

ROLE OF CRM AND CONSUMERISM IN BUILDING BRANDS: AN INDIAN PERSPECTIVE

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ABSTRACT

Enhanced contribution of the Indian Industrial sector to the economy is well documented. With an increase in its contribution to the economy begins to depend heavily on the efficiency with which its goods and services are created and delivered. Failures can negatively affect the efficiency and thereby affect both the organization and the society. Hence there is immense pressure on the firms to 'do it right' every time. It is here that building brands is of pivotal importance.

Every day new products are entering the market, which face tough competition and to succeed in the competition they must differentiate their products from competitors. Understanding the emerging Indian market and the consumer has big challenge to the corporate world especially while creating and managing brand.

By adopting innovative branding strategies the corporate not only attract new customers but also retain those customers for life time. Well-conceived and well executed brand image helps the corporate to build the powerful brands and enhance the post-purchase satisfaction of consumers' thereby increasing market share. The paper attempts to through light on the above issue with special reference to the Indian Market.

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1. Introduction:

India has, over the last decade, achieved a position of pre-eminence in many spheres of economic activity. At the time when the country was liberalized in the early 90s, nobody thought that such a spectacular performance by the Indian Industry would be possible only 15 years later. The Indian industry has by large, shown resilience in standing its own ground. Many Indian companies have gone on to take their rightful positions in the world arena. Undoubtedly, the rebounding of India on the global business map had its origins in the Indian IT Industry which proved to the world and to other industries in India that it is possible for the country to deliver world class products and services at competitive prices. In the modern Indian market, the success of a company depends on how it outperforms its competitors in a sustained manner.

Every day new products are entering the market, which face tough competition and to succeed in the competition they must differentiate their products from those of others. Due to the globalization, many MNCs are entering into Indian market and they offer better products for less prices. Today consumers need a product with a good quality at a cheap price. Organizations follow different ways to attract customers and one such way is creating strong brand name.

2. Building of Brands:

Brand is the soul of an organization and understanding its core values becomes the responsibility of everyone in the organization. Brand name of a product plays vital role in the success of any business. A company can succeed in the business if it creates a memorable brand name in the minds of the consumer. Great brands have a distinctive memorable identity – brands therefore, give identity. Identity in turn creates trust; which in turn creates loyalty. Why is a brand so important? It is important because a strong brand makes customers perceive reliability, trustworthiness as well as the positive image of a superior quality and they are even prepared to pay a premium because they are certain that product or service meet consumer expectations.

Building a brand is not a series of advertisements or sales promotion programmes that will bring customers to the sales counter or to a website at a certain point of time. Other marketing activities like customer relationship management, consumerism, pricing, distribution network, service quality also play an important role in the building brands in India. Companies are using advertising and sales promotions as tools to build strong brand in India. Ability of the advertisement

and sale promotion in generating sales in the short- run or establishing a brand in the long-run has often been questioned by academicians and practitioners. That is the basic reason why the advertising and sales promotion are not credited for building brands despite taking a large chunk of marketing expenses. At best, they are credited for being the vehicle for brand communication.

3. Need for Building Brands

Brands are experiences and relationships. A consistently good relationship leads to familiarity, friendship and intimacy. World's most powerful brands are those that delight customers. They employ CRM as a package of knowledge and techniques aimed precisely at establishing customer delight. CRM has recently emerged as a strategic solution to buildings brands. In order to build powerful brands, companies develop strategies to become customer focused, customer driven, and customer centric. CRM reduces the customer's product choices by engaging in an ongoing loyalty relationship with customers.

The ultimate aim of any firm is to gain customer satisfaction and retain the customers lifelong. To acquire, enhance and retain the customers for lifelong, firm has to establish better relationships with the customers. To maintain and increase the customer satisfaction, create greater customer loyalty, to enhance business performance for the organization there is a need of CRM in building brands.

In this ever changing society, the most powerful and enduring brands are built form the heart. Massive advertising can build brands, but authenticity is what makes brands last.

4. CRM strategies to Building Brands

The combination of a brand and relationship with customer is very significant for the following reasons. Perceptions help in the process of relationship building. When one has a certain perception of quality, of value, a relationship is established. It is as simple as this: I know that a certain individual is capable of meeting the deadlines while providing good quality work – a certain perception is formed and also a certain relationship – which is different from expecting the same qualities from any other individual. The concept of brand itself is incomplete without a 'relationship'. The building of a brand start with a precise definition of the target customer groups, their needs, and expectations and realistic assessment of how well the brand currently meets them. CRM as process itself is identifying customers, differentiate their needs, interact

to improve effectiveness and customize the offering to customers. The final mission of brand building is to retain the customer, which is once again accomplished through CRM.

Create branding Strategy before Implementing CRM

CRM is based on the rigorous segmentation analysis. It is designed to achieve specific marketing goals. CRM can not be implemented without conducting segmentation analysis and determining branding goals.

Identifying and Building Marketing Databases of Present and Potential Purchasers

In the age of relationship management, the customer database will be as important strategic asset for manufacturers to build the brands. Once the potential customers have been identified, manufacturers must capture their names and information on their life-styles in a database for future communication. It is important to keep in mind that not all consumers are appropriate targets for relationship management, and not all targets are customers. Consequently, the initial database must be carefully refined and segmented.

Identify the Customers

The company must be able to locate and contact a fair number of its customers directly or at least a substantial portion of its most valuable customers. It is critical to know customers in as much detail as possible. The information should contain not only names and addressable characteristics but their habits preferences etc.

Interacting with Customers

Company can build powerful brand only when the company is interacting with its customers. Interacting with customers is helpful to acquire new customers, attract the competitor's customers and to bring back lapsed customers.

Stay Close to the customer

This is another important strategy to build the brand through CRM. The company should not only make the customer's to use their existing products but also prevent them from going to other brands. It can be achieved by-

- Augmenting intangible benefits
- Visiting to the point of usage of the product
- Developing partnership with customers

- Organizing customer clubs.

Measure and Manage customer satisfaction

Regular surveys of customer satisfaction/dissatisfaction are particularly useful in building brands. Such surveys are good indicators of their level of satisfaction. If the outcome is positive, it is logical to assume that the image of the brand as perceived by the customer is high.

5. Need of Consumerism in Building Brands

Consumerism in building brands concerns the application of ethical considerations to branding decision making. Consumerism in building brands involves what is right, even it involves going beyond what is required by the law, beyond what the lawyer's advice, beyond even what customers want and are willing to pay for. Indian customers need rational information about the brands to make rational choices, and often this information is not easily obtained. Some time in India consumers are led to hold false beliefs about a brand. This types of strategy effects the brand image in the long run. To build strong brands in India companies need to adopt consumerism practices in branding strategy.

6. Consumerism Considerations in Building Brands

Effective brand building policy decisions are critical successful marketing management. Brand building should be given proper support by consumerism practices and that support should be sustained over long run. Companies should consider the ethical ascots while building brands in India.

Product Design Strategy

Companies clearly bear a responsibility for safety when designing their products. Ethical issue in product design is the extent to which manufacturers have a responsibility to do hat's good for customers, even if customers don't want it. In the process of building brands, marketers need to adopt many ethical standards in the product design.

Product Packaging and Labeling

A second consideration of branding policy in which ethical issues often are raised is packaging and labeling. In addition to its traditional role of holding, protecting and transporting goods, packaging can provide and effective communications and promotional medium for the manufacturer. There are three main areas of ethical concerns in packaging and labeling to be considered in developing the brands-

- Avoiding misleading information labels
- Warning labels
- Avoiding packaging waste

The Product and Environment

The third area of brand policy that raises major ethical issue is the product and the environment, a rapidly growing concern affecting not just the consumers of the product but society at large. Consumers are becoming deeply concerned about potential environmental damage caused by product and packing. So organizations should make environmental considerations a part of all business and brand building policy. Some of the ethical issues in product policy deal with product and environment, an area that is new, different, and likely to become even more important over the years.

Communication Consideration

After developing the product marketer has to give a particular name for the product and he has to sell it in the market. To do so he must be inform potential buyers that the product is available, what it does, and why it might be a product they want or need. Marketing communication provides this information to large numbers of people by adverting, sales promotion, personal selling, publicity and public relation through use of the media. Marketer should not give misleading, deceptive and untruth information regarding the product. With supplying information, marketing communication must educate the public or mould the public opinion. Rational marketing communication helps in building brand in India.

Brand Name Consideration

In rural India there are only 59.4 percent of Literate people (Census 2001). The Literacy rate has its implication in building brands with the Indian population. The brand name must be in a language that rural people understand and it should not be a hurdle for rural consumers. By selecting easy brand name which includes the cultural aspects of India, companies can build brands in India.

7. Conclusion

Today's market is very dynamic and increasingly competitive. Market is overcrowded with brands, to get the success, the focus on brands and the importance of brands is a growing trend

amongst business owners and business managers in India. A strong brand is an asset for any business in generating income and creating business values. After the brand has been inventoried, it is essential to build it by devising an effective brand communication strategy. In true alignment, CRM & consumerism practices help organizations to devise the effective brand communication strategy.

Building brand is not a series of advertisements or sales promotion programmes that will bring customers to the sales counter or to a website at a certain point of time. Today businesses have to think of new strategies for building sustainable brands, as markets are rapidly changing. Understanding the emerging market and the consumers has become a big challenge to the corporate especially while creating and managing a powerful brand.

CRM and Consumerism play a vital role such as maintaining successful business, acquiring new customers, creating profits, building brands. Out of these, building brands through CRM and Consumerism is an emerging concept among the corporates. By adopting innovative CRM and Consumerism strategies, the company not only attracts new customers but also retains those customers for life time. Well conceived and well executed CRM and Consumerism practices help the corporates to build powerful brands and enhance the post purchase satisfaction of consumers there by increasing market share

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ABSTRACT

Managing human intellect and converting it into useful products and services is fast becoming a critical component of competitive success. In a knowledge economy where skilled employees are vital it is increasingly important to effectively reward the workforce. But when salary alone is not enough, how do we face the challenge of motivating and retaining key knowledge workers? This paper suggests the reward strategy should include the factors that take into account and should include financial and non-financial incentives particularly those that find a balance between work, social and family commitments. The reward strategy will need to incorporate pay and non-pay elements and most importantly it will need to be developed in consultation with those it intends to reward. There is a widespread realization that competitive advantage can be gained by leveraging and harvesting the intellectual assets that the knowledge residing in the minds of the people. Knowledge thus becomes the most important factor of production for information economy.