CUSTOMER- BRAND RELATIONSHIP MANAGEMENT IN DIGITAL ERA; ROLE OF SOCIAL MEDIA

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Abstract

This study focused its objectives on the role of social media in the customer-brand relationship management. Customers in the digital generation have new characteristics and behavior pattern. The way of interaction and relationship are changed accordingly. Digital media formed new customer-brand relationships. Social media as a digital nudge can be used to build and maintain healthy customer-brand relationships. This study adopted a desktop research method for achieving its objectives by examining the existing literature. The findings of the study systematically drew the social customer-brand relationship management at different stages of customer relationship. This study also identified some important factors should be consider while managing social customer-brand relationship.

Keywords: customer-brand relationship, social media, acquisition, retention, termination.

INTRODUCTION

Customer characteristics have changed with the drastic development in the internet penetration. The way of interaction between the customers and brand is also changed, now it is purely a two way communication exists among them. Customer-brand relationship should be modified accordingly. Customer’s opportunity to respond immediately, forced the brand to make necessary changes in the relationship with them. Social media as a digital nudge can be used to build and maintain healthy customer-brand relationship in the digital era.

A brand can use different social media platforms at the same time. It helps the customers to choose their convenient form of social contact. Direct contact through the social media maintains emotional connection with the customers. Social media channels of the brands are to be properly managed to ensure
healthy customer relationship. It is necessary to increase brand accessibility, social interactions, loyalty and in turn brand’s success. Integration of social media into the customer brand relationship management is formed the new term social customer relationship management. In this digital era social customer relationship management tools are necessary to reach out the digital generation customers.

This study is aimed to draw the role of social media in the customer- brand relationship and also identify phases of social customer relationship management.

OBJECTIVES

1. To identify the role of social media in customer- brand relationship in digital era.
2. To draw a theoretical background for social customer relationship management.

LITERATURE REVIEW

(Patil, 2014) argued that business environment in the digital era is always changing, so marketers need to be very conscious to identify the latest trends. So that they can provide the best service to their customers. Social media is an unavoidable element in the digital environment needed to know the pulse of the customers in the digital generation. Integration of social media and customer relationship management is formed social customer relationship management. It enables the brand to be closer with customers and helps to maximize profits and efficiencies and minimize costs.

(Aydin, Uray, & Silahtaroglu, 2021) found that social media page management is one of the complex factors while combining social media and brand engagement. Different rules and procedures are to be used in different social media platforms. The factors are to be considered in social media brand engagement are content’s related issues, selection of appropriate platform for engagement, frequency of posting contents, use of videos and images and interactive element in the post .

METHODOLOGY

The study is theoretical in nature. Objectives are achieved through collecting secondary data from e-books, articles and websites.

CUSTOMER- BRAND RELATIONSHIP MANAGEMENT IN DIGITAL ERA

Customer-brand relationship refers to the way a company understand its customer’s feelings and thoughts about the brand and in turn the customer’s perceptions on experience with the brand. Customer-brand relationship management is a set of strategies used by the brands to understand customer’s needs and actions in order to build and maintain favorable long term relationships with the customers.
In this digital era, customer’s demographics, lifestyles, shopping patterns and way of interactions are changed. Most of the customers are using digital media for various purposes. So every brands need to be connected with their customers through digital media. It resulted in new form of customer-brand relationships. In the digital era, customers are active participants in maintaining relationship.

SOCIAL MEDIA

Social media is an important nudges in the digital environment, can be used to alter human behavior in marketing discipline. Social media is a second generation internet platform, which includes web based and mobile technologies for interactive communications among its users. It enables real time communication between the brand and customers. The customer’s immediate response to the brand brings so many changes in customer-brand relationship.

The following are the advantages of using social media to a brand. Content sharing and reaction to the contents through social media is faster than traditional media. Geographical distance doesn’t matter in social media and it can reach out to larger customers at minimum cost. Brands can easily collect and analyze customer’s behavior for formulating better social media strategy. Social media allows high degree interactivity between multiple parties. On the other hand to take advantage of social media, brands need to learn how to properly use it. Viewers can react to the brands contents spontaneously and there is a possibility to take electronic backup of the social media contents so it can say that the contents in the social media cannot delete to some degree.

SOCIAL CUSTOMER-BRAND RELATIONSHIP MANAGEMENT

Customer-brand relationship through social media platforms is known as social customer-brand relationship. Social customer-brand relationship management is refers to a set of social media actions and strategies of a brand designed to build and maintain healthy customer relationship by sharing mutually beneficial value without any interruption through social media engagement.

While managing social customer-brand relationship the following points should be consider (Looy, 2016).

1. **Multi channeling** :- For ensure better customer-brand relationship, a brand needs to be present in all social media platforms. So that customer can choose his own favorable platform to engage with the brand. Apart from social media platforms al other online channels as well offline channels for engaging with the customers are to be provided. Numbers of touch points increase the chance to get engaged with the customers. All links should be shared though all channels.
2. **Test** :- After finalizing and installing its social media touch points, pretest should be conducted to ensure proper functioning without any technical problems. It should be tested from the customers point of view before launching pages in new social media platforms.

3. **Monitor/listen** :- It is necessary to monitor the digital environment of brand in order to know whether its name is discussed in any digital media. A brand should be respond immediately to the queries related to it. Time taken for reacting to the social media discussions is an important factor influences the credibility of its digital identity. Social media one of the important platforms need immediate reaction.

4. **Respond** :- Based on social media listening brands should respond timely without taking more time. Responses to the customers through social media should be in a friendly manner by giving respect to customer’s thoughts and opinions. Reaction of the brands make huge impact in the social customer relationships.

5. **Way of engagement** :- Brands should be careful on the way of interaction in the social media platforms. It can be informal but it should be respectful. Personalized engagement can be carried out based on age, interests, level of engagement, location of the customers etc.

6. **Content** :- Contents may be created and published by the brand purposefully or it can be created by customers/users of social media. Brands should support both types of contents if it is favorable to the brand. It is essential for a brand to encourage such favorable discussions in the social media. Those contents created and published by the users are known as user generated contents. It can be social media posts, customer’s comments, opinions, reviews etc. User generated contents may be favorable or unfavorable to the brand. Negative user generated contents should be handle with at most all care.

   Social customer-brand relationship management can be studied by integrating the activities in customer relationship management and the level of customer engagement in social media. The activities in customer relationship management taken here are acquisition, retention and termination of relationship (Malthouse, Haenlein, Skiera, Wege, & Zhang, 2013).

**Acquisition**

Acquisition of customers starts with the customer’s lower customer engagement with the brands and ends with the higher customer engagement. Initially, brands try to create awareness and change attitude among prospective customers by posting display or video advertisements in social media platforms. Customers are already familiar with brand’s these types of advertisements through traditional media. This familiarity minimizes the risk of new brands in social media. Prospective customers may consume information about the brand from those advertisements and make minimum use of interactive characteristics of social media. They do not actively support brands marketing activities.
In the higher level of customer engagement, customers are more engaged with the brand through social media platforms and brands have limited control over the customer’s activities in the social media. In low level customer engagement, they may simply engage with the brands by liking or sharing brand’s own contents in social media platforms. On the other hand, in higher level customers start creating and sharing their contents as reviews or comments.

**Retention**

In this stage brands are using social media for maintaining the healthy relationship with the existing customers to retain them. Brands try to connect those customers who are already liked or followed their pages in any social media platforms. Brands encourage less engaged customers to increase engagement by posting some contests or surveys in social media. Acquisition and retention actions to highly engaged customers cannot differentiate because some activities intended for acquisition may result in retention of customers. It enables the social customer relationship management activities to reach the prospective and existing customers at the same time.

**Termination**

Sometimes customers may terminate their relationship with the brands. In such a situation brands may collect details of terminated customer’s behavior and use those data for identifying such type customers in order to include them in special retention programs. In other cases brands may not any action to hold some customers because they do not get any benefit from them. This type of termination of relationships known as brand initiated termination.

In case of highly engaged customers may not try to terminate relationship with the brands. On the other hand it is necessary to terminate relationship with some unprofitable customers. It is a risky task because; such customers may tend to react negatively by posting unfavorable comments or reviews in social media. Existing profitable customers may lose because of this negative word of mouth.

**FINDINGS & CONCLUSION**

Social media as a digital nudge can be effectively used in the customer-brand relationship management. It is an unavoidable nudge needs more importance in the digital environment. Customer relationship management through social media is referred as social customer relationship management. The important to items should be consider under social customer-brand relationship management are multichanneling, Testing, Social media monitoring/listening, Responding, way of engagement and contents. Social customer relationship should be managed based on the level of customer engagement in
social media. Acquisition, retention and termination of relationship are the important phases in social customer relationship.

References


