



MILIEU OF CRM – A PORTRAYAL ON REGAIN MANAGEMENT

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Abstract:

As now, the focus is shifted from transaction based economy to relationship oriented economy; there arise the need to win back lost customers. Apart from customer relationship management, regain management is focused on winning back customers who have either given notice to terminate the relationship or whose relationship has already ended. This paper throws light to the strategies for profitable acquisition of their lost customer segments. Maintaining good relations with customers and retaining them for long run became the need of the hour. Based on this theoretical foundation, it is an attempt to specify processes of customer regain management and exemplify measures supporting them.

Keywords:- Relationship, Regain management, Customer Relationship management

Introduction

The domain of Customer Relationship Management extends into many areas of marketing and strategic decisions. The recent business schema identifies well the vitality of sustaining satisfied customers. Its recent prominence is facilitated by the convergence of several paradigms of marketing. Delighting the customer became the key element of each business. The rapid advancements in the field of science and technology have a great impact in managing customer relationships.

Customer Relationship Management is a process or strategy or technology by which a company can manage its interaction with present and prospective customers. It is an approach which allows a company to manage all type of its customers. It uses information about customers' past profile for the company to

improve their business relationship, specifically focusing on customer retention and increasing sales. It helps organization to maintain good and healthy relationship with customers for long term. It also helps to increase sales, customer service and profitability of business. Customer Relationship Management is a strategy to maintain relations with customers simultaneously by reducing cost and increasing profitability in business. The survival of business always depends upon satisfying customer needs. The primary aim of CRM is to have a positive balance between sales, marketing and customer support.

Retrospection to Concept

Relationship marketing becomes a solution to address the switching problem of customers. This concept must be a mutually rewarding connection between the provider and customer. Also the parties have some sort of commitment to the relationship over time, and they must be willing to make adaptations in the routines with which the exchange situations deal.

(Berry (2002) reports that relationship marketing can be practiced on multiple levels, depending on the type of bond used to enhance customer loyalty. He suggests that the solution to the customer's problem is designed into the service delivery system rather than being dependent upon the relationship building skills of service providers.

Falgani and Manish (2009) have identified that banks are laying stress on retaining customers and increasing market share. This pressure of competition and dynamism has contributed to the growth of CRM. The structured approach to CRM provides various benefits to the bank such as, distinctive and consistent customer experience, clear identification of the organizational, technological and process-related capabilities and prioritization of these capabilities.

(Das, 2012) Customers are the focal point in the development of successful marketing strategy. Marketing strategies both influence and are influenced by consumers' affect and cognition, behaviour and environment.

(Krishnamohan, 2017) Customer retention assumes significance in revenue analysis of various organizations. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., many firms are still following the traditional ways of marketing and only few of them are making attempts to adapt CRM.

Customer Regain Management

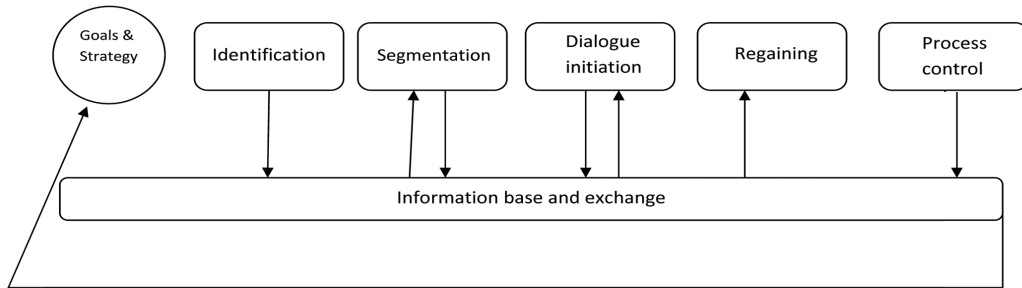
Customer relationships vary from time to time because it is evolved under

distinguished stages from where the relationship with customers can evolve:-

- **Exploration-** Exploration is the process when customer investigates or tests the supplier's capabilities and performance or cross verifies the product's or brand's usefulness
- **Awareness-** Awareness is the process when the customer understands the motivational values of supplier or the products he sells.
- **Expansion-** Expansion is the process when the supplier wins customer's faith and customer falls under huge interdependence of the supplier.
- **Commitment-** Commitment is a powerful stage when suppliers learn to adapting business rules and goal to excel.
- **Dissolution-** Dissolution is a stage when customer requirement suddenly changes and he looks for better perspectives. This sudden change is the end of relationship.

Goal of customer regain management is to reinitiate valuable customer relationships, which have been already terminated. Regain management has to detect such 'lost' customers, select valuable relationships and attempt to regain them in an effective and efficient way, for which a systematic process is necessary. Customer regain management extends and reactivates terminated customer relations and pursuit in most cases a profitability goal. In addition, other objectives for customer regain management are possible like for example communication and information goals. Communication goals aim to avoid negative image spread by lost customers, while information goals pursue the enrichment of the information basis by collecting termination reasons and patterns. This information can be used to develop early warning systems and improve customer regain management.

Regain management is focused at winning back the dissatisfied customers. It offers the firms a profitable customer market by applying a special management process comprising of analysis, actions and evaluation. With regain management strategy, marketing can rely on a proprietary data base for segmentation and communication. As a nutshell, regain management addresses the issues and strategies that a firm should entail in order to attract its lost customers.



(Sub processes of customer regain management (According to Michalski 2002))

Identification

In the first stage, terminated relationships have to be identified. Terminated relationships may be internal or external. In order to regain lost customers, mechanism for detecting the termination has to be implemented. External termination by customers may be easy to detect, as it is evident from contractual relationships.

Segmentation

On the basis of attractiveness, customers can be segmented according to their profitability potential or in terms of their regaining probability. Customers with either a low regaining probability or a low lifetime value can be – depending on the firm’s strategies – considered as not “worth to regain”. In case of a high regaining probability and a high lifetime value, individualized regaining procedures will be engaged.

Dialogue initiation

According to the regaining strategy used and regaining measures applied, customers have to be contacted and dialogue has to be initiated. On the basis of targeted customer segment and type of information needed, the mode of dialogue can be implemented. Depending on the termination reasons, more offers and privileges can be offered to customers.

Regaining

At this phase, on account of fixing regaining offers, the actual customer regaining takes place and reinitiating the relationship. Former faults that were made in the relationship must be avoided and it must be signaled, that the customers’ expectations on the future relationship can be satisfied by the cooperation partner

Process control

Efficiency measures the relation between input and output, whereas effectiveness measures the regaining success. Effectiveness for example could be measured by the ratio between the number of re-activated relationships and the targeted or contacted customers. Efficiency could be calculated as the ratio of regaining costs (costs of identification, segmenting, dialogue initiation, progress control and regaining offers) and the actual regaining benefits (actual customer value, quantified communication and information benefits).

Conclusion

Customer regain management is a part of CRM. But this area is not much explored in this field. Higher business revenue can be achieved by increasing the “customer life time” and the profitability of existing relationships. As a consequence of this paradigm, the emphasis shifted from the orientation of share in the market to share of customer. As a result of these consequences, CRM and regain management are crucial for profitable and successful business solutions. To succeed in market, firms have to address not only prospective and existing customers, but also lost customers as a distinct target group. Firms have to adopt innovative measures to solve the problems of present customers, acquire new customers and at the same time, initiate steps to win back lost customers.

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