CRM: Building Long Lasting Customer Relationships

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Abstract - For any company the most important part of their business is its customers and by building good relationships with them they are encouraged to keep coming back. They will even suggest your business offerings to their friends and hence listening to your customers is vital. Companies are increasingly focused on building and managing customer relationships, the customer asset, or customer equity. Companies today are making strategic moves to effectively cultivate customer relationships and develop customer portfolios that increase shareholder value in the long run. Customer retention is the key to get profits for the firm and thus managers should have programs and strategies which are ongoing efforts for expanding their customer base as and when required. Customers are the asset for any company and they should be well nurtured so that they reap benefits for the firm eventually. Relationship marketing is the need of the hour where emotions play a vital role in keeping the profitable customers intact so that they regularly bring revenues for survival of any organization. Customer relationship management is now a central part of a company's strategy, and the inputs given by CRM activities should be actively considered in decision making at various organizational levels, for the management of value creation, along with the allocation of resources.

Keywords: Customer asset, Customer equity, Customer retention, Value, CRM.

Development of relationship marketing
Marketing has a potential to influence and attract customers apart from being a social anathema due to the perception that it persuaded and manipulated people into purchasing goods and services they did not want. While these fears and doubts have normally been conquered, a further misleading notion concerned that all customers are good customers. As most commercial organisations will have now come to a realization that, some customers are far more attractive than others on the grounds that some of them are highly profitable, whereas others are marginally profitable but offer great potential while others offer little and ultimately reach a stage where they incur losses. For both consumer and business marketing the concept of relationship marketing plays a very important role. Customers and sellers' interaction is based around the provision and consumption of perceived value. Though, the quality, duration and level of interdependence between customers and sellers can differ considerably. The reasons for this discrepancy are many and wide-ranging but at the mainstay are perceptions of shared values and the strength and permanence of any relationship that might exist. Relationship value can be seen as a continuum from Figure 1

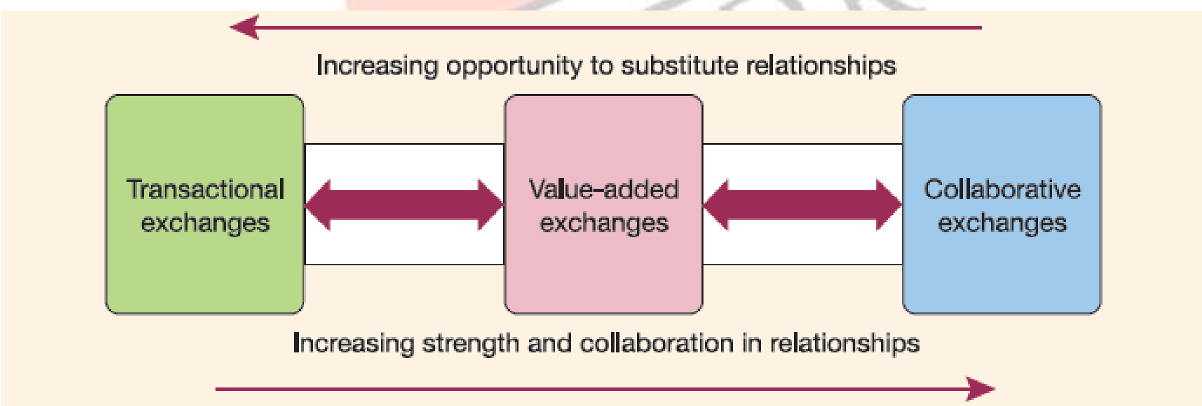

Figure 1: Source: Adapted from Day (2000).

A continuum of value-oriented exchanges
Customers are every company's source of revenue and no company will ever realize income from any other entity except from its existing and future customers it. Thus firm's most expensive financial asset is its customer base, and with unfolding technological capabilities to *recognize*, measure, and deal with relationships with each of those customers individually. This forward-thinking by a firm must focus on purposely preserving and increasing the value of that customer base. Customer strategy is not a momentary assignment for the marketing department; rather it is an ongoing business essential activity that requires the entire enterprise to get involved. In order to remain competitive organizations must manage their customer relationships effectively. Technological advancements have enabled firms to manage customer relationships more resourcefully, but technology has also empowered customers to keep themselves informed and to demand much more from the companies they do business with. It's about increasing the worth of the company through specific customer strategies as can be seen from Figure 2.

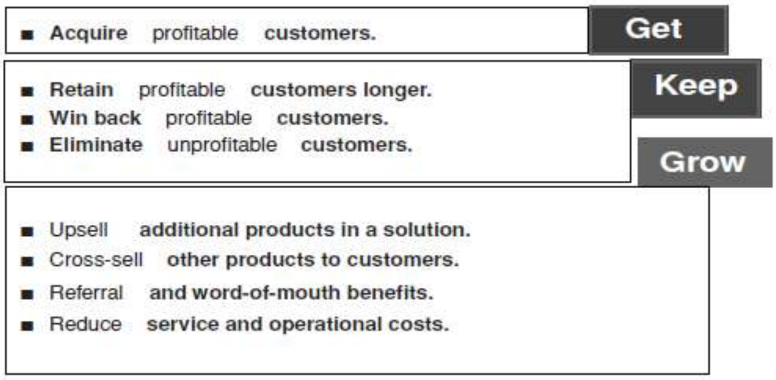

Figure 2: Increasing the Value of the Customer Base

A good example of a business offering that benefits from individual customer relationships can be seen in online banking services provided by almost all leading banks of today, where a consumer spends several hours, generally spread over several sessions, setting up an online account and doing other online transactions on a monthly basis. A consumer is unlikely to switch to another bank if a competitor opens a branch in town offering somewhat lower checking fees or higher savings rates. Since he has invested time and energy in building a relationship with the first bank, it is simply more suitable to remain loyal to the first bank than to teach the second bank how to he/she should be served in the same way. This example, explains the relevance that the bank now has increased the value of the customer to the bank and has at the same time reduced the cost of serving the customer, as it costs less for a bank to serve a customer online than at the teller window or by phone. Undoubtedly, "customer strategy" involves much more than just marketing and it cannot deliver optimum return on investment of money or customers without integrating individual customer information into every corporate function.

Pantaloon Retail (India) Limited - Anticipating customer needs.

The India-based Future Group, the parent company of Pantaloon Retail (India) Limited, recognises that customers are time and again dissatisfied with the shopping experience. To counteract that dissatisfaction has an ongoing programme in which it observes customers and their buying preferences, gathering information about their lifestyle, income status, education levels as well as their buying and social habits. A team of employees from the company visits the stores and other locations such as temples and schools to interact with customers about their needs and preferences. Consumers are being asked about which products they have bought, and when along with the reasons for their purchases. Also their shopping experience at the store is being documented. Thus having an in-depth knowledge of the consumers makes pantaloon succeed.

Payback loyalty program at Pantaloons

At Future Group, the management believes in building long-lasting relationships with customers and they encourage repeat customer visits through their exclusive offers and special sale days. The group has taken the whole concept of customer loyalty to the next level by joining hands with PAYBACK which is India's largest and one of Europe's most successful multi-partner loyalty programs. With PAYBACK, customers have a privilege of shopping, saving and getting rewarded. Customers can collect points across Future Group formats, thereby making "shopping rewarding" with just a single card. Pantaloons, Big Bazaar, Food Bazaar Central, Home Town, eZone, Brand Factory and Future Bazaar are a part of the PAYBACK Loyalty program. PAYBACK is Europe's leading customer loyalty program, headquartered in Germany and in India; PAYBACK consolidated its position after taking a major stake in I-Mint.

http://www.futureretail.co.in/promotions/loyalty-programs-retail.html

START USING YOUR PAYBACK greencard NOW AND GET MORE BENEFITS

	1 STAR	3 STAR	5 STAR	7 STAR
Greencard Discounts		3% Instant Discount	5% Instant Discount	7% Instant Discount
Fashion Friday Discounts	+ 5%	+ 5%	+ 5%	+ 5%
Earn PAYBACK points while shopping at Pantaloons	✓	✓	✓	✓
Earn PAYBACK points while shopping at PAYBACK partners like Big Bazaar etc.	✓	✓	✓	✓
Redeem PAYBACK points in rewards	✓	✓	✓	✓
Complimentary parking	✓	✓	✓	✓
Complimentary home-drop of altered apparel	✓	✓	✓	✓
Relaxed return policy	✓	✓	✓	✓
Complimentary shipping across India	✓	✓	✓	✓
Exclusive sale preview	✓	✓	✓	✓
Exclusive billing counters		✓	✓	✓
Complimentary home delivery		✓	✓	✓
Assisted shopping				✓

Upgrade to next level of greencard by shopping :
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Customer Value & Managing Sources of Value

The value that the customer provides to a firm is the sum of the customer's discounted net contribution margins over time which is the revenue provided to the company less the cost incurred by the company in maintaining customer relationships (Berger and Nasr, 1998). A company cannot flawlessly forecast the cash flows related with an individual customer, but it can analyse the expected value of the cash flows (adjusting for risk) associated with an individual customer conditional on the customer's characteristics, the company's planned marketing actions and environmental factors (Hogan et al., 2002). Gupta, Lehmann, and Stuart (2004) recommend forecasting customer lifetime value by decomposing it into three fundamental sources namely;

customer acquisition (i.e., trial), customer retention (repeat purchase behaviour), and gross margins (influenced cross-buying, cost structure, etc). By acquiring and retaining the most desirable customers organizations can manage sources of value; expanding relationships through the stimulation of usage, upgrades, and cross-buying; improving their overall profitability by adjusting prices/managing costs; and managing the customer and product portfolios. As illustrated in Table 1 investments in customers should be based on their profit potential as not all customers are equally profitable. Firms should adopt a strategy wherein they go for acquiring customers in the upper-right quadrant and should divest customers in the lower-left quadrant. Thus to maximize CLV and value for customers all these strategies require the firm to develop marketing programs that are targeted at individual customers or segments that influence acquisition, retention, and margins (via cross-buying).

Table 1: Comparison of Value of Customers to the Firm with Value to Customers

	LOW Value to Customers	HIGH Value to Customers
HIGH Value of Customers	Vulnerable Customers	Star Customers
LOW Value of Customers	Lost Causes	Free Riders

Source: Gupta and Lehmann (2005), p. 44.

Marketers should understand that every customer has an actual value and a potential value. By visualizing the customer base in terms of how customers are spread across actual and potential values, marketing managers can group customers into different value profiles, which are based on the type of financial goal the enterprise wants to achieve with each customer. For example, one of a company's goals for a customer with a high unrealized potential value would be to develop/grow its share of customer. On the other hand one of the goals for a customer with low actual value and low potential value would be to minimize servicing costs. A company could array its customers roughly as shown in Figure 3 by thinking of individual customers both in terms of each one's actual value (i.e., current LTV) and its unrealized potential values (i.e., growth potential).

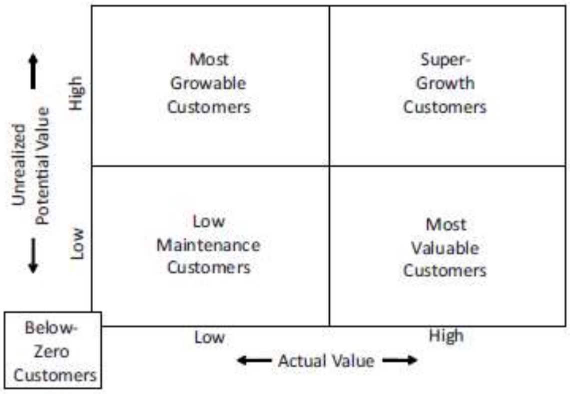

Figure 3 Customer Value Matrix

The above matrix highlights five different categories of customers and an enterprise should work for having different strategic goals for each one:

1. ***Most valuable customers (MVCs).*** In the lower right quadrant of Figure 4.3, are the customers who have the highest actual value to the enterprise and are known as the most valued customers. They do the highest volume of business, cost less to serve, yield the highest margins for the organization, stay more loyal and are those who bring in lot of additional customers for the company. Such customers are those who may not be the traditional "heavy users" of a product but give away the greatest share when it comes to profit making. The primary financial objective an enterprise will have for these customers is *retention,* as these are the customers likely to give the company the bulk of its profitability to begin with. Let's say an airline company for their MVC's these are the "platinum flyers" in the frequent-flyer program and in order to retain these customers' patronage, an airline will give out bonus miles, offer special check-in lines, provide club benefits, and so forth.

2. ***Most growable customers (MGCs).*** In the upper left quadrant of Figure 3, are customers who have little actual value to the enterprise but are having significant growth potential. These are often high-profit customers who basically patronize a different company and are often, in fact, the MVCs of the enterprise's competitors. So the company's objective will be to change the dynamics in a way so as to achieve a higher share of each of these customers' business.

3. ***Low-maintenance customers.*** In the lower left quadrant are customers who have little current value to the organization along with little growth potential ,but are still worth something and there are almost certainly a whole lot of them. The enterprise's financial objective for such customers should be to streamline the services provided to them and to drive more and more interactions into more cost-efficient, automated channels. These are the vast bulk of middle-market customers for a retail bank,

for instance, whose value will increase significantly if they can be persuaded to use the bank's online services instead of taking the time and attention of tellers at the branch.

4. ***Super-growth customers.*** In the upper right quadrant Figure 3, many B2B enterprises will have just a few customers who have considerable actual value *with* a significant amount of unexploited growth potential. Irrespective of its size if any B2B enterprise sells to Microsoft, or Intel, or Nissan, or GE, or any other corporate customer with similarly large financial profiles, there are chances that these customers can become super-growth customers. The business objective here is not only to retain the business already achieved but to mine the account for more.

5. ***Below-zeros (BZs).*** Having very low or negative actual and potential values, such are customers who, no matter what effort a company makes, are still likely to generate less revenue than cost to serve. No matter what strategy the firm follows, a BZ customer is highly unlikely ever to show a positive net value to the enterprise and nearly every company has at least a few of these customers. A customer of a retail bank, belonging to this category might be a customer who has little on deposit with the bank, but tends to use the teller window often.

Building marketing relationships

Marketers develop relationships through interaction and dialogue. Individuals, organizational experience, technology and organisational determinants (size, structure and strategy) are the four main factors whose interaction results in exchanges. These results in an environment where a relationship exists reflecting issues of power-dependence, the degree of conflict or cooperation and the overall closeness or distance of the relationship. Relationships are much more than just interaction or a series of exchanges so deconstruction of an association can provide a deeper insight of the nature of relationships and, in doing so, specify how marketing communications might best be used. Exchange is the basis for 'marketing' for any organization. Trading relationships are considered to be a special case of human relationships, as can be seen among family, friends, colleagues and members of the wider society. A desirable trading relationship is said to be a mutual experience (interaction) of a seller and buyer, in which value is produced and shared profitably among the two parties to an exchange process. So, the purpose of Relationship Marketing is the build up of satisfactory trading and service encounters, resulting to active participation based on shared disclosure and trust.Wasmer and Bruner (1991) have modelled the relationships which the member of staff, who in person interacts with the customer and performs the act of service, has with his/her company as well as the (external) customer. These relationships are viewed as 'flows' where an effective system removes or minimizes gaps in these 'flows' (Figure 4).

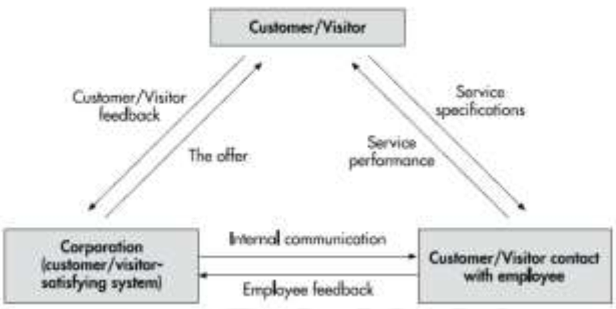

Figure 4: Relationship 'flows' between service deliverer, employer, and customer (Wasmer and Bruner, 1991).

Relationship marketing improves profitability

The return on relationship model (Gummesson, 1999) suggests that good relationships results in good customer satisfaction along with good quality which arises as internal relationships / employee relationships are fostered. When specific customer needs and wants are understood better and served better good customer satisfaction is bound to happen. Hence both good quality and customer satisfaction leads to customer retention and ensuing improved profitability. To improve the long terms company profitability is one of the major objectives of competitive marketing strategy.

Good Internal Quality
↓
Satisfied employees
↓
Employee Retention
↓
Good external quality
↓
Customer Satisfaction
↓
Customer retention
↓
High Profitability

Figure 4.4: Return on Relationship Model (Gummesson, 1999)

Key Ways to Build Customer Relationships

Marketers should never underestimate the value and reach of a loyal, repeat customer as they keep coming back for more bringing along lot of new customers. Also managers need to keep in mind that money can't buy one of the most significant aspects you need to promote your business which is none other than ‘relationships’. Marketers need to know how customer relationships drive their business and finding people who believe in your products or services. Such consumers need to be tracked and marketers have two choices to make, first of which is doing all the legwork on their own and spending big marketing dollars. This resembles rolling a boulder up a hill which may not always be an effective strategy to move with. There's another potentially more profitable-way where a firm can create an army to help push that boulder up the hill instead. How can that be done? Developing relationships with people who don't just understand company’s particular expertise and offerings but who are also excited and buzzing about what marketers do. Powerful relationships don't just happen from one-time interaction at events or fairs instead it requires another pocketful of random business cards to clutter your desk. Let us have a look at the five essential tactics managers need to plan to make those connections grow and work for them:

1. Build your network--it's your sales lifeline: Build a network comprising professional acquaintances, business colleagues, suppliers, partners, prospective and existing customers, friends and people you meet on and often.

2. Communication has to be an ongoing process: Communication is a contact sport and thus marketers should ensure they so does it early and often. Relationships have a short shelf life and inspite of how charming, enthusiastic or persuasive you are, no one will likely remember you from a business card or a one-time meeting. Follow up with your prospective customers is a must and a connection with them has to be made immediately .Sending a "nice to meet you" e-mail or by adding the new contacts to your newsletter list and then sending them the latest copy are ways of reinforcing who you are. The aim is to stay on their minds so that it’s easier to keep a connection warm rather than warming it up again once the trail goes cold.

3. E-mail marketing keeps relations strong with your customers: The easiest way to now be in constant touch with your customers is to communicate with a brief e-mail newsletter that shows prospects why they should buy from you. E-mail marketing now a day is a cost-effective way to stay on customers' minds, and retaining them by building their confidence in your expertise. Contacts and customers who find what you does interesting or valuable will definitely forward your e-mail message or newsletter to their contacts in turn.

4. Reward loyal customers: On average, repeat customers spend 67 percent more than new customers and thus for any company the most profitable customers are repeat customers. Stay in touch, which them and give them something of value in exchange for their time, and attention either by giving them a notice of a special event, helpful insights and advice, coupon or news they can use.

The power of CRM

Marketing in times gone by has undergone various shifts with a focus from production through sales to marketing orientation. Yet, the various corporate orientations have failed to engage customers in significant relationship mutually advantageous to organisations and customers, comprising all forms of the shift still exhibiting the transactional approach inherit in conventional marketing (Kubil & Doku, 2010). Coltman (2006) indicates that in strategy and marketing literature, scholars were of an opinion that a customer centred strategy is fundamental to gaining a competitive advantage and the customer relationship management (CRM) programmes are more and more being used by organisations to hold the type of customer understanding and interdepartmental connectedness for effective execution of customer strategy.CRM is a combination of people; processes and technology that seeks to understand and be aware of a company's customers. Being an integrated approach to manage relationships by focusing on customer retention and relationship development CRM has evolved from advances in IT and organizational changes in customer-centric processes. Companies that successfully put in practice CRM programs will reap the rewards in having customer loyalty and long run profitability. However, successful implementation is indefinable to many companies, mostly because they do not recognize that CRM requires company-wide, cross-functional, customer-focused business process re-engineering.

CRM is a strategic issue which requires a long-term perspective as compared to winning a sale which is a short-term transactional marketing process. Focus towards building a relationship where the customer comes back again and again is a long-term strategy which organizations should divert their attention to. To build good customer relations a cultural shift in the organization is required to ensure that the whole organization wants to help customers. Some CRM projects take a lot of time which can stretch to several years so as to research, develop, test and launch. It is observed that there will always be some tension between the pressure to achieve the short-term monthly and quarterly sales/profit targets versus the longer-term customer relations scores. In such a scenario marketers need to educate boards about how Customer Relationship Management, in the long term, grows quarterly sales and profit result. Excellent CRM enhances the relationship with the brand and as the relationship strengthens, loyalty keeps a customer from the unavoidable onslaught of competition.

Regardless of what it is called, managing customer relationships is significant to an organization's future. Fostering excellent customer relationships builds this defensive wall around a business that most competitors struggle to break down. Customer relationships not only add value to the brand but also boost sales and profits, which ultimately reflects on company's balance sheet assets.

A CRM Process Framework

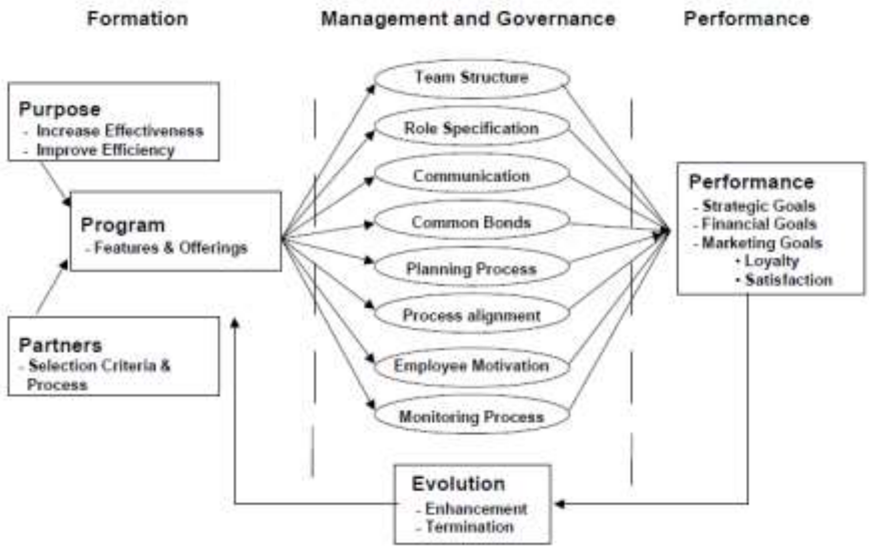

Figure 4.5: The CRM Process Framework

Buyer-seller relationships were studied by several scholars and they have proposed relationship development process models (Borys & Jemison, 1989; Dwyer, Schurr, & Oh, 1987; Evans & Laskin, 1994; Heide, 1994; Wilson, 1995).On the basis of their work a four-stage CRM process framework was developed which comprised of the following four sub-processes, namely : customer relationship formation process; a relationship management and governance process; a relational performance evaluation process, and a CRM evolution or enhancement process. The important components of the process model is depicted in Figure 4.5

The CRM Formation Process

Decisions regarding initiation of relational activities for a firm with a particular group of customers (or an individual) whom the firm wishes to engage in a cooperative or collaborative relationship marks the formation process of CRM. This process, has three important decision areas to focus on : defining the *purpose* (or objectives) of engaging in customer relationship management; selecting customer partners for appropriate CRM activities; and developing *programs* for customer engagement as a part of relationship building. The general purpose of CRM is to improve marketing productivity and to enhance mutual value for both buyers and sellers and this can be achieved by increasing marketing efficiencies and/or enhancing marketing effectiveness (Sheth & Parvatiyar, 1995a; Sheth & Sisodia, 1995). By cautiously selecting customers for their various programs and personalizing their market offerings to foresee and serve the emerging needs of individual customers, marketing effectiveness can be enhanced.

Customer partner selection is one more important decision in the relationship formation stage. In the initial phase, companies have to choose on which customer groups to focus their CRM efforts on. Later, when a company gains familiarity and achieves successful results with the targeted ones, the scope of CRM activities can be expanded to include other customers in the program (Shah, 1997). There are several types of CRM programs which fall into the following three categories: continuity marketing, one-to-one marketing, and partnering programs. The value of all customers is not equal which is clearly explained in the 80/20 rule where 20 percent of customers generate more than 80 percent of revenues for most companies, and it is not unusual to find that a lower percentage of customers can generate more than 80 to 90 percent of the revenues for the company.

The customer revenue-cost re-allocation opportunity zone is shown in fig 4.6 which suggests that in most companies instead of the average cost per customer being proportionate to the average revenue per customer, one believes a flat cost curve that is not sensitive to the revenue produced by the customer. This kind of situation opens up an opportunity for competitors to increase their offerings with an allocation of expensive resources to the high-end customers.

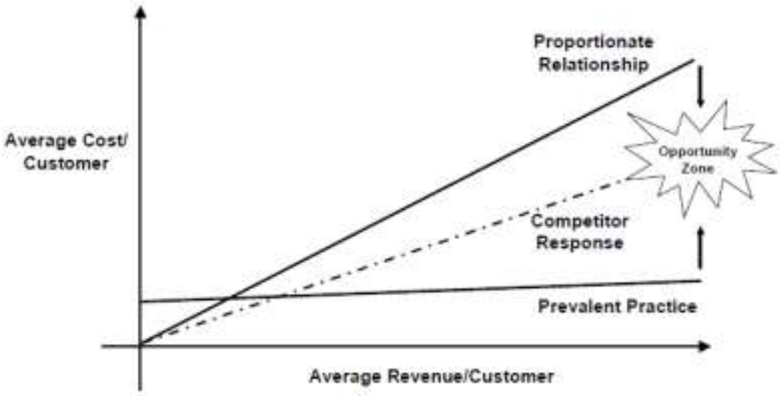

Figure 4.6: Customer Revenue & Cost Relationship

Company benefits from CRM initiatives

Boost sales

Having good customer relations increase sales figures for the company, as they simply make it easy for customers to repeat-buy during their 'customer lifetime', along with purchasing other products and services as they increase their share-of-wallet spend with the same trusted brand. Good relations also help to recruit new customers, as customers who are satisfied and happy with company offerings talk to, and even recruit, new customers. Excellent CRM systems can predict customer preferences and lure customers with tempting offers when they are ready to buy or at times just before they are ready for a purchase.

Strengthen the brand

Stronger relations result into having stronger brands which builds brand loyalty, leading to effectively building a defensive wall around the customer, protecting the customer from the inevitable onslaught of competing brands as it advances across this 'borderless and category-less' marketplace . Good relations also enhance the brand image and consequently the brand value, which is finally reflected on the balance sheet and company profitability.

Boost profits

It takes lot of manpower and other efforts to bring in new customers and thus marketing to both existing customers and referred customers costs a lot less than the new ones. Importance of customer retention is gaining importance as estimates suggest it is six times more profitable selling to existing customers. Also keeping existing customers happy makes a company not only achieve profits but also gives a competitive edge over others in terms of customer acquisition.

Create a database

Another advantage that CRM gives to organizations is it creates a quality database which is an asset and, although not shown on the balance sheet, is a very real asset to a company. This will enable the marketers to keep in touch with the changing consumer preferences and tastes which keep on changing due to many environmental factors. There are some which quantify the value of their databases by calculating lifetime values of different customer profiles and discounting back to today's net present value. Hence maintaining a database

Customer-centricity and CRM

The fundamental aspects of marketing philosophy are keeping customers and their needs at the centre of business thought processes and actions (Deshpande & Webster, 1989). At the centre of the customer relationship management concept is the related notion that all customers are individuals having unique needs, and marketers need to treat them so as to foster long-term customer-firm bonds. Implementation of a CRM concept, however, can be Challenging—in particular in terms of knowing the individual needs of diverse customers, and finally delivering offerings which are customized and that meet their needs. The wide accessibility of powerful IT products, together with wide usage of Internet, has allowed companies to collect, store, and analyze vast amounts of behavioural and demographic data at the individual customer level, so that marketers can directly interact with consumers (Moe & Fader, 2001; Venkatesan & Kumar, 2003). As the concept of CRM itself has evolved companies have utilized information contained within these rich customer databases in many diverse ways (Kumar & Reinartz, 2006; p. 20-22).

Earlier customer data was basically used for the purpose of automating sales force processes (e.g., in identifying prospective leads, telemarketing, placing product orders prior to actual sales and many more) apart from providing customer service and support. In the next phase, data was used cohesively across all major customer-oriented activities engaged in by a firm despite the consequences of whether they occurred prior to, during, or after a sales transaction. In the current stage, it is advocated that customer data be used tactically such that all front facing customer functions could be effectively integrated with the back-end systems of the firm with the end goal of maximizing customer value. The contemporary notion of CRM is integrative in nature whereby all of an organization's functions and processes are strategically focused on providing customer value and in turn receiving value from them, apart from IT systems playing a crucial role in the implementation phase.

CRM is thus even defined as "the way of analyzing and utilizing information present in marketing databases and leveraging communication technologies to determine corporate practices and methods that will make the most of the lifetime value of every customer which the firm serves" (Kumar & Reinartz, 2006, p.17). The thought of customer lifetime value is of particular significance to modern-day customer management decisions.

From IMC to Relationship Communication

Figure 4.7. Traditional perspective on IMC: five sources of messages (based on Calonius 1989; Duncan and Moriarty 1997; Gro¨nroos and Lindberg-Repo 1998).

In integrated marketing communication the fundamental idea is that communication does not happen in a vacuum, but in a broader framework which apart from traditional media also includes other communication efforts, as well as product and service encounters (Duncan and Moriarty 1997). Relationship communication takes place in any type of marketing message which influences the receiver's long-term loyalty to the sender by facilitating meaning creation through integration with the receiver's time and situational context. The receiver's perception of the history and envisioned future of his/her relationship with the sender refers to the time context. The situational context comprises of elements which are internal or external to the receiver. As can be seen from Figure 4.7, in the entire communication process consumer is still considered as an object rather than a subject. The sum of all actions that translate the message and meaning in a mutually beneficial way and affects the knowledge base between parties is defined as Relationship communication (Lindberg-Repo 2001, 19).The main features of relationship communication are:

- two parties take part in the communication process,
- it has a long time outlook,
- It is a sum of actions which leads to a shared knowledge base.

Relationship Marketing – Coca-Cola in India

Coca-Cola and PepsiCo its main competitor had saturated the local U. S. A. and Europe markets. Coca-Cola found a good market for its products in India due to large population and availability of low-cost labour to operate its bottling plants. International markets are typically different from the local market, requiring different marketing strategy and an effort towards building a stronger relationship with their customers. Coca-Cola had trouble in handling the protesters around its bottling plants even though nearby breweries are consuming similar water quantities and produce equivalent waste .Coca-Cola targets those customers who will gain from its products in exchange for their lucrative and repeated purchase. To strengthen its relationship with the Indian customers Coca-Cola built bottling plants in India in exchange to their loyalty. However, the company had malpractices that gravely affected its relation with the Indian consumers. The problem lies in the manufacturing plants in India consume water when it is a scarce resource, contaminate the underground water resources and dump harmful materials like lead and cadmium while bottling a drink that contains pesticides (Burnett & Welford, 2007). Indian states prohibited the sale of Coca-Cola in governmental institutions and Pollutions Control Board of Kerala closed a bottling plant after a prolonged protest by the villagers.

Coca-Cola, being a non-alcoholic drink marketed as a joyful and refreshing drink catering to all age groups where Coke is the most famous soft drink manufactured by Coca-Cola Company and is consumed around the world. Coca-Cola Company has more than 400 non-alcoholic beverages including Coke, with distribution and bottling operations in across 200 countries. Coca-Cola claims their products have been tested using European standards and did not break any laws in India. However, it was found by an Indian laboratory that Coke contained pesticides 24 times higher than the European standard.

Coca-Cola's values include integrity, accountability, leadership and collaborations but Coca-Cola's practices have serious implications that oppose its values.
Coca-Cola implemented its bottling and distribution model in Indian market and succeeded at the cost of damaging its brand name, at least locally, and losing many customers to the local competitors. Coca-Cola should put into practice a well structured customer relationship management system to polish its brand name and act morally alike to the way it does its bottling and distribution in U. S. A. and Europe. The recommended relationship management endeavour should be tailored to the Indian culture and address the political and religious differences that persist in the local area.

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