Customer Relationship Management through Mobile Technologies: Exploratory Study on Indian Youth

Arpita Khare, Indian Institute of Management, Rohtak, India
Sapna Rakesh, Institute of Management Technology-CDL, Ghaziabad, India

ABSTRACT

Companies are increasingly using technology to target their customers and build relationship with them. Customer relationship management is perceived as a strategy which harnesses technology for providing more value to customers through customized products and services. However, technology now extends beyond the peripheries of Internet to mobile-based systems. The research was directed towards understanding the viability and scope of mobile marketing strategies in India. The acceptance of mobile marketing as a medium for dissemination of promotional information and product launches by companies was studied.

Keywords: Customer Relationship Management, India, List of Values (LOV), Mobile Customer Relationship Management, Mobile Marketing

INTRODUCTION

Retaining customers involves devising marketing strategies which are customer-centric. Hence, there is a drastic shift from product-centric approach to a customer-centric approach which implies making customers a part of the organization (Kandell, 2000). More thrust on personal interactions and relationship building strategies would require greater participation from customer side (O’Malley & Tynan, 2000). Berry (1983) defined relationship marketing as a strategy for attracting, maintaining and enhancing customer relationship. Gronroos (1994) speaks of ‘mutual exchange’ and fulfillment of promises. Sustainable marketing strategy demands that a company should be able to leverage upon the life time value of existing customers, as reducing “defections 5 percent can boost profits from 25 to 85 percent” (Giffler, 1998; Pechi, 2000).

The importance of relationship marketing has become prominent with the use of technology as a key-driving force in welding relationships with customers (Veloutsou, Saren, & Tzokas, 2002; O’Malley & Mitussis, 2002). The underlying assumption is that building relationships with customers would help in retaining
them (Gwinner, Gremler, & Bitner, 1998), and is perceived as a strategy for managing and retaining customers (Varki & Wong, 2003).

Winer (2001) visualizes Customer Relationship Management as the new philosophy for marketing and managing customers. In the past Customer Relationship Management (CRM) did not gain momentum in the organization due to limited accessibility and reach of communication technology networks. The commercialization and increased use of Internet has made applicability of CRM in marketing possible. Internet and mobile telecommunications are being increasingly adopted for serving the customers. Usage of mobile networks in marketing and managing relationships is being recognized by companies (Urbaczewski, Valacich, & Jessup, 2003). Companies have changed the focus to customer orientation and have sought novel ways to provide value to customers (Sinisalo, Salo, Karjaluoto, & Leppaniem, 2005). Research posits that across the world, the use and accessibility to mobile communications has nothing to do with per capita income or Internet accessibility (Dholakia & Dholakia, 2004). The high penetration of m-commerce poses opportunities for reaching customers, providing varied services, and enabling mobile-based shopping and service experiences (Samuelsson & Dholakia, 2003). Marketers have opted technology for fostering ubiquitous contact with the consumers. Customer contact and interaction is a prerequisite in the consumption process. Though there may be new stream of consumers purchasing the services and products of the organizations, retaining existing customers presents a challenge for all organizations.

The research was directed towards understanding customer’s perceptions and attitude towards marketing undertaken by companies using mobile phones. Since in India, the mobile phone penetration is very high and it is not affected by literacy and Internet accessibility of the customers, companies are using it for building relationships with customers. Most of the service companies are using mobile phones to promote new services; however, the effectiveness of these efforts is still to be understood. The research was an attempt to understand how customers’ values affect their susceptibility towards mobile relationship building strategies used by companies. Personal values of consumers play a very important role in determining their preferences. It has been a vital research area. Various aspects of marketing have been related to personal values of consumers (Kamakura & Novak 1992; Krystallis, 2008; De Moura & Ikeda, 2009). Research in this area posits that it is imperative to look beyond demographic and behavioural variables in segmenting decisions. In this research, the authors have attempted to correlate personal values of consumers with mobile CRM efforts of companies. List of Values (LOV) scale developed by Kahle (1983) was used to segment the customers according to their values. Customers’ perception towards mobile marketing strategies was analyzed. This research will give opportunities to organizations’ to plan their mobile marketing efforts by understanding their customers. It attempted to understand the customers’ perception towards mobile marketing undertaken by companies on two variables: product promotion and confidentiality aspects of mobile marketing. To build a long-term relationship with customers it is important to make them aware about marketing information and promotional efforts of the company. If the efforts are perceived in a positive light, the company can convert the relationships into customer value. The customers should feel that companies’ messages about products and promotions through mobile medium are of utility to them.

LITERATURE REVIEW

Customer Relationship Management

Customers have become demanding about products and services (Brady, 2000). Customer Relationship Management (CRM) is a process, application and business strategy that enables organizations to collect, analyze and use customer-related data for planning marketing
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