

Contemplation of Common Concerns Related to Brand and Customer Relationship Management

*D.B. Singh**, *Pankaj Chauhan*** & *Mohit Agrawal****

The objective of this research paper is to do a brief review of the literature on brand management and customer relationship management (CRM) in order to develop improved understanding regarding the both. This research paper is a secondary data based research which drives its discussion from the published research in variety of publications. This research study is exploratory in nature by enlarge however exploration is guided by some important questions leading to provide the path to fulfill the research objective of this paper. The net take away regarding brand and CRM is that the brand and CRM are not competitive genuinely; in fact these are complementary to each other. Wordlessly this paper indicates the need of integrated framework of brand management and CRM approach.

Keywords: Brand management, CRM, Importance of brand, Importance of consumer, integrated framework .

INTRODUCTION

The concept of branding is one of the historical yet important and relevant concepts. Procter & Gamble (P&G) improvised the managerial practices of marketing department by introducing separate department and managerial positions to design and implement promotional and marketing functions for their brands almost eighty years ago (Xavier). A conventional description of the term brand has been widely used in the literature on brand is that it is the name, associated with one or more items in the product line, that is used to identify the source of character of the item(s)"(Kotler, 2000). The American Marketing Association (AMA) define brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors"(ESADE). Kapferer (KAPFERER, 1997) pointed out that prior to the 1980's customers wished to buy from a producer of chocolate or pasta and after 1980, they wanted to buy KitKat or Buitoni. This peculiar observation about companies approach is very important in branding context and understand shift in business practice tendencies. It can be interpreted that before 1980 companies' interest was in production capacity however post 1980 shows a shift toward buying a place in the consumer mind. Yet another important shift has been observed in literature related to marketing enterprises and marketing practices is the popularity

of Customer Relationship Management (CRM) as a distinctive approach towards marketing activities. CRM conveys a variety of arguments and viewpoints about how to manage customer base for long term and what may be the better approach for customer centric marketing (Nevin, 1995). Time to time scholars and marketing consultants including practitioner, experts and researchers define CRM in range of contexts and proposed data based or technology based frameworks of CRM. CRM has been considered as a quant-based tool to analyzed transactional data in order to find most profitable customers to target for specific marketing functions. Many a time due to extensive use of computer programming and CRM-specific software CRM has been also defined as an integrated form of computer applications and marketing to understand psyche of target market (Bickert, 1992). CRM, in its many diverse capabilities, now fills the gap for providing brand awareness and reputation management to protect the brand recognition of businesses and organizations worldwide (Brand Management-Reputation-Management-and-CRM).

RESEARCH OBJECTIVE

The sole objective of this study is to review the literature on brand management and customer relationship management (CRM) in order to develop improved understanding regarding the both.

* IEC Group of Institutions, Greater Noida, Uttar Pradesh, (India).

** Research Gyan Foundation, Vijay Park, Delhi, (India).

*** NILM-CMS, Greater Noida, Uttar Pradesh, (India).

Proposed Questions related to brand and CRM

Through literature review it has been investigated that the concept of brand management and CRM revolve around the idea of human relationships and related dynamics. Both concepts are the efforts to justify the stand of marketing practitioner while making marketing decision. Many marketing decision question begin with 'Why' have been answered using the shadow of brand or CRM which suits best. The origin of the idea for this research paper was an exploration of some questions that have been asked to many marketers and managers in different point of time. This research paper attempts to provide a research driven answers to these questions. Following are the four questions that are of common concerns:

1. What is more important for a marketer out of brand and customer relationship management (CRM)?
2. If every item produced is defined as a brand in the name of differentiation then, will customers be able

to perceive the so called 'differentiation' in the same way in which its marketer wants?

3. Do customers really understand their relationship with brand, every time they purchase it?
4. Are 'brand management' and 'CRM' two different sides of marketing decisions' continuum?

METHODOLOGY

This research is purely exploratory in nature. In technical research terms this research paper is an example of 'desk research'. Number of research studies published in various forms have been studied during this study, thus nature of data is secondary. This research paper provides a literature based and backed discussion to answers the questions proposed in this study instead of providing a researchers conceptualized discussion however the interpretation included in the discussion is largely reflect the researchers view point.

Source details of Literature review for exploring answer of above questions

Author/s	Type of document	Central Theme	Source
Kevin Lane Keller & Donald R. Lehmann	Research Paper	Brand and branding: Research findings and Future priorities	www.bear.warrington.ufl.edu retrieved on 17th Dec., 2014
Atul Parvatiyar & Jagdish N. Sheth	Research Paper	Customer Relationship Management	Journal of Economic and Social Research www.fatihun.edu.tr retrieved on 17th Dec., 2014
Posted by Joakim Nilsson	Blog article	CRM and Social CRM	www.brandwatch.com retrieved on 12th Dec., 2014
Geeta Rohra & Mridul Sharma	White Paper	Traditional CRM v/s Social CRM, Social CRM Ecosystem	www.tcs.com retrieved on 17th Dec., 2014
Timothy Landers	Online article	Brand management, reputation management and CRM	www.toolbox.com retrieved on 12th Dec., 2014
Gelb Consulting Group, Inc.	Consulting Report	Building Sustainable Brands: Brand Management Process Brand Trust Model	http://endeavormgmt.com retrieved on 12th Dec., 2014
Francisco Guzman	Excerpt from PhD Thesis	Description of concept related to brand and brand building	http://www.brandchannel.com retrieved on 17th Dec., 2014
Dr. M J Xavier	Research Paper	CRM, Business Equity and Brand Management	www.brandchannel.com retrieved on 17th Dec., 2014

The review of literature induced a new viewpoint about brand management and CRM. The thought process that worked when a marketer or marketing professional took marketing decision or design the marketing activity specially those which are related to target market and product or services are based on

an attempt to affect consumer behaviour through branding efforts or through CRM. Next section of the paper is about the discussion of the perceived answers of the questions that have been listed in introduction section.

DISCUSSION

What is more important for a marketer out of brand and customer relationship management (CRM)?

At first sight it is obvious to comment that both are important however the available literature on brand and CRM clearly indicate the presence of at least two diverse opinions. One strong opinion rates the importance of brand on higher side than any other marketing concept. This opinion also advocates that all activities of marketing eventually have development of strong brand as one of the objectives. One of the most valuable intangible assets for any firm is symbolized by its brands. Properly managed brands maximize their value and earn huge profit for the firm (Kevin Lane Keller). Great brands are no accidents. They are the result of thoughtful and imaginative planning (Keller, 2008). Like any other asset brands are also assets that are bought and sold by marketers (Keller, Brand and Branding research findings and future priorities). Research suggests that a strong brand gives power to firms to charge a comparatively higher price premium (The Best Global Brands, 2001). A strong brand can be extended to introduce new products and services hence the power of one successful brand can be leveraged to get success of other new brands. On other hand successfully extended brand gives confidence to the customer who has purchased some products under the same brand name earlier to purchase of newly introduced products or services under the previously successful brand name (Tim Ambler, 2002). The other opinion discussed by many prominent researchers and authors is that customers and hence CRM is more important than brand.

According to Jagdish N. Sheth the domain of customer relationship management extends into many areas of marketing and strategic decisions. Emergence of service industry and its dominance over the manufacturing is one of the many reasons for the development of CRM and its acceptance. One of the characteristics of many services is that these are produced and consumed at the same time such a close value delivery and value consumption system not only provide instant feedback from customer but also form an emotional connect which leads to the beginning of a relationship. Another important point about service delivery is that it needs no or negligible numbers of

intermediaries between service provider and customer. This also gives confidence to customer about the service purchase and this way it also boosts the customer relation with its service provider (Atul Parvatiyar, 2002). CRM seeks customer retention and loyalty by using a variety of after selling tactics that lead to customer bonds (Sandra Maria Correia Loureiro). Nowadays, information technology allows the companies to focus on individual or one-to-one relationships with customers that integrate database knowledge (Peppers, 1993)

If every item produced is defined as a brand in the name of differentiation then, will customers be able to perceive the so called 'differentiation' in the same way in which its marketer wants?

It is easy to brand but it is difficult to position the brand in the same way as firm wants it to position. Open economy has introduced vast range of brand in various product categories. Brand proliferation ate away the credibility of branding. Availability of large number of brands has confused the customers and this confusion is further intensified by frequent advertising messages. (Xavier D.) Increased level of consumerism and inclination of customers to become price conscious have changed the purchase criteria of most of the customers. Value for money has superseded the popularity of a brand in its product category as a purchase criterion. These trends reflect that brands are losing their charms among customers (Economist, 1994).

Hence branding seems to be suffered from over use of the concept of brand without making much required improvising customer alignment with brand.

Do the customers really understand their relationship with brand, every time they purchase it?

Like branding, CRM also seems to miss its alignment with customer though its very core contain customer. The opinion which advocates CRM as better choice over brand appears to work on one sided relationship with brand. CRM is blamed to be selective in dealing with customers as most of its concepts try to find or explore profitable customers. Anders Bengtsson in his research work quote "As a consumer I am unable to demand that my bank or airline service provider negotiate the terms of our relationship to serve my

own interests, whereas the organization can impose such terms without any recall to the consumer. (n.d.) The market relations between organizations and consumers form a very unusual type of relationship, and one that we as individuals would be unwilling to consider in any other relational context. The bias in such relations is such that one could legitimately argue that there is no mutual relationship, only imposed relations” (Fitchett).

Thus customers have little understanding about their relationship with the brand and it can be attributed to the level of involvement in purchase decisions. In case of high involvement brand purchase decisions, customers have better understanding of his relationship with brand. In case of low involvement brand purchase decisions, generally the customers don't try to spend time in order to understand his relationship with brand. According to Fournier, consumers seek and maintain those relationships that add meanings to their lives (www.acrwebsite.org).

Are brand management and CRM two different sides of marketing decisions' continuum?

One common objective of brand management and CRM is that both have 'value creation' as their primary objective. Value creation is also at the core of all marketing activities. To understand how brand and customer are related with each other in context of marketing decisions, a broad view of brand management and CRM has to be imagined. Keller developed a model 'brand value chain' that capture branding activities and customer's mindset together but 'brand value chain' model has been developed to check the source and outcomes of brand value. The brand value chain has several basic premises. Consistent with the brand resonance model, it assumes that the value of a brand ultimately resides with customers (Keller, Strategic Brand Management, 2013). Brand management and CRM are not two side of marketing decision continuum perhaps these are the two different approaches which marketing people used while taking marketing decisions.

SUMMARY

This study has identified many important generalizations on the basis of what have been presented in various previously published research

studies. This study tried to address some important questions in context of brand and CRM. In this study it has been established that brand management and CRM are not competitive to each other therefore it is suggested that while allocating marketing budget these should not be treated as two different cost centers. In fact brand management and CRM are complementary to each other. Hence investment in one may result in the improvement in other thus brand management and CRM are not independent of each other.

Another important power point that emerged is that brands are not static; marketing organizations tends to be at par with the dynamics of business environment. It means brands move through evolutionary phases during their development hence any theory that was good enough at one point of time may not work for brand in next phase. Same is equally true for customers. Customers also remain in evolutionary cycle. The purchasing power, the social status, and learning curve of customers keep on evolving with time. Hence the theories applicable to customers and the matrices developed to measure various business aspects associated with customers need up gradation from time to time.

Through literature review clear abstraction regarding the focus areas and ignorance areas (figure 1) in brand management and CRM has been pointed out. In Brand Management the complete intensive care is given to brand while customers are not given the similar kind of care and in CRM the key focus areas belong to customers and brand are given least focus.

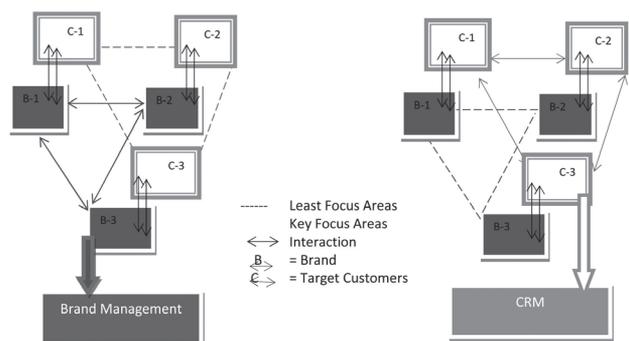


Figure 1: Brand Management and CRM Approach

Brand and brand management dominate a particular time period in most of the marketing related literature and another time period is saturated by the research on customers and customer relationship management. From this study it can be recommended that there is a

need of integrated approach where brand and CRM can be merged for more meaningful marketing decisions.

REFERENCES

- (n.d.). Retrieved December 2014, from [www.acrwebsite.org: http://www.acrwebsite.org/search/view-conference-proceedings.aspx?Id=8756](http://www.acrwebsite.org/search/view-conference-proceedings.aspx?Id=8756)
- (ESADE), F. G. (n.d.). *a_brand_building_literature_review*. Retrieved December 2014, from [www.brandchannel.com/ : http://www.brandchannel.com/images/papers/257_a_brand_building_literature_review.pdf](http://www.brandchannel.com/images/papers/257_a_brand_building_literature_review.pdf)
- Atul Parvatiyar, J. N. (2002). Customer Relationship Management: Emerging Practice, Process and Discipline. *Journal of Economic and Social Research* , 1-34.
- Bickert, J. (1992). "The Database Revolution," . *Target Marketing* , 14-18.
- brand-management-reputation-management-and-crm*. (n.d.). Retrieved December 2014, from [http://it.toolbox.com/blogs: http://it.toolbox.com/blogs/insidecrm/brand-management-reputation-management-and-crm-58917](http://it.toolbox.com/blogs/insidecrm/brand-management-reputation-management-and-crm-58917)
- Economist. (1994, April 9).
- Fitchett, J. A. A citizen's critique of relationship marketing in risk society. *Journal of Strategic Marketing* , 8, 209-222.
- KAPFERER, J.-N. ((1997)). *Strategic Brand Management*. Great Britain: Kogan Page.
- Keller, K. L. (n.d.). *Brand and Branding research findings and future priorities*. Retrieved December 17th , 2014, from <http://bear.warrington.ufl.edu: http://bear.warrington.ufl.edu/CENTERS/MKS/invited/BRANDS%20AND%20BRANDING.pdf>
- Keller, K. L. (2008). *Strategic Brand Management*. Upper Saddle River,NJ: Prentice-Hall.
- Keller, K. L. (2013). *Strategic Brand Management*. Pearson Education Inc.
- Kevin Lane Keller, D. R. EBSCO.
- Kotler. (2000). *Marketing Management, Millennium Edition*. Prentice Hall.
- Nevin, J. R. (1995). Relationship Marketing and Distribution Channels: Exploring Fundamental Issues. *Journal of the Academy Marketing Sciences* , 327-334.
- Peppers, D. R. (1993). *The one to one future: Building Relationship one customer at a time*. New York: Doubleday.
- Sandra Maria Correia Loureiro. (n.d.). The Best Global Brands. (2001, August 6). Business Week.
- Tim Ambler, C. L. (2002). Relating Brand and Customer Perspectives on Marketing Management. *Journal of Service research* , 5 (1), 13-25.
- Xavier, D. (n.d.). *Fall of Traditional Brand Management: Making Way for CRM and Business Equity*. Retrieved December 12th, 2014, from www.brandchannel.com: www.brandchannel.com/images/papers/equity.pdf
- Xavier, D. M. (n.d.). *Equity*. Retrieved December 2014, from www.brandchannel.com: www.brandchannel.com/images/papers/equity.pdf