computed. Both the variables were approximately normal there is linear relationship among them hence satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.932$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported

In 3rd table, I have to examine if there was a statistically significant association among waiting time and CRM, a correlation was computed. Both the variables were approximately normal there is linear relationship among them hence satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.674$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is moderate. H1 is supported

In 4th table, I have to examine if there was a statistically significant association among appearance of bottle and CRM, a correlation was computed. Both the variables were approximately normal there is linear relationship among them hence satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.874$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported

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In 5th table, I have to examine if there was a statistically significant association among bottle design and CRM, a correlation was computed. Both the variables were approximately normal there is linear relationship among them hence satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.932$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported

4.8 Regression

Dependent Variable is Customer Relationship Management

Independent variables	Beta	T	Sig.	Adj. R ²	F	Sig.
Service Quality	.519	11.967	.000	.488	143.216	.000
Product Quality	.741	31.217	.000	.867	974.526	.000
Waiting time	.485	11.096	.000	.450	123.129	.000
Appearance of Bottles	.788	21.868	.000	.762	478.199	.000
Bottles Design	.657	32.055	.000	.873	1027.494	.000

In 1st table, single regressions were performed to explore the best predictors of CRM. The relationship of service quality and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.488. This indicates that 48.8% of the variance in service quality due CRM.

In 2nd table, single regressions were performed to explore the best predictors of CRM. The relationship of product quality and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.867. This indicates that 86.7% of the variance in product quality due CRM.

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In 3rd table, single regressions were performed to explore the best predictors of CRM. The relationship of waiting time and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.450. This indicates that 45% of the variance in waiting time due to CRM.

In 4th table, single regressions were performed to explore the best predictors of CRM. The relationship of appearance of bottles and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.762. This indicates that 76.2% of the variance in appearance of bottles due CRM.

In 5th table, single regressions were performed to explore the best predictors of CRM. The relationship of bottle design and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.873. This indicates that 87.3% of the variance in bottle design due CRM.

4.9 Moderation

1st Assumption

Dependent Variable is Customer Relationship Management

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Service Quality, Waiting Time ^b	.	Enter
a. Dependent Variable: CRM			
b. All requested variables entered.			

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Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	.492	.485	.60493
a. Predictors: (Constant), Service Quality, Waiting Time				

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.103	2	26.052	71.191	.000 ^b
	Residual	53.793	147	.366		
	Total	105.896	149			
a. Dependent Variable: CRM						
b. Predictors: (Constant), Service Quality, Waiting Time						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.359	.129		10.519	.000
	Waiting Time	.037	.142	.051	.261	.795
	Service Quality	.482	.146	.652	3.311	.001
a. Dependent Variable: CRM						

Consultancy Project

2nd Assumption

Dependent Variable is Customer Relationship Management

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Product quality, Design of Bottle ^b	.	Enter
a. Dependent Variable: CRM			
b. All requested variables entered.			

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.933 ^a	.870	.868	.30636
a. Predictors: (Constant), product quality, Design of Bottle				

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	92.099	2	46.049	490.638	.000 ^b
	Residual	13.797	147	.094		
	Total	105.896	149			
a. Dependent Variable: CRM						
b. Predictors: (Constant), product quality, Design of Bottle						

Consultancy Project

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.903	.124		7.300	.000
	Design of Bottle	-.056	.042	-.046	-1.326	.187
	Product quality	.760	.028	.956	27.407	.000
a. Dependent Variable: CRM						

3rd Assumption

Dependent Variable is Customer Relationship Management

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Product quality, Appearance of Bottels ^b	.	Enter
a. Dependent Variable: CRM			
b. All requested variables entered.			

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934 ^a	.873	.871	.30224
a. Predictors: (Constant), product quality, Appearance of Bottles				

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ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.467	2	46.234	506.118	.000 ^b
	Residual	13.428	147	.091		
	Total	105.896	149			
a. Dependent Variable: CRM						
b. Predictors: (Constant), product quality, Appearance of Bottles						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.682	.077		8.874	.000
	Appearance of Bottles	.151	.062	.167	2.417	.017
	Product quality	.621	.055	.780	11.269	.000
a. Dependent Variable: CRM						

Interpretation

In 1st table, moderation was performed to explore the best predictors of CRM. The relationship of service quality, waiting time and CRM was not statistically significant, $p > 0.05$ and the adjusted R^2 value was 0.485. This indicates that 48.5% of the variance in waiting time, service quality due CRM. Findings showed that there is no moderation.

In 2nd table, moderation was performed to explore the best predictors of CRM. The relationship of designs of bottles, product quality and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.868. This indicates that 86.8% of the variance in bottle design, product quality due CRM. Findings showed that there is partial moderation.

In 3rd table, moderation was performed to explore the best predictors of CRM. The relationship of appearance of bottles, product quality and CRM was statistically significant, $p < 0.05$ and the adjusted R^2 value was 0.871. This indicates that 87.1 % of the variance in waiting time due to CRM. Findings showed that there is moderation.

CHAPTER NO 5

FINDING AND RECOMMENDATION

Chapter No 5 Findings and Recommendation

5.1 Discussion

The results of investigation indicated that there is strong relation between service quality and customer relationship management. As the correlation is found significant in research study. As scatter plot of investigation showed linear relation among variables and satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.701$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported. The regression indicates that 48.8% of the variance in service quality due CRM. On the base of findings, we can say that

H_{1a} There is a relationship between service quality and customer relationship management.

Hypothesis one, stated that service quality has a positive significant impact on customer satisfaction and retain a long term relation . The results supported the hypothesis. The result is in line with the previous studies. A number of studies (Abbasi et al, 2010; Ahmed et al, 2010; Chang, 2006; Gilaninia et al.2011; Lien 2010; Andreson, Fornell & Lehmann, 1994) also found that service quality has positive impact on customer and maintain a long term relation with them. As the service quality increased, the level of overall customer satisfaction and retention also increased quality, deemed essential by customers, could be the key to customer satisfaction.

The results of investigation indicated that there is strong relation between product quality and customer relationship management. As the correlation is found significant in research study. As scatter plot of investigation showed linear relation among variables and satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.932$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. The regression indicates that 86.7% of the variance in product quality due CRM. H1b is supported. On the base of findings, we can say that

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H_{1b} There is a relationship between product quality and customer relationship management

The links between quality, customer satisfaction and loyalty are one of the most popular research topics among service researchers (Chai, Ding, and Xing, 2009; Pilkington and Chai 2008). Pilkington and Chai (2008) studied the importance of quality of products and services on customer satisfaction and found out that loyal customers mostly lie in category of customers who have used higher quality products. This implies that better quality of products tends to increase customers' loyalty. Researches by Chai and colleagues (2009) show that quality of product services to a customer is one of the most important factors in identifying new customer needs and as we all know, the key to customer satisfaction and loyalty is providing the customers with their undiscovered needs..

The results of investigation indicated that there is strong relation between waiting time and customer relationship management. As the correlation is found significant in research study. As scatter plot of investigation showed linear relation among variables and satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.674$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is moderate. H_{1c} is supported. indicates that 45% of the variance in waiting time due to CRM. On the base of findings, we can say that

H_{1c} There is a relationship between waiting time and customer relationship management

The third hypothesis was that access to services timely has a positive and significant impact on customer satisfaction which makes them loyal with firm and was supported by the results. The present findings also corroborated with the various studies (Gilaninia et al., 2011; Ahmed, Jawaberh, 2012). In service oriented firms access to services is crucial to the satisfaction of the customers.

The results of investigation indicated that there is strong relation between appearance of product and customer relationship management. As the correlation is found significant in research study. As scatter plot of investigation showed linear relation among variables and satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.874$, $p > 0.05$

connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. Regression indicates that 76.2% of the variance in appearance of bottles due CRM. H1 is supported

H_{1d} There is a relationship between appearance and customer relationship management.

The results of investigation indicated that there is strong relation between design of bottles and customer relationship management. As the correlation is found significant in research study. As scatter plot of investigation showed linear relation among variables and satisfying the assumptions for Pearson's correlation. Therefore, the Pearson's r is calculated, $r = 0.932$, $p > 0.05$ connecting that there is highly significant relationship among the variables. The positive indication of the Pearson's test value shows that there is positive relationship. Strength of relationship is strong. H1 is supported. This indicates that 87.3% of the variance in bottle design due CRM.

H_{1e} There is a relationship between design and customer relationship management.

5.2 Conclusion

Delivery of services put compulsion on customer to retain with his loving product in any situation and does not switch either product unavailable in market or short in market. The organization that put stress on delivery of service as well as product. The customers are facing problems with the delivery of water as the employees of this organization did not deliver service on exact address. CRM software of this department is not good. Data of the customers is not updated and some time they deliver the services on wrong or previous address. And if customer complained about their services, most of time they did not response the complaint of the customers. Due to this case of uncertainty customer are rapidly switching off from nestle to other companies. This research is conducted for the consumer care department of nestle water regional office Lahore. Consumer care department in Lahore office provide the customer services on nestle water. Performance of this department is not good. Delivery of the product on time acquires number of loyal customers for their business futures because time is money for customers. It was observed that the customer prefer that how much an organization is giving him or her flexibility and saving his or her time by facilitating them. They satisfied their customers

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Although the high satisfaction lead to the high commitment towards the organization and result in the increasing the customer purchasing behavior in that specific organization's business , but due to facing problems regarding delivery service customers of Nestle have to move towards other products in market.

Delivery of product or service affects a lot on consumer mind he forced to think that the organization is taking care about me and organization get good image in mind of customer and leads customer satisfaction. When customer will be happy leads to good word of mouth in market about the product features its utilization and durability as well as add remarks in the worth of organization's business environment. Loyalty leads with retention of customer. Loyal customers are most likely to share their experience of product with other five or six people around them. Similarly dissatisfied customers are more likely to convey another ten people about their unfortunate experience with a specific company's product. In order to realize customer satisfaction, companies must be capable to develop and sustain long term relationships with customers through satisfying several customer needs and demands which resultantly encourages them to carry on to do business with the company on on-going basis. Customer retention is focal point for several industry organizations. The influence by management on customer retention ensured the growth in the sales of a company. They first need to comprehend how much CRM effect their organization chances of survival. The company needs to understand what factors determine the level of customer retention.

Nestlé's care department is not responding their customers effectively and this problem will create of decline their sales in future by using different techniques for enhance the customer relationship management, but it's inadequate for the company because customers are not satisfied from the services which are providing to customers so, the company must have to create the best level of satisfaction to customers. In this way the company customers' level is increase. When customers' level is increase then company sales is increase and company get more profit and reputation is increase in the market. For whole purpose the company must maintain the level of customer's satisfaction. The whole marketing has been built on the premise of increased cooperation and collaboration of the company with the customers.

Building customer loyalty has emerged as a remedy. Customer loyalty as a concept of extreme importance as it provides several marketing. The strength customer is holding is increased

competition at the marketplace. Service quality is an important tool for marketing to keep assessing their marketing from the perspective of the customers who are the most important reason for the existence of the organization. Nestle care department needs to enhance the service quality to their customers.

5.3 Recommendations

On the basis of the above, conclusions, the following recommendations were made for effect of CRM as a strategy for gaining competitive advantage for Nestle. The study found out that although majority of the respondents dealt with Nestlé's product for a long time. There is need for Nestle to invest in ICT and CRM as a long-term strategy in gaining competitive advantage against its competitor's. It is also the recommendation of this research that Nestle wisely. The Nestle should prioritize the projects being undertaken to ensure that the Nestle gains a competitive advantage from its strategies. This will greatly enhance customer perception and encourage openness and good relations with the customers and staff. It is further recommended that all CRM should be acknowledged as a major strategy in ensuring companies keeps in touch with their staff and also keeps track of their customer records of purchases, contacts and other related activities. In summarizing the effects of CRM as a strategy for competitive advantage for Nestle, CRM has positively affected both the customers and staff and as such Nestle should take it seriously and invest in it.

5.4 Limitation and Delimitations

Due to the potential weakness of limited resources, the scope of the study will be minimized to the one city of Pakistan i-e. Lahore.

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Annexure 1

Dear Participant,

We are students of BBA (Marketing) representing Superior University Lahore. This Questionnaire is prepared for understanding the perception of customer about Nestle Water Product and Services. Your opinion is extremely important because you can give us the correct pictures of what you feel about nestle waters. It is ensured that all the information provided in this survey will be kept confidential and will be used for research purpose only. Your cooperation in this regard will be highly appreciated.

Name (Optional)

Gender Female ☐ Male ☐

Age 15-25 ☐ 26-40 ☐ 41-60 ☐ 61 above ☐

Please ☒ the suitable option.

Rating scale for the following questions

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

Service Quality

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	When I call in nestle waters, I connected to customer contact center in one go?	1	2	3	4	5
2	Once I am connected to customer contact center, any questions or problems I have are quickly resolved.	1	2	3	4	5
3	Nestle water delivery sales team delivered water at my place regularly on designated days?	1	2	3	4	5

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4	I am satisfied with the invoice or bill receipt which motivate me to retain with nestle?	1	2	3	4	5
5	If I face any issue regarding bill company are accommodating and helpful?	1	2	3	4	5
6	Overall Quality of service motivate me to retain with nestle waters?	1	2	3	4	5

Waiting time

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7	I am unhappy with the waiting time to connect my call to customer contact center?	1	2	3	4	5
8	Is Delivery time given by nestle is reliable?	1	2	3	4	5
9	Response time to attend a delivery of product motivates me to retain with nestle?	1	2	3	4	5
10	Customer department take much time to respond whenever I complain regarding water bottle?	1	2	3	4	5
11	Whenever I face issue with my bill company took couple of weeks to handle the issue?	1	2	3	4	5
12	Overall I am thinking to switch from nestle water because of high waiting time for customer service and delivery of water?	1	2	3	4	5

Product Quality

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
13	I am not satisfied with the quality of water delivered by nestle at my place?	1	2	3	4	5

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14	I felt some smell while drinking nestle water delivered at my place?	1	2	3	4	5
15	From few months when I drink nestle water, I felt change in the taste of the water?	1	2	3	4	5
16	Few months back I saw some harmful particle in nestle water bottle?	1	2	3	4	5
17	Whenever I face issue regarding quality of water, company quickly responded?	1	2	3	4	5
18	I am not satisfied with the quality of 19 liter bottle received at my doorstep?	1	2	3	4	5
19	I recommend nestle to improve the quality of 1.5 liter bottle?	1	2	3	4	5

Appearance of Bottle

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
20	I always get clean bottle water which motivate me to retain with nestle water?	1	2	3	4	5
21	Few month ago I receive the bottle with damaged blue seal?	1	2	3	4	5
22	I feel information written on bottle is not clear and visible? (logo & other info)	1	2	3	4	5
23	I sometime think nestle water bottle appearance need improvements?	1	2	3	4	5
24	Mostly I received old condition bottle which de-motivate me to retain with nestle?	1	2	3	4	5
25	Mostly I received leaked water bottle at my place?	1	2	3	4	5

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26	I think color of bottle is very dull which gives a negative impression about quality of bottle?	1	2	3	4	5
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Design of Bottle

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
27	I felt nestle 19 liter bottle design is innovative than competitors?	1	2	3	4	5
28	I recommend nestle water to change the design of bottle?	1	2	3	4	5
29	It is not easy for me to handle 19 liter nestle bottle because of improper design?	1	2	3	4	5
30	Design of water bottle represent excellent value for money?	1	2	3	4	5

Customer Relationship Management

Sr	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
31	I am not satisfied with nestle overall communication efforts?	1	2	3	4	5
32	I can always count on your personnel to follow up on problem to make sure they have been resolved?	1	2	3	4	5
33	I feel customer representative talk politely and with respect?	1	2	3	4	5
34	I am satisfied with the promotional activities of nestle waters?	1	2	3	4	5

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35	Whenever I purchase bottle from nestle water shop, my experience was excellent?	1	2	3	4	5
36	I am satisfied with the level of customer support nestle water provide?	1	2	3	4	5
37	Delivery of product at my place by Delivery sales team motivate me to retain with nestle waters?	1	2	3	4	5
38	Overall I am much motivated to suggest nestle in my social circle?	1	2	3	4	5

Any Suggestions:

Thank you! For your Precious Time 😊

Annexure 2

Appendix B

Host Organizations: Nestle Waters Pakistan

Title: Increase customer retention through customer relationship management

Objective:

- To meet the needs & requirements of the consumers
- By Alignment of job description between sales and customer service
- For Customer satisfaction focused from entry to exist
- Collection and refinement of customer data
- Standardization of system and operations

Scope:

- The scope of this project is very high. Due to this project consumer care department will be able to resolve the issues of its consumer care department of Nestle water.
- This project will help the consumer care department to cover the different areas like Home and office department.
- This project will help the consumer care department to focus on winning the hearts of customers
- This project will help to make bridge between company and customers
- Value addition to the business
- This project will help to make a contact easy for internal and external customers.
- This project will help to fully integrated systems with suppliers & retailers so that every single market can be tapped & focused

Reason:

We are focusing on the consumer care department of nestle water regional office Lahore. Consumer care department in Lahore office provide the customer services on nestle water. Performance of this department is not good. CRM software of this department is not good. Data of the customers is not updated and some time they deliver the services on wrong or previous

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address. And if customer complained about their services, most of time they did not response the complaint of the customers. Due to this case of uncertainty customer are rapidly switching off from nestle to other companies.

Our main focus is the retention of the customer and satisfaction of the customers.

Priority:

Our project priority is high. Because the customers are unsatisfied due to the poor customer service, so we want to implement this project as soon as possible. So that we will be able to bring back our unsatisfied customers.

Project Members Detail:

Abdullah Iqbal BBA-13204

Abdul Manan BBA-13208

Anam Fiaz BBA-13263

Output:

Increased sales through better timing due to anticipating needs based on historic trends. Identifying needs more effectively by understanding specific customer requirements. Identifying which of your customers are profitable and which are not.

How will the success of the initiative are measured:

The success of the initiative will be measured as per the guidelines provided by instructor of this project, and the requirements of the university and the requirements of the company goals and at the same time the authorized data provided by the company will lead the success of the initiative and will help to solve the problems.

Resources:

There are following resources

- Three persons which are group members
- Car/bike
- Laptops/computers
- Printer
- Office management
- Internet/ browsers
- Questioners (employee and customer surveys)

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Major risks:

There will be no risk involved in conducting the project. The only risk that will be kept in consideration is the security of official data that will keep confidential as per the confidentiality agreement.

Minimizing the risks:

Through the “Confidentiality Agreement” we will minimize the risk.

Key Stakeholders:

Our stakeholders are the company employee, senior management and our group members.

Estimated Expenditure:

No Expense will be incurred. But we will mention expenses if incurred for the completion of this project in our report.

Business Partner/Sponsor:

There are only two parties which are included in this project. First one is the Supervisor of CRM department and second one is our group. So there is no sponsor in this project.

Guidelines/Standards:

We will do Surveys, face to face meetings, interviews, questionnaires and apply some secondary data as well to make project feasible. And make all the arrangements according to the company policies and company rules.

Project Size:

We will try to make it definable and understandable. And we will tried to make it concise able and medium.

Governance:

Management will share relevant data under the guidelines of Consumer care department and the internal security. It will remain confidential as per agreement and institute is also requested to provide help and consideration in the same regard.

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Appendix C

CONFIDENTIALITY AGREEMENT

This is a confidentiality agreement made between <Nestl'e c/o Mr Jazaib and Superior University c/o Abdullah Iqbal> prior to discussion of a project / consultancy in detail

WHEREAS:

The parties have agreed to provide each other with information which they consider to be confidential in nature (the "Production") to enable the Recipient to provide services as a consultant to the company> (the "Purpose");).

IT IS AGREED AS FOLLOWS:

1. In consideration of each of the parties disclosing to the other Confidential Information for the Purpose the parties hereby undertake that they shall:
 - a. Not communicate, disclose or make available all or any part of the Confidential Information to any third party;
 - b. Not directly or indirectly use, or permit others to use, the Confidential Information other than for the Purpose;
 - c. Not make any announcement or disclosure in connection with the Confidential Information or the Purpose without the prior written consent of the other party.
2. The obligations of confidentiality and non-use will not apply with respect to any of the following:
 - a. Information which is generally available to the public at the date of this agreement;
 - b. Information already known to the party at the time of disclosure;
 - c. Information which is subsequently disclosed by third parties having no obligations of confidentiality;
 - d. Information which is or becomes generally available to the public in printed publications in general circulation in Pakistan through no act or default on the part of the parties or their agents, employees or professional advisers.
3. Without prejudice to the generality of clause 2 information shall not be deemed to be generally available to the public by reason only that it is known to only a few of those people to whom it may be of commercial interest and a combination of two or more parts of the Confidential Information shall not be deemed to be generally available to the public by reason only of each separate part being so available.
4. The parties shall each ensure that all measures necessary are taken to secure the confidentiality of the other party's Confidential Information including but not limited to:
 - a. keeping separate all Confidential Information and all information generated based on the Confidential Information from all other documents and records;
 - b. keeping all documents and any other material bearing or incorporating any of the Confidential Information at the party's usual place of business in Pakistan;
 - c. not using, reproducing, transforming or storing any of the Confidential Information in an externally accessible computer or electronic information retrieval system, not transmitting it in any form or by any means whatsoever outside the party's usual place of business and not copying all or any part of the Confidential Information without the prior written consent of the Company and then only to the extent that the same is required for the Purpose;
 - d. allowing access to the Confidential Information only to those employees and/or to the professional advisers who have reasonable need to see or use it for the Purpose and informing each of the said employees and professional advisers of the confidential nature of

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- the Confidential Information and of the obligations in respect of the Confidential Information and ensuring such employees and professional advisers comply with the confidentiality and nondisclosure obligations contained in this agreement;
- e. obtaining from employees having access to the Confidential Information their undertakings to maintain the same as confidential and taking such steps as may be reasonably desirable to enforce such obligations;
 - f. Delivering all documents and other materials in the possession, custody or control of the party, its agents, employees or professional advisers that bear or incorporate any part of the Confidential Information of the other party.
5. The failure by either party to enforce at any time anyone or more of the terms or conditions of this agreement shall not be waiver of them or of the right at any time subsequently to enforce all terms and conditions of this agreement.
6. The parties agree that damages might not be a sufficient remedy to any breach of the terms of this agreement and that as a result injunctive or other equitable relief may be obtained in respect of any breach or anticipated breach.
7. All rights in the Confidential Information are reserved by the party to which it belongs and no rights or obligations other than those expressly set out in this agreement are granted or to be implied from this agreement. In particular no license is granted directly or indirectly by this agreement relating to any invention, discovery, patent, copyright or other industrial or intellectual property right now or in the future held, made, obtained or licensable by either party.
8. The rights, duties and obligations of the parties and the validity, interpretation, performance and legal effect of this agreement shall be governed and determined by the laws of Pakistan.

Courts.

AGREED by the parties:

SIGNED by: _____

Name: (print) Mr. Jazaib

Position: Supervisor CSD Department

Authorized signatory

for and on behalf of

Date (Day / Month / Year): ____ / ____ / ____

SIGNED by: _____

Name (print): Abdullah Iqbal

Position: Team leader

Authorized signatory

for and on behalf of: Superior University

Date (/ /)

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Appendix D

MBA CONSULTING PROJECT TEAM REGISTRATION FORM

TEAM MEMBERS

Roll #	Name	Signatures
13204	Abdullah Iqbal	
13208	Abdul Manan	
13263	Anam Fiaz	

COMPANIES AND PROJECTS

1. Types of Companies desired (size, industry) (List 2 or 3 in order of preference)
Company name: Nestle
Project title: Proposal on improve CRM of nestle
Background: Nestle wishes to improve CRM so that the overall efficiency would increase, yielding Better results.

1. Types of Companies desired (size, industry) (List 2 or 3 in order of preference)

2. Types of Companies desired (size, industry) (List 2 or 3 in order of preference)

Appendix E

MBA CONSULTING PROJECT DESCRIPTION OUTLINE

Please submit the completed application to the student office or email to kashif.mahmood@superior.edu.pk

1. COMPANY / ORGANIZATION INFORMATION

Company Name	NESTLE WATERS PAKISTAN
Mailing Address	usman.karim@nestle-waters.com.pk
Contact Person	Usman Karim
Contact Phone Fax	0321-5066776
Website Email	www.nestle.com.pk
Project Supervisor	Sir Kashif
Title of Supervisor	<u>Consultancy</u>
Type of Business	Manufacturing
Location	3-k, commercial plaza, Model Town Extension, Lahore

2. DESCRIPTION OF ORGANIZATION

Nestlé Pakistan is proud of its commitment to excellence in product safety and quality and to providing value and aims to be the leading Nutrition, Health and Wellness Company. As a socially responsible corporate, we always focus on environment friendly operations, ethical business practices and our responsibility towards the communities. Nestlé in Pakistan is operating since 1988 under a joint venture with Milk Pak Ltd and took over management in 1992. The company's strategy is guided by Nestlé's Corporate Business Principles which are in line with internationally accepted best practices and ethical performance culture. Nestlé's existing products grow through innovation and renovation while maintaining a balance in geographic

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activities and product lines. Long-term potential is never sacrificed for short-term performance. The Company's priority is to bring the best and most relevant products to people, wherever they are, whatever their needs are, and for all age groups. Nestlé Pakistan today is the leading Food & Beverages Company in Pakistan with key focus on Nutrition, Health and Wellness and reaching the remotest of locations throughout Pakistan to serve the consumers. Nestlé Pakistan also prides itself in being the leaders in Nutrition, Health & Wellness. Ever since 1867, when Henri Nestlé invented the first infant food, nutrition has been in our DNA. Today more and more consumers mirror our emphasis on nutrition, as they realize that food choices affect their health and quality of life. Nestlé Pakistan operates in many ways but people, products and brands are the main flag bearers of the Company's image, and we continue to enhance the quality of life of Pakistanis.

3. PROJECT DESCRIPTION

First of all, it must be understood that at its core, CRM is more than just a set of technologies: it is a process. This fact will be of significant importance to Information Technology (IT) professionals who will be asked to support CRM with information and applications. Furthermore, it is intended to be a repeatable process to ensure ongoing, continually improving, and consistent results. Customer Relationship Management (CRM) is the disciplined application of customer information to build customer relationships through:

- Continually refining insights into customer needs, habits, and economics
- Developing targeted and tailored value propositions based on those inputs
- Strategically focusing business resources on activities that build long-term customer and
- Economic value

A successful CRM strategy cannot be implemented by simply installing and integrating a software package and will not happen overnight. Changes must occur at all levels including policies and processes, front of house customer service, employee training, marketing, systems and information management; all aspects of the business must be reshaped to be customer driven. To be effective, the CRM process needs to be integrated end-to-end across marketing, sales, and customer service. A good CRM program needs to:

- Identify customer success factors
- Create a customer-based culture

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- Adopt customer-based measures
- Develop an end-to-end process to serve customers
- Recommend what questions to ask to help a customer solve a problem
- Recommend what to tell a customer with a complaint about a purchase

Track all aspects of selling to customers and prospects as well as customer support. When setting up a CRM segment for a company it might first want to identify what profile aspects it feels are relevant to its business, such as what information it needs to serve its customers, the customer's past financial history, the effects of the CRM segment and what information is not useful. Being able to eliminate unwanted information can be a large aspect of implementing CRM systems. When designing a CRM's structure, a company may want to consider keeping more extensive information on their primary customers and keeping less extensive details on the low-margin clients