

# Sustainable Customer Relationship Management (susCRM) in Customer Loyalty Perspective: An Empirical Study on Restaurant Industries in Bangladesh

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## Abstract

The study conceptualized sustainable customer relationship management (susCRM) based on several theories of customer relationship management (CRM) and primary data from 150 customers and 60 employees of 30 restaurants through personal observation and in-depth interviews. The study's findings show that sustainable customer relationship management (susCRM) regenerates customers' needs, wants, and demands, making an individual customer loyal to a restaurant.

**Keywords:** CRM; susCRM; Loyalty; Restaurants; Bangladesh

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## Introduction

Before explaining the concept of sustainable customer relationship management (susCRM), Customer relationship management (CRM) is discussed as a regular interaction among the actual and potential customers to know about customer's needs and wants and to deliver superior values to the customers over the competitors [1]. CRM refers to the core business strategy integrating internal processes, functions, and networks to create and deliver value to customers at profits [2,3]. also defined CRM as the approach to identifying, acquiring, and retaining customers to maximize an organization's profitability.

Sustainable customer relationship management (susCRM) refers to the holistic approach that trusts relationships between customers and value providers. It interacts with customers in such a manner that ensures long-term and trustworthy partnership between them. In other words, Sustainable customer relationship management (susCRM) is the mechanism between customers and value providers/organizations which extends win-win collaboration among them. From the customer's perspective, it reduces psychological cost, energy cost, time cost, etc., and from the organizations perspective, it minimizes customer's attraction cost, customer's motivational cost, and customer's achieving cost [4]. Customer retention is a big challenge in recent decades, especially in restaurant industries in Bangladesh, where customer loyalty may not be possible without customer relationship management (CRM) practices; thus, customer relationship management (CRM) may not be effective unless it can be turned into sustainable. Therefore, the study attempted to conceptualize sustainable customer relationship management

(susCRM) through empirical research.

## Theoretical considerations

A theoretical consideration consists of the outcomes of prior studies. No researcher had proposed the concept of Sustainable customer relationship management (susCRM) in a previous study. Thus the author conceptualized susCRM based on the idea of customer relationship management (CRM) [5]. Customer relationship management (CRM) refers to strategy development to interact with current and potential customers at a profit [6,7] explained that CRM analyzes customer's previous data to attract potential customers and retain current customers, mainly focusing on the organization's growth rate by making customers loyal to the organizations. Previous literature classified CRM as operational CRM, analytical CRM, and collaborative CRM. Operational CRM focuses on front desk salespersons marketing intellectuals and services providers of an organization to integrate sales automation and marketing support services. It is related to interactions between employees and customers which make them both parties satisfied through sharing ideas, views, knowledge [8,9] etc. argued that operational CRM is like a human body that works according to the human brain's instructions. However, analytical CRM consists of usages of cognitive intelligence by the higher authority of an organization to understand the

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needs, wants, and demands of customers and capabilities of the organization. It is a platform of analysis of customers' problems analysis and defines out how to solve customers' problems in the near future. Thus, analytical CRM can be defined as a human brain that instructs the human body to work. Furthermore, collaborative CRM refers to integrating suppliers, customers, and organizations to create complete solutions. It mainly focuses on providing quality services to customers, making them loyal [10].

Based on these, Sustainable customer relationship management (susCRM) can be explained as it interacts with customers regularly, making them loyal and growing them extended for a long time because current customer retention is less costly than new customers attraction in the competitive market. For these reasons, restaurants focus on sustainable customer relationship management (susCRM) for customers' loyalty. In addition, sustainable customer relationship management (susCRM) can help proper employee treatment, regular interactions, and integrations among the customers, employees, and stakeholders. Thus, it can increase sales volume with minimum efforts of attracting new customers. Therefore, the main benefits of susCRM can be lower costs and fewer efforts but better customers' loyalty and better profits for the restaurants.

### Methodology of the study

The study is an exploratory research approach based on informal qualitative approaches, such as discussions with consumers, employees, and the management team. The author invents, develops, and analyzes sustainable customer relationship management (susCRM) through primary data collection from 30 renowned restaurants in Dhaka. The data collection method was observational, where a purposively in-depth interview technique was adopted. The study respondents were customers (150) and employees (60), including owners, managers, waiters, cooks, and cleaners. Based on the personal observation and discussions, the author concluded.

### Discussion and conclusion

Sustainable customer relationship management (susCRM) is a relatively new idea, ensuring long-term customer retention to make any organization profitable and empowered to beat competitors in any situation. Thus the development of Sustainable customer relationship management (susCRM) is critically important for any organization, especially for restaurant

industries. Based on the previous studies, the author developed a CRM model see **Figure 1** and a susCRM model given below sees **Figure 2**.

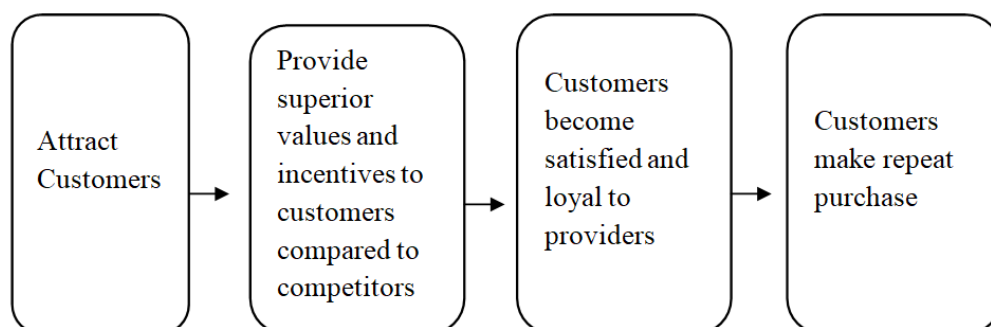
#### Difference between customer relationship management (CRM) and sustainable customer relationship management (susCRM):

Customer relationship management (CRM) Sustainable customer relationship management (susCRM) Customer relationship management (CRM) refers to the interactions with current and potential customers to give superior values to customers compared with competitors [11]. Sustainable customer relationship management (susCRM) extends relationships with customers by removing discomfort issues and regenerating new needs, wants, and demands of customers [11]. CRM focuses on customer incentives, rewards, etc. [11]. susCRM focuses on the marginal utility that customer's get. CRM can cure the problems/discomforts of customers [12].

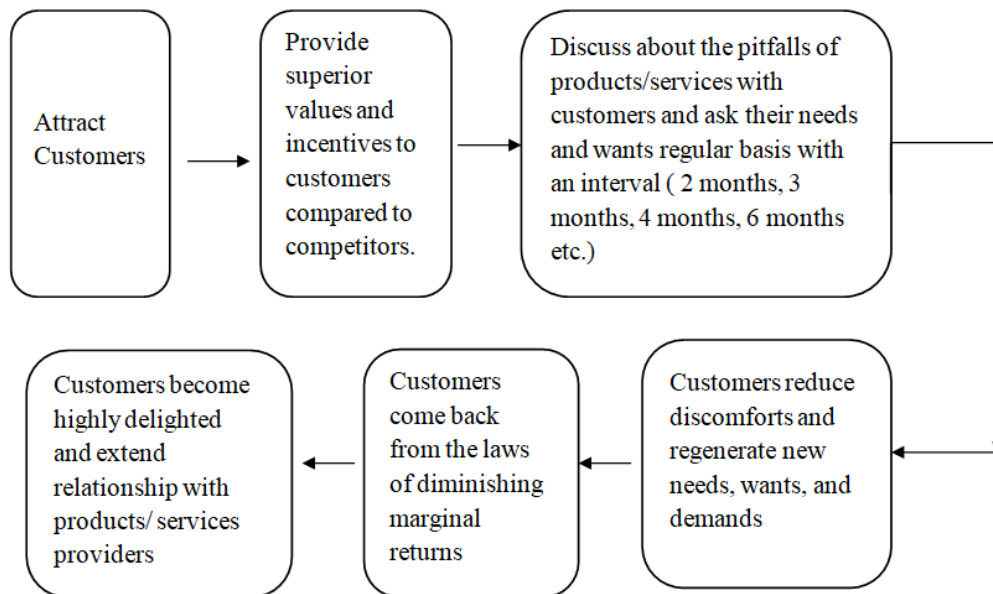
susCRM can prevent problems/pains of customers. CRM refers to a discomfort removal program that eliminates only problems but does not try to determine the reasons for this discomfort (Stein et al., 2013). It tries to figure out why customers switch from one service provider to another [11]. It works with customer's specific problem/problems [13]. It works with reasons for problem creation. The main objective of CRM is the attraction and retention of customers through delivering superior values to customers (Richards & Jones, 2008). The main objective of susCRM is to identify reasons for what customers feel that marginal utility is diminished for a particular services/products and provide values according to customers regenerated new needs, wants, and demands to extend the relationship with customers for an extended period (Richards & Jones, 2008). CRM identifies customer dissatisfaction and solves it to retain customers [14]. susCRM identifies customers' regenerated new needs, wants, and demands and provides superior customer value [14].

#### Types of Sustainable customer relationship management (susCRM)

Sustainable customer relationship management (susCRM) regards knowing why customers feel dissatisfaction about the products/services figuring out how to solve the customers' discomfort feelings. Interestingly, the author referred to CRM as a medicine given after notification of diseases and susCRM



**Figure 1** Customer relationship management model (Author).



**Figure 2** Sustainable customer relationship management (susCRM) model (Author).

as medicine provided before the disease originated [15]. Conclusively, CRM regards the cure of the problems/ discomforts of customers, where susCRM represents the prevention of problems/discomforts of customers. Thus different types of sustainable customer relationship management (susCRM) are given below.

### Cognitive susCRM

Cognitive susCRM includes the brain work of the services/values providers. It represents one kind of intellectual activity which is related to knowing the future behavior of customers. Thus, Cognitive susCRM finds out the stimulus for what customer's behavior is changed. For example, it studies customers' behavior, mental perceptions, and beliefs, which expect regenerated customers' needs, wants, and demands.

### Distinctive susCRM

Distinctive susCRM refers to one kind of extended relationship by which every customer is treated differently to provide values/ services according to their unique contemporary needs and wants. For example, Mr. X and Mr. Y are the best friends in a class, and they decided to drink Coca-Cola from a store in front of their school. That's why they started their journey towards the store and reached in a minute. After that, every day they drank Coca-Cola from the same store and ordered Coca-Cola as usual, but the stock was limited (having only one bottle of Coca-Cola); that's why the storekeeper gave the Coca-Cola bottle to Mr. and Pepsi bottle to Mr. X even though Mr. X ordered first. It was done because, though Mr. X ordered Coca-Cola, the storekeeper knew that Mr. X liked Pepsi and Mr. Y liked only Coca-Cola.

### Holistic susCRM

Holistic susCRM includes considering regenerated customer's needs, wants, and demands fulfillment and ensuring customer's retention to make sure organization's profits, growth,

diversifications, etc. It refers to an accumulative effort of making customers loyal to a particular organization.

### Prospects of Sustainable customer relationship management (susCRM)

Sustainable customer relationship management (susCRM) is a modern, engaging, and necessary issue for an organization in customer retention. SusCRM has immense potentialities and implications in service industries, especially in restaurant industries, because Customers' rotation rate is very high in restaurant services. SusCRM mainly provides customers' regenerated needs, wants, and demands in different ways to retain the organization's current customers. Thus, restaurant industries must adopt susCRM practices for making the organization's high profits and high market shares shortly. Furthermore, in line with restaurant industries, susCRM may contribute to other sectors such as IT sectors, where customer's choice changes frequently [4]. Hence susCRM can provide regenerated customer's needed products, services, etc. Similarly, customer's expectations change frequently as they demand something new with the existing service providers in pallor industries For example, 1<sup>st</sup> day, Mr. X goes to Z pallor and gets cut Hair and washed face, 2<sup>nd</sup> Day, Mr. X expects something regenerated needs, wants, and demands like Hair cut with coffee, Hair cut with Music, Hair cut with gossip. Thus, the Service providers must identify what the customers want and provide it for customer's loyalty. In addition, customers want high responsiveness with high efficiency but, it is pretty impossible to 100% responsiveness with 100% efficiency in transportation industries [16]. Where susCRM makes customers satisfied by delivering different regenerated needs, wants, and demands like easy ticket booking, high security, fewer fees, Swift delivery, on-call duty, etc. Moreover, Medical industries are too much saturated in the modern age. Medical customers have multiple options to switch from one to another. Therefore, customer satisfaction and loyalty in the medical sector are

considerable challenges in the contemporary era [17]. Therefore, medical industries can follow tactics of susCRM to retain more and more customers to make the organizations profitable, grown, and customer-oriented shortly. Based on these discussions, the

applicability of susCRM can be examined in several sectors of Bangladesh. Thus, future research may adopt the concept of susCRM to confirm that susCRM helps to make customers loyal.

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