

# Establishing Successful Customer Relationships Through Effective Communication: An Indian Perspective

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*La filosofia de la direcció de la relació amb el client (customer relationship management - CRM) es basa en el fet que els clients d'una marca no tenen preu i són primordials en la relació marca-client. Però en els esforços concentrats de la CRM, una companyia sovint oblida una cosa fonamental, la pedra angular del concepte de relació i de la comunicació entre marca i clients! Les teories de màrqueting tradicionals sempre han centrat les seves estratègies de comunicació a atreure nous clients en lloc de retenir els que ja té. Mentre que d'una banda les marques necessiten clients, aquests necessiten una marca, qualsevol marca. Aquest equilibri asimètric condiciona les estratègies comunicatives de les marques. L'estratègia de mercat deixa de centrar-se en marques, productes, beneficis o fins i tot característiques per centrar-se en el client. Què és important per establir una relació entre marca i client? La marca ha de comunicar clarament la seva personalitat. Els actors deixen de ser marca i client i es converteixen en "tu" i "jo" i es desenvolupa una col·laboració que condueix al "nosaltres".*

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**KEY WORDS:** Corporate Communication, Customer, CRM, Marketing, Loyalty, Brand, Consumer, Behaviour, Product, Buying.

**PARAULES CLAU:** comunicació comercial, client, CRM, màrqueting, fidelitat, marca, consumidor, comportament, producte, comprar.

Quote: "One cannot always oblige;  
one can, however, always speak obligingly..."

**Sri Sathya Sai Baba, Indian spiritual master, which is an exact  
explanation for the complex role of corporate communication in modern  
corporations today.**

**T** HE CUSTOMER, as the old saying goes, is the king! A king he truly is he believes; that is, till the not-so-charitable mandarins of marketing let him know and make him aware, rather painfully for him, that he is one among the many millions that feel that way, without actually being that way. However, the same mandarins grudgingly acknowledge that a happy customer is a brand's success, while a delighted customer is a brand's ambassador. The customer relationship management paradigm —popularly abbreviated as CRM— is built precisely on these pillars. And the customer enjoys a precarious position in this paradigm.

In the concentrated CRM efforts a company often forgets the basic thing that is the cornerstone of the concept... relationship! Traditional marketing theories have always focused on attracting new customers, rather than retaining existing customers. Over the past decade, thanks to intensified competition and greater variety of products, this has gradually altered. The current flavour of marketing is 'retain' more than 'gain'. Because retention leads to growth and growth leads to fulfilment.

In marketing, today, the consumer is treated not like a king but like a mischievous sprite. He is accused —well, almost— of making a brand dance to his wishes and whims. While purists tend to argue that brands need customers and vice versa, modernists counter it by saying that customers need *a* brand, *any* brand, so long as the brand is his willing genie. This disproportionate balance shapes brand communication strategies. Positioning *per se* is no longer a marketer's tool but rather as an awkward proposition to grab the customer's fancy. Positioning is not brand —or product or benefit or feature— centric anymore; it is customer-centric.

What is then important to establish a relationship between a brand and its customer? In order to build a personal relationship, the brand's personality has to come through (Michael C Gray, 2006). It will no longer be brand and customer, but simply 'you' and 'I'... a collaboration is well-developed and leads to 'we', which could be a fulfilling state for a brand and a customer.

Social researchers have always advised marketers that people prefer to do business with people, not institutions or brands. This implies that corporate communication has to be the link that helps to build and maintain a healthy relationship between both stakeholders. Technically there can be several types of regular communication: newsletters, fax messages, voice broadcasts, blogs, sales letters, emails and more.

Communication with customers reflects the following aspects of a relationship.

- Strong culture
- Favourable identity
- Coherent philosophy
- Genuine sense of camaraderie

It may not be instant gratification or affection, but effective corporate communication establishes an appropriate and professional relationship with the customer, including quick, responsible channels of two-way communication. Corporate Communication is all about managing perceptions and ensuring that, with effective and timely dissemination of information, a positive corporate image is created that ensures a smooth and affirmative relationship with all customers, at all times.

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Be it a corporate body, company, research institution, non-governmental organisation, PSU, all of them need to have a respectable image and reputation in the eyes of the customer. In today's day and age of increasing competition and easy access to information and media explosion, reputation management has gained even greater importance. So, corporate communications as a role has become significant and professional in nature while dealing with customers.

Gone are the days when corporate communications merely meant 'winning and dining the client'; it has now emerged as a science and art of perception management. The concept of managing relationships with customers is as old as trade itself, but the focus has always been on selling products and services (Kotler, Philip, Introduction to Marketing Principles). Competition, driven by globalisation and the Internet, has changed the face of business. Customers now have a variety of choices and, most importantly, they are becoming far more knowledgeable and demanding. The power has truly shifted to the customer. With this scenario, most companies realize that they need to treat their customers with more care.

Companies are now desperately searching for different ways

to manage their relationships effectively, not only to acquire new customers, but also to retain the existing ones. According to a Harvard Business Review Study by Reicheld & Sasser, some companies can boost their profits by almost 100% by retaining just 5% or more of their existing customers.

Customers express their satisfaction in many ways. When they are satisfied, they mostly say nothing but return again and again, to buy or use more. Measuring satisfaction is only half the story. It is also necessary to determine customers' expectations or the importance they attach to different overtures of a brand; otherwise resources could be spent raising satisfaction levels of things that do not matter. The measurement of expectations or importance is more difficult than the measurement of satisfaction. Many people do not know or cannot admit, even to themselves, what is important.

Consumers do not spend their time rationalising why they do things, their views change and they may not be able to easily communicate or admit to the complex issues in the buying argument. A customer satisfaction index is a snapshot at a point in time. People's views change continuously and the performance of companies in delivering customer satisfaction is also changing. Measuring satisfaction must be a continuous process. (Paul & Nick Hague, White paper on Customer Satisfaction Surveys, B2B International Ltd.)

Even when experts discuss CRM, the discussion is almost always from the point of view of marketing, sales and business development. Seldom is CRM looked upon as a 'goal' that every organization should actively pursue. Often it is looked upon as a tool that every organisation could use. The differences are plenty. And CRM is not an IT function. CRM is more often a function of communication, by the company directly, through an intermediary such as a PR agency or simply through the media.

Successful CRM practices is not about statistics, data warehousing or loyalty programmes, rather it is about competing in the relationship dimension—not as an alternative to having a competitive product or reasonable price—but acting as a differentiator in terms of 'feelings for the customer', however abstractly—and sometimes absurdly—romantic that may sound. If brands can get an edge based on how customers feel about the brand, it's a much more sustainable relationship in the long run. This feeling for a brand, as brand theorists prefer to call it is directly proportional to the communication efforts, written words and spoken sentences that emanate from a company.

Link it to the corporate communication strategy and you will have a direct connect between the company and its customer. The critical dimension of any CRM practice is the relationship that a brand shares with its customers. Using the word customer itself may sound a trifle improper here because 'customer' implies that the person is 'outside' a relationship. And any relationship is expressed and nurtured by communication.

Almost always marketers try to understand a customer from the marketing perspective, as people who have to be 'given' something to retain their loyalty. This naturally places them on a moral (and commercial) pedestal that enables them to look down upon hapless customers as beneficiaries of their largesse. In communication parlance this signifies up and down power positions. And in a relationship between equals, the power position is not hierarchical. Sometimes the anachronistic social mindset refuses to place the customer on an even keel with a brand—and vice versa—painting him as a king, or as an unrealistically greedy pauper.

CRM is a simple process, because establishing a relationship is simple. Nowhere is understanding more profound than when it comes to human emotions... but surprisingly the very same human emotions have been overlooked by companies while interacting with their customers.

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What is a relationship? When is there a relationship between two entities? What is the role of corporate communications in establishing, maintaining and fulfilling such relationships? Relationship could simply mean a particular type of connection existing between people related to with each other biologically or emotionally and having social or economic dealings with each other. Unfortunately all pretences of dealing with relationships that often ask for simplicity, empathy, credibility and sincerity cease the moment commercial returns on investments are discussed. Which is what communication is all about; communicating to customers, and not with them.

Researchers have often argued that, in order to understand brand-customer relationships, it is necessary to consider what the brand thinks of its customers, more than what the customers think of a brand. Marketers struggle hard to enhance the satisfaction of customers only to find that they choose their competitors. Why does this happen? Research has further shown that investment in customer communication, which logically seems to be the most crucial aspect in a relationship, has been the most neglected area in most companies.

The argument for this lies in the reality that 65% of all customer service activities are outsourced to business processing units (BPUs). That means the brand does not directly handle customer interactions and queries —unless they are of a certain level, of course. This is akin to asking your friend to talk to your representative about everything that you want to say, including... affairs of the heart, and speak directly only if it is something serious! This attitude, in the first instance, is marketing-driven and one-sided. There are also many brand loyalty programmes, which are being attempted by marketers in isolation without the back-up support of several other relevant and related strategies. There is a distinctive need for marketers to understand the importance of customer communication, and not merely to look at it from the point of view of PR, Advertising or other known corporate forms of communication.

Often corporate communication strategies are designed... to work as a bridge between stakeholders, to justify policies and decisions, to deliver business strategies, to inform and persuade, and of course to emphasize that the company is committed to putting customer interests first, almost as an afterthought!

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Thus, corporate communications is almost always understood as a process used to build, foster, nurture and extend business relationships with customers. This is unfortunately a bureaucratic understanding; as GE's former CEO Jack Welch says, "Bureaucracies love to focus inward. It's not that they dislike customers; they just don't find them as interesting as themselves." And the communication reflects it.

In 'Customers Are People: The Human Touch', author Jon McKean states that in competitive markets, where customers have a choice between similar products and pricing, "70% percent of customer decision-making is based on how customers are treated." "Yet," McKean adds, "Over 80 per cent of customer initiatives are focused on 'selling to customers better' through superior products, prices and promotions, than in investing more resources in treating customers better..." How best can a person be treated? By simply being talked to in a better manner.

The question staring companies squarely in the face is: "How to make a customer loyal?" When companies talk of relationships where customers have real choices, they are honestly trying to be the best suitor to the customer, 'as the customer sees it', and not 'as they want the customer to see it'. Reichheld and other loyalty experts have studied this issue for years and have concluded that relationships are driven by the behaviour and per-

ception of customers of the value of the relationship that exists between the brand and themselves, which is the net result of what economic and psychological value the customer receives from the brand.

According to psychologists customers' emotional states influence about 50 percent of the value they perceive from their purchases. Jim Barnes, author of 'Secrets of Customer Relationship Management: It's All about How You Make Them Feel', sums it up by saying, "Value is created every time a customer is made to feel welcome, important and valued."

After reasonably agreeing to the fact that the important aspects in CRM are relationship and how customers, on account of their distinct behaviour and personality, differently and uniquely perceive a relationship, it is also imperative to stress the point that corporate communication is the prime driver of any relationship. As the leading Indian telecom brand AirTel shows in its advertisements, communication is all about expressing oneself.

A brand identity is shaped by a collective interactive experience of customers, product, policy, and strategy —which is why developing a brand-customer relationship is important. The choice is simple: either a brand makes a customer experience, or it gets created despite the brand. To create a successful relationship, the brand must develop a compelling identity with the customer and have a genuine value proposition. The brand must rely on customer perspective, appreciate the viewpoint and have the ability to communicate appropriately. A common pitfall for many brands is that they do not take the time to think about how they should articulate the brand identity. Needless to say, a successful brand strategy is incomplete without a sound communications strategy. The organisation must be aligned in ways that anticipate and fulfill customers' emotional expectations at every touch point to create meaningful relationships and lasting competitive advantage.

Successful customer communication clearly highlights the brand's functional, emotional, and self-expressive benefits, as the customer would like to see them. It is delivered in a way that is superior or unique when compared to competitors. Customer experience is shaped by a series of interactions with an organization.

According to Jonathan Hardcastle, barriers to effective communication such as frames of reference, value judgments, selective listening, filtering and distrust (all between sender and receiver) complicate the communication systems and messages. However, these can be overcome by sending clear, complete, and specific messages, which are to put it rather romantically, 'straight from

the heart'. Demonstrating love and affection, clarifying intentions, being reliable and dynamic can enhance credibility, exhibiting warmth and friendliness, and building a positive image. Soliciting and providing specific feedback can also enhance communication effectiveness between partners, which is what brands should consider customers to be.

One of the most important consumer satisfaction elements is the ability to ask questions and being able to receive appropriately satisfying answers from the brand's representatives. Gaining information, uncovering motives, giving incentives, obtaining participation, checking understanding, initiating the thinking process, inducing agreements, and refocusing attention, are all essential components of an effective consumer communication plan, says Hardcastle. Thus, the active listening skills of a brand help to build rapport with customers that is both intimate and empathetic.

The other most important aspect is the subtle non-verbal communication of a brand and the customers, that is useful both in reading the underlying emotions and attitudes of customers, while reinforcing a brand's verbal messages. Understanding subtle communication can enhance the brand-customer relationship.

Coupled with this are improving standards of technology and devices that add an edge to the communication process. Unfortunately overdependence on technology and automation has had an adverse impact on customer relationship. While on the one hand brands talk of a relationship—a concept normally associated with living things largely and human beings in particular—on the other hand the overuse of technology has led to a dissociation that has taken the customer and brand away from each other. This dichotomous situation has to be recognised by the brand as well as the customer, for communication is all about power positions, and it is important to understand that in a relationship the power positions are on an even keel.

In conclusion, due to the growing complexity and turbulence of the business environment and the related growth in research knowledge about customer behavior patterns, managers of the 21st century have to take four themes as paramount; the necessity of managing the challenges of change; functioning within a global environment; being sensitive to the diversity among people; and behaving with ethical integrity.

The final ingredient that binds a customer to your brand in a lasting relationship is dialogue. Your company's brand is not a monolithic, hermetic face that the organization presents to the



world. Rather, it is an ongoing exchange in which you listen carefully to your customers, understand what they say, and respond by modifying your value proposition and extending your businesses appropriately to fulfil customers' desires. You exist because of the customer. This selflessness is the cornerstone to successful CRM.

Therefore any corporate communication effort should focus broadly on three aspects: understanding relationships, understanding the distinct behaviour of consumers to relationship overtures and understanding (and establishing) the role of communication in effective and enduring customer relationships.

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