Changing Nature of Customer Relationships in Organizations:
Strategies and Initiatives

Pratap Chandra Mandal, Indian Institute of Management, Shillong, India*

ABSTRACT

Companies focus on developing relationships and marketing partners to generate customer value and to receive value in return. However, companies should be selective in developing relationships with customers and marketing partners. The objective of the study is to understand and to focus on profitable customers and marketing partners. The methodology adopted is a conceptual analysis of the various aspects of building, developing, and managing relationships with selected customers and marketing partners. Companies should focus on developing deep and interactive customer relationships and on consumer-generated marketing. They should focus on developing customer relationships both in offline and online domains. They should understand various consumer rights and protect such rights. They should also focus on building relationships with marketing partners both within and outside the firms. The discussions will sensitize both academicians and practitioners about the importance of developing relationships with selected customers and partners to be successful in the long run.

KEYWORDS

Consumer-generated Marketing, Consumer Rights, Customer Preference Program, Customer Relationship Management, Interactive Relationships, Marketing Partners, Partner Relationship Management

1. INTRODUCTION

Companies require building and developing relationships with customers to know them better (Moreno & Lockett, 2015). Companies require understanding customer requirements and preferences. Companies will not be able to serve and delight their customers unless they understand customer requirements better (Vigolo, Bonfanti, & Rivera-Hernaez, 2021). Consequently, it is imperative for companies to build and develop long-lasting customer relationships. Companies and businesses work in a competitive environment. They will not be able to compete and excel in the competitive environment unless they build and develop positive and effective relationships with relevant customers. However, companies do not want to build relationships with all their customers. Today's companies are building more direct and lasting relationships with customers who are selected carefully (Tambunan, Reza, & Susanti, 2021).

*Corresponding Author

Companies should have customer relationship management in place to focus on customers. Customer relationship management (CRM) is the process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction (Payne & Frow, 2005). Companies aim for high customer equity through customer relationship management. Customer equity is the total combined customer lifetime values of the company's customers (Lemon, Rust, & Zeithaml, 2001). Companies are able to build lasting customer relationships through the creation of superior customer value and satisfaction (Djajanto, Afiatin, & Haris, 2019).

In the era of globalization, companies cannot build and develop relationships with all customers. They build and develop relationships which are mutually beneficial for themselves and customers and for the society at large.

Companies acquire profitable customers. However, companies build relationships with those customers who help them in growing their *share of customer* (Maggon & Chaudhry, 2018). In the digital age, with technological developments and internet penetration, customer relationships are developing in online marketing domains. Customer relationships in online marketing domains may require different set of skills for companies. Companies should formulate different customer relationship management strategies for different customers both in offline and in online marketing domains (Mandal, 2021). Also, marketers should build the *right relationships* with the *right customers* (Caliskan, 2019). Companies should also be aware of consumer rights and should develop marketing strategies accordingly (Schlegelmilch, 2022). In return for creating value for targeted customers, a company captures value from customers in the form of profits and customer equity.

Good marketers cannot select customers and build relationships with them without the help of other stakeholders. They should work closely with marketing partners inside and outside the company. Consequently, in addition to being good in customer relationship management, companies should also excel in partner relationship management (Osterrieder, 2021).

The topic is important and relevant from a sociological perspective. Unless companies and businesses build, develop, and maintain relevant, long-term, and profitable relationships with customers, it will be difficult to create a societal impact. Companies should develop customer relationships and deal with customers and other stakeholders in a manner so that they are able to create a positive impact on the society. Relevant and long-term customer relationships will not only benefit customers but will also benefit the society at large. So, such relationships may be considered as public good.

The discussions done above indicate the importance of customer relationship management. However, long-term relationships should not be developed with all customers but with a selected few. Companies should also develop relationships with selected marketing partners. Again, companies should be aware of various consumer rights. Although the topic of focusing and building relationships with selected customers and selected marketing partners is important, there exist few studies which focus on an analysis of building relationships with selected customers. The study aims to address this research gap.

The objective of the study is to understand relationships between customers and companies and between marketing partners and companies. It is imperative for companies to build relationships with customers and with marketing partners. However, in-depth relationships should be developed with selected customers and selected marketing partners. The aim of the study is to explore this important phenomenon.

The novelty and the contributions of the study lie in the fact that a conceptual analysis of the various aspects of building and managing relationships with customers and marketing partners is done. The discussions will sensitize both academicians and practitioners about the importance of developing relationships with customers and marketing partners to enhance customer value. They will also understand that all customers and marketing partners are not equally profitable. They should focus on those customers and marketing partners who are profitable in the long run. They will understand the various strategies and initiatives which should be adopted and which will help them to retain

Related Content

A Sociological Study of the Role of Language in Education
Naima Saeed, Tansif Ur Rehmanand Mehmood Ahmed Usmani (2018). *International Journal of Civic Engagement and Social Change (pp. 48-60).*
www.irma-international.org/article/a-sociological-study-of-the-role-of-language-in-education/213244

The Use of Home Language(s) in Increasingly Linguistically-Diverse EAL Classrooms in Norway
Georgios Neokleous, Ingunn Ofteand Tor Sylte (2022). *Handbook of Research on Multilingual and Multicultural Perspectives on Higher Education and Implications for Teaching (pp. 42-62).*
www.irma-international.org/chapter/the-use-of-home-languages-in-increasingly-linguistically-diverse-eal-classrooms-in-norway/297939

Ottomentality as Technology of Self: How Do Mobile Games Aestheticize the Entrepreneurial Self?
Hasan Turgutand Neslihan Yayla (2021). *Handbook of Research on Aestheticization of Violence, Horror, and Power (pp. 417-438).*
www.irma-international.org/chapter/ottomentality-as-technology-of-self/264703

Structured-Deliberative Gossip: A Theory in Understanding Patterns of Political Communication in Society
Melchizedec J. Onobe, Desmond Onyemechi Okochaand Donatus A. Etukudo (2023). *Handbook of Research on Deconstructing Culture and Communication in the Global South (pp. 360-381).*
www.irma-international.org/chapter/structured-deliberative-gossip/326272

Politics of Belonging: Ethnicity and Identity of the Kalanga People of Bulilimamangwe District in Colonial Zimbabwe
Thembani Dube (2020). *African Studies: Breakthroughs in Research and Practice (pp. 335-350).*
www.irma-international.org/chapter/politics-of-belonging/253153