



## Original Research Article

## Customer relationship management vs Consumerism: in post Covid-19 period

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## ABSTRACT

The new millennium marketer post covid-19 is faced with a host of challenges and opportunities. Challenges in the form of discerning and knowledgeable prospect/customer base coupled with availability of a plethora of choices which has made the marketers job complicated. The objective of this paper is to reiterate the need for CRM initiatives and corresponding marketing strategies in lieu of covid-19 which the consumer forums and consumerism prevails. The marketers' job is thus defined and implied (i.e., CRM practice to be imbibed and executed in letter and spirit). Consumerism on the other hand is an established and accepted (albeit with resistance) practice. Consumer exercises his/her right in the event of non- performance or underperformance of the product or service. Be it known that CRM as a marketing tool as compared to consumerism are entities that vests with one, the marketer/company and the other, with the consumer. CRM when practiced in totality is the answer to consumerism.

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## 1. Introduction

The new millennium marketer post covid-19 is faced with a host of challenges and opportunities.<sup>1</sup> Challenges in the form of discerning and knowledgeable prospect/customer base coupled with availability of a plethora of choices which has made the marketers job complicated. Opportunities in the form of his disposable income and the flow of FDI and FII have given the marketer a shot in the arm. Switch over of your customer to the competition and poaching by the competition has made Customer Relationship Management (CRM) imperatives,<sup>2</sup> essential, failing which consumerism takes over.

## 2. Objectives

The objective of the paper is to reiterate the need for CRM initiatives and corresponding marketing strategies in lieu of covid-19 which the consumer forums and consumerism

prevails. The marketers' job is thus defined and implied (i.e., CRM practice to be imbibed and executed in letter and spirit).

## 3. CRM Vs Consumerism

It implies that the customer should be at the centre stage of all activities of the organization (customer centric organization).<sup>3</sup> When the organization smells, feels, hears and breathes the customer, CRM is in its rightful place. This reminds of the company Bata, a shoe major's adage "If you're satisfied tell others if not tell us",<sup>4</sup> indicating that one satisfied customer will bring in ten more. Conversely, dissatisfied customer (with a minimum percentage of post purchase dissonance) is sufficed to erode the customer base and consequently market share (Haridasan and Venkatesh, 2011). Consumerism on the other hand is an established and accepted (albeit with resistance) practice.<sup>5</sup> Consumer exercises his/her right in the event of non performance or underperformance of the product or service.

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An emerging concept (a Relationship marketing strategy) is the Performance Based Logistics (PBL). Performance Based Logistics contracts are increasingly becoming popular (Abson, et.al, 2017). PBL is not only about product quality but also servicing of the product to ensure longevity in its life span. A whole gamut of activities is included in PBL. In the B2B domain, it encompasses varied and diverse activities such as order acknowledgement/order acceptance, placement of internal order, procurement of long delivery (long lead times) items (may include imported items), PPC-Production Planning and Control/Scheduling, arrangement of third party inspection and stage inspection, final inspection, clearing and dispatch. Air/Sea/Road worthy packing to avoid transit damages, compliance to local laws, a reliable transporter avoiding transshipments and finally unloading at the customers' site (destination). Thereafter, if the scope of supply includes erection/testing, commissioning and maintenance, having a site office manned by competent people, with necessary equipment and spares are all basic requirements. There are mandatory things for a PBL to be operational and functional, thereby ensuring customer satisfaction/delight and eventually CRM. If on any count, any deficiency occurs of the above mentioned PBL requirements, Consumerism takes over. Thus apart from accountability, companies save a lot of money through PBL thereby eliminating consumerism. By design/default CRM is happening.

Most companies today are moving their emphasis from transaction marketing to relationship marketing. Here a long term collaborative relationship, though complex is tried to be established through a whole set of agreements (Andy Fred Wali, 2018). The scope of supply, terms and conditions of the contract, basis of reference, specifications (compliance in totality or deviations if any) and delivery period (lead times) and price-basis are all looked into with a microscope and thrashed out to the satisfaction of both partners. This scenario unfolds in the case of B2B. Breach of contract would lead to the imposition of liquidated damages as indicated and agreed upon in the contract (call it as consumerism in the B2B domain).

In the B2B and C2C domains, the transaction is characterized based upon the value of the merchandise. Low involvement products are a non-issue, since in any case; post purchase dissonance leads to switch over of the customer to the competition. Not many cases of consumerism are known because of the time frame involved in the redressal of complaints. Couple of instances of relevance is cited. An airlines company was sued by a passenger because of a back problem which got aggregated due to the ill maintained and bad shape of the seats in the carrier. The aggrieved passenger got solace after nearly three years of bad experience. Examples of Deepam Silks and Band Box drycleaners are also a point in case of the delays involved in the redressal process. In the case of the hi-involvement

products mainly high-value merchandise an agreement is entered into by either parties or an MOU is signed. Breach of contract, if any depending upon the degree and value of the non-conformance, redressal occurs; may be through consumer forum.

On the other hand, Customer Relationship Management, the new marketing strategy, is practiced extensively across the domains, irrespective of whether the value is high or low. An example worth citing is the one for Toyota Qualis. In this Ad, the Qualis dealer addresses a prospect as, Mr. Jain, travels business class, aisle seat A4, Jain food and so on goes to show the amount of home work done by the manager of the Qualis show room to learn about all about the prospect, his life-style, likes and dislikes and other traits. Mere marketing activities would not suffice. Any person, if addressed by first name is definitely elated and the opening of the scale process is smooth and thorough. The process involved in the attracting and retaining customers must be examined. (Retention marketing happens by design and defaults). The starting point is "Suspects", everyone who might conceivably be by the product and or service (Edward and Sahadev, 2011).

The marketer/company looks hard at the suspects to determine the likely "prospects", the people who have a strong potential interest in the product and/or service and also have the ability to pay for it. "Disqualified prospects" are rejected by the company/marketer because they have poor credit or would be unprofitable.

The marketer hopes to convert many of its "qualified prospects" into "first time" customers and then to convert those satisfied first time customers into repeat customers. Let it be known that both first time and repeat customers may continue to buy from the competition as well (Fidel, et.al, 2018). The marketer/company then acts to convert the repeat customers into "clients" – people who buy only from the company in the relevant product and/or service categories.<sup>6</sup> The next challenge is to convert "clients" into "advocates", customers who praise the company and encourage others to buy from it. The ultimate challenge is to convert "advocates into partners", where the customer and the company work actively together (Kaura, et.al, 2015). At the same time it must be acknowledged that some customers will inevitably become inactive or drop out. For reasons of bankruptcy, moves to other locations, dissatisfaction and so on (lost customers). The marketers/companies challenge is to win over the lost customers, by reactivating dissatisfied customers and adopting win back strategies. It is often easier to regain ex customers than to find new ones. It should be observed that infact customer retention in happening and customer retention is at play.

In customer retention strategy developing more loyal customers is the buzzword, consequently increasing the company's revenue. Development of customer loyalty is more profitable in some businesses than others (obviously

because of the change in the buying process for the “B to B, C to C, B to C” spaces). Through the following stages of customer relationship marketing strategies, marketing retention is possible.

### 3.1. Basic marketing

Here the sales person simply sells the product and/or service. Most companies practice only basic marketing, if their markets contain many customers and if their unit profit margins are small (FMCG Sector).

### 3.2. Reactive marketing

The sales person not merely sells the product but also coaxes and encourages the customer to call if he/she has any questions, comments or complaints, in markets with many or even few customers and a medium profit margin. This strategy is best suited.

### 3.3. Accountable marketing

The sales person checks/interacts with the customers, post sales, to establish dissonance levels, if any or satisfaction levels. Suggestion for improvements from the customer point of view is solicited, thereby ensuring continuous improvements. In markets where the profit margins are high with a large no of customers, this strategy is adopted.

### 3.4. Proactive marketing

The marketer/company interacts frequently with the customer, informing him about improved product uses/usage or helpful new product. They even interact with the immediate customer, ultimate customer with these inputs, and also seek to find out about the performance levels and his/her satisfaction levels. This strategy is adopted in markets with a medium number of customers yielding high profit margins.

### 3.5. Partnership marketing

Here the marketer/company works very closely and continuously with the customer and suggests ways to effect customer savings and help the customer perform better. This strategy is practiced in markets with few customers and high profit margins. It is evident that CRM is a more viable proposition, if executed professionally, than the hassles of consumerism. It leaves an indelible impression in the minds of customers. Thus it is a more financially viable strategy as marketing model compared to consumerism.

## 4. Conclusion

Be it known that CRM as a marketing tool as compared to consumerism are entities that vests with one, the marketer/company and the other, with the consumer. CRM when practiced in totality is the answer to consumerism.

## 5. Source of Funding

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## 6. Conflict of Interest

None.

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