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Vimi Jham
Faculty, JIM

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Managing Customer Relationships in the New Millennium

PROF. VIMI JHAM
FACULTY, JIM

The aim of this research paper is to see how organisational focus is fast changing from transactional to relationship marketing with the aim of developing long term customer retention strategy.

AS the networked society spreads its reach, as global brands seek local customers, as recession intensifies, the customer is emerging as the real microcosm of the market place.

It's no longer going to be news that Customer as the king will join hands with price as the queen in the new millennium, thus resulting in a change of logic and culture of every business.

India is experiencing a business phase where a large number of organisations are in the process of becoming professionally managed. Today Relationship marketing is becoming the key area associated with customer satisfaction, which in turn requires managing relationship inside a company. Also, the concept of customer need satisfaction is changing to customer integration and relationship building. Customer satisfaction has to be planned, developed and nurtured in a continuous manner.

DOMAINS OF CUSTOMER SATISFACTION

Customer satisfaction forms the core of any marketing strategy in today's competitive context. Satisfaction is a relative term and may differ from one product situation to another. Feeling, a key element in determining customer satisfaction is a mix of perceptions, expectations and actual experiences. There are four areas of Customer satisfaction: Product, Peripheral, Ambience and Psychic satisfaction.

Service quality literature has been growing parallel to developments in quality, Total Quality Management and customer satisfaction. In order to provide quality service every organization will have an employee customer profit model. It's a kind of tool that every individual in the company can use for self assessment and self improvement by getting feedback from the customer. This cultural change is now spreading through every company. The basic elements of an employee customer profit model are a chain of cause and effect running from employee to customer behavior to profit and in turn depends on attitude. Attitude in turn can be measured by an on going process of data collection, analysis and experimentation. With the help of this we can develop a new concept called Total Performance Indicator (TPI) which will show us how well are we doing with our customers and employees.

THE CUSTOMER LEADS THE WAY - CREATING CUSTOMER VALUE

The success of a product or innovation depends upon the level of acceptance it gains from the customer. As a result customer care has evolved into relationship marketing. Relationship marketing is getting

close to your customers, talking to them, being interested in them and being flexible enough to respond to their needs.

Any firm's strategy can be developed from customer based perspective which in turn depends on customer relationships which are assets that should be managed just as physical or financial assets.

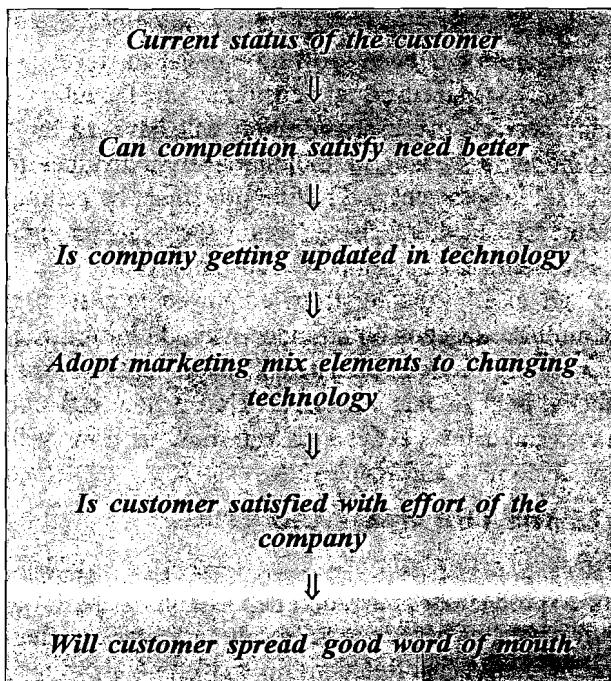
Success of any product in the next millennium would depend on how the organization focuses on the customer. Every organization should expand from core competency into those areas in which customers see a clear connection. Secondly, focus on the customer who understands the firm and has a relationship with it. Lastly, communicate a clear and common message across the extended range of value proposition.

ADDING THE EXTRA EDGE

Creating a brand personality for a product does not ensure total success. In the coming Millennium a new trend of USP is emerging called the "Extra Value Proposition" The classic example of EVP can be seen in the launch of Pepsi—it increased the contents from 250ml to 300ml in response to Coke's 300ml launch.

Thus EVP can be used for Breaking price leadership trend, relaunching a product, trial among consumers, downward brand stretch and raising commodity product to brand level. Last but not the least it is important to sustain customer orientation.

The following steps are prerequisite for any marketer in the light of globalisation:



DEVELOPING RELATIONSHIP MARKETING CAPABILITY

In present day market, context customer orientation is achieved by planning of marketing mix elements, choosing the right technology in tune with needs of target segment with quality as inherent part of marketing system and service being included as part of the offering package. Relationship marketing brings quality, customer service and marketing activities into closer alignment with each other and ensures that their synergistic potential is realized.

Thus, developing relationship marketing capability is complex because it is challenging to your traditional way of doing business. It is a set of strategies, policies, people and systems designed as individual pieces of jigsaw, which together deliver the overall aim of managing customer relationships better. Nevertheless this complex process when practiced, becomes simpler when the relationship created between the organization and the customer is managed to the benefit of both. Therefore treating the customer as a great asset, and understanding his needs better and delivering him the best is the entire crux of relationship marketing as customers don't belong to any organization by right but by its hard work.

CONCLUSION

Add value through *Relationship Marketing*

Recognize your company's loyal customers and their needs make them feel special and appeal to an underlying greed motive by providing special rewards for loyalty. Thus establish continuing relationships and ensure increase in customer value.

All that can be said about relationships is that they are built on trust, expectations and ability to deliver. Last but not the least, it is only by exceeding customer expectations that one can build a value-added relationship with the customer that satisfies him the most.

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