

Customer Relationship Management: A Case Study on Mother Horlicks

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Dear Sir

I have much pleasure to submit this Dissertation on “Customer Relationship Management: A case study on Mother Horlicks” which has been assigned to me as a requirement of completion of MPSM certification from the department of BIDG, BRAC University. This dissertation presents the case study on Mother Horlicks and its Customer Relationship Management. I sincerely hope that this study would be successful to meet your expectation level.

Yours Sincerely

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Acknowledgement

At the very outset, I want to say thanks to Almighty Allah for giving me the opportunity to study Masters in Procurement and Supply Management and to complete this dissertation. Many people helped me in conducting this dissertation. I would like to thank all of them in particular, the former RSM Amirul Islam and other colleagues of GSK Bangladesh Limited.

I am extremely grateful to Dr. Yousuf Kamal Assistant Professor, Brac University, who supervised this study, for his constant guidance and support, I have learnt much from his work, method and commitment and have benefited from his invaluable academic and warm personal support, for which I specially want to thank him.

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Abstract

Business are in a constant race to increase profits, keep the current customer and gain new ones, competing for customers in a global market like never before. One of the many sets of tools aim at aiding the interaction between organization and customers are the Customer Relation methodologies. CRM is aimed at building long term relationships that keep customers coming back repeatedly. It aims to help organizations build individual relationships in such a way that both the firm and customer get the most out of the exchange, providing both parties with long term benefits.

This case study addresses the different aspect of Customer Relationship Management.

The study considers the extent to which the existing Customer Relationship Management system is an acceptable mechanism in terms of compliance and efficiency.

The findings of the study indicate that in Bangladesh most of the firms are less interested to maintain CRM with its customers. By contrast GSK is trying to maintain it with different aspect. They are maintaining 360 degree approach to keep their customers loyal.

Abbreviation and acronyms

CRM	Customer Relationship Management
GSK	Glaxo Smith Kline
FMCG	Fast Moving Consumer Goods
MNC	Multi National Company
GSKCH	Glaxo Smith Kline Consumer Healthcare
KII	Key Informant Interviews
CARE	Corporation of American Relief Everywhere
OHC	Oral Health Care
HFD	Health Food Drink
IPD	Instant Powder Drink
CEO	Chief Executive Officer
IT	Information Technology
SKU	Stock Keeping Unit
FCMP	Full Cream Milk Powder
ATL	Above The Line
BTL	Below The Line
EM	Expert Marketing
PPM	Product Promotional Meeting
BBF	Bangladesh Brand Forum
PPP	Public Private Partnership
P-CSBA	Private Community Skilled Birth Attendants
CHW	Community Health Worker
GOB	Government of Bangladesh
MOH	Ministry of Health
NGO	Non-Government Organization
RMG	Ready Made Garments
MRP	Material Requirement Planning
CSR	Corporate Social Responsibility

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CHAPTER-01

INTRODUCTION

A Introduction

The Customer Relationship Management (in short “CRM”) is a new technique in marketing where the marketer tries to develop long term relationship with the customers to develop them as life time customers. CRM aims to make the customer climb up the ladder of loyalty. The biggest management challenge in the new millennium of liberalization and globalization for a business is to serve and maintain good relationship with the king – the customer. In the past producers took their customers for granted, because at that time the customers were not demanding nor had alternative source of supply or suppliers. But today there is a radical transformation. The changing business environment is characterized by economic liberalization, increasing competition, high consumer choice, demanding customer, more emphasis on quality and value of purchase etc.

In the mid-twentieth century, mass production techniques and mass marketing changed the competitive landscape by increasing product availability for consumers. However, the purchasing process that allowed the shopkeeper and customer to spend quality time getting to know each other was also fundamentally changed. Customers lost their uniqueness, as they became an “account number” and shopkeepers lost track of their customers’ individual needs as the market became full of product and service options.

All these changes have made today’s producer shift from traditional marketing to modern marketing to re-establish their connections to new as well as existing customers to boost long-term customer loyalty. Modern marketing calls for more than developing a product, pricing it, promoting it and making it accessible to target customer. It demands building trust, a binding force and value added relationship with the customers.

In the sections that follow, we define what CRM is and what it promises to offer. We also identify the forces impacting on the marketing environment in recent years that have led to the rapid development of CRM strategies, tools, and technologies. A typology of CRM programs is presented to provide a parsimonious view of the various terms and terminologies that are used to refer to different activities. We then describe a process model of CRM to better delineate the challenges of customer relationship formation, its governance, its performance evaluation, and its evolution. Finally, we examine the research issues related to CRM.

B Objectives of the Research

CRM is the most important part of Supply Chain Management. FMCG industries are the key players who deal with extensive practice of Supply Chain Management. CRM is needed in every organization & it is considered as one of the core management skills for every organization. This has to be done with consistency and keeping the functional and organizational strategy in mind. To ensure customer retention with the organization, FMCG should emphasize on CRM. The objective of this research is to identify the scope of practicing CRM in MNCs in Bangladesh so that we can recommend a way how to retain a customer for lifetime.

C Research questions

This research study aims to evaluate the Customer Relationship Management of Mother Horlicks. Specifically, the study intends to answer the following research problems:

- How GSKCH maintain the supply Chain process for Mother Horlicks?
- What are the common problem and challenges to increase CRM of Mother Horlicks?

D Scope of the Study

This study is basically focused on FMCG sector. In this study, we will provide comprehensive insight about the practice of CRM in the FMCG sector in Bangladesh. Though CRM is largely ignored in Bangladesh as there is a huge gap between demand & supply and no relevant study has been found here to emphasize on establishing the practice of CRM, we would like to focus on establishing CRM and cost-benefits analysis in Bangladesh.

To gather information we have adopted case study approach and selected one of the prominent MNC which is Glaxo Smith Kline (GSK). Information gathered through analyzing annual report and Key Informant Interviews (KII) will lend support to the research on what are the steps taken by the FMCGs to incorporate CRM practice in their system.

E Methodology of Research

To achieve the research objectives as mentioned above, initial approach will be to review the relevant literature to strengthen the knowledge background in order to proceed with the task. Then we will review the Annual Report 2015 of the GSK and finally in depth interviews along with survey among the professionals of different functions of GSK will be performed for the research in order to achieve a better insight and understanding of the use of CRM in FMCG sector.

Review of the Annual Reports

Annual report of any company is the most authentic information that is publicly available. In order to understand the formal position of GSK as far as CRM is concern we will review the annual report of 2015.

Interviews

For this purpose, 3 interviews in 3 sessions have been designed with a view to ascertain how CRM is embedded in GSK for Mother Horlicks. The Brand Manager, National Sales Manager, Demand Planning Manager of GSK has been interviewed according to the planned interview schedule. Since we have selected GSK for the purpose of case study, all professionals were selected from GSK only. Schedule of the interviews were as follows;

Interview Schedule

Date	Session No	Interviewee	Topics to be covered	Time Plan
June 12,	Session 1	Brand Manager	Present status and future potentiality of mother	9 am to 10

2016			Horlicks, initiatives taken to make it best brand to experts, shoppers and consumers	am
June 12, 2016	Session 2	National Sales Manager	Performance of mother Horlicks in comparison with its competitors, role of CRM to achieve its goal, challenges currently it is facing	10:30 am to 11.30 am
June 12, 2016	Session 3	Demand Planning Manager	SWOT analysis of mother Horlicks, backward and forward linkages, initiatives taken for smooth distribution	12 pm to 1 pm

For the purpose of preparing the interview schedule, both open ended and close ended questions were included to gather the required information regarding CRM practice inside GSK, performance of mother Horlicks in comparison with its competitors, role of CRM to achieve the goal of mother Horlicks, initiatives taken to make it best brand to experts, shoppers and consumers, SWOT analysis of the brand, challenges and its remedies, future potentiality of the product in the context of Bangladesh etc. In addition, information on the factors that may act as driver or barrier to establish CRM practice for mother Horlicks in GSK. Their operational experience in the field of CRM has been highlighted during interview process. At the final stage of the interviews, suggestions or opinions were invited from the respondents in order to get a general perception about CRM practice for Mother Horlicks in GSK.

The data collected through the key informant interviews and survey questionnaires have been analyzed based on the questions asked in the interviews. An individual analysis has been made on each of the questions which would help find a complete picture of the matter. Most of the analysis has been done qualitatively from the perception based interviews with the respondents. However, some quantitative analyses have also been made based on the supplied data by the respondents. The data and the detailed analysis have been presented using different analytical and presentation tools such as table, figures, pie chart etc.

The whole research work has been conducted under the supervision of an academic supervisor. The research outcome has been revealed through the production of a dissertation paper which was prepared under the guidance of the supervisor and as per the instructions given by the BRAC Institute of Governance and Development (BIGD), BRAC University.

F Organization of the Thesis

This thesis has been developed in six distinct Chapters. General introduction of Customer Relationship Management is included in Chapter 1. This chapter also includes the overall objectives of the study including research question, the scope of research, methodology of the study and finally the chapter outline. Chapter 2 titled “Context” Introduces about GSK and its organogram. Chapter 3 titled “Literature Review” introduces the concept of Customer Relationship Management in order to give a theoretical view of the subject matter. The concepts of Customer Relationship Management terminologies have also been elaborated in this chapter. The chapter also presents a brief overview of Customer Relationship Management practices including organizational best practices in the various part of the globe. Chapter 4 is completely dedicated to capture the theoretical background and the chronological evolution of Customer Relationship Management in Bangladesh emphasizing FMCG sector. In chapter 5, the data and information regarding Customer Relationship Management scenario in the Glaxo Smith Kline (to depict the overall FMCG sector in Bangladesh) collected through key

informant interviews with a number of professionals is analyzed and presented. This chapter gives a clear view of Customer Relationship Management practices in the FMCG sector in Bangladesh. Findings, concluding remarks and recommendations came at the concluding Chapter. References and Appendices are placed at the end to support the research work.

CHAPTER-02

CONTEXT

A About GSK

GlaxoSmithKline plc (GSK) is a British pharmaceutical company headquartered in Brentford, London. Established in 2000 by a merger of Glaxo Wellcome and SmithKline Beecham, GSK was the world's sixth largest pharmaceutical company as of 2015, after Pfizer, Novartis, Merck, Hoffmann-La Roche and Sanofi. Andrew Witty has been the chief executive officer since 2008.

The company has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. As of December 2015 it had a market capitalisation of £65 billion (around \$90 billion), the fifth largest on the London Stock Exchange. It has a secondary listing on the New York Stock Exchange.

GSK's drugs and vaccines earned £21.3 billion in 2013. Its top-selling products that year were Advair, Avodart, Flovent, Augmentin, Lovaza and Lamictal. GSK's consumer products, which earned £5.2 billion in 2013, include Sensodyne and Aquafresh toothpaste, the malted-milk drink Horlicks, Abreva for cold sores, Breathe Right nasal strips, Nicoderm and Nicorette nicotine replacements, and Night Nurse, a cold remedy. The company developed the first malaria vaccine, RTS,S, which it said in 2014 it would make available for five percent above cost.[8] Legacy products developed at GSK include several listed in the World Health Organization Model List of Essential Medicines, such as amoxicillin, mercaptopurine, pyrimethamine and zidovudine.

GSK is committed to develop new and effective healthcare solution. The values on which the group has founded have always inspired growth and will continue to do so in times to come.

B GlaxoSmithKline- At a Glance

- GSK's mission is to improve the quality of human life by enabling people to do more, feel better and live longer
- GSK is a research-based pharmaceutical company.
- GSK is committed to tackling the three "priority" diseases identified by the World Health Organization: HIV/AIDS, tuberculosis and malaria
- GSK's business employs around 99,000 people in over 100 countries
- GSK makes almost four billion packs of medicines and healthcare products every year
- In November 2009, GSK launched ViiV Healthcare, a global specialist HIV company established by
- GlaxoSmithKline and Pfizer to deliver advances in treatment and care for people living with HIV.
- Many of our consumer brands are household names: Ribena, Horlicks, Lucozade, Aquafresh, Sensodyne, Panadol, Tums, and Zovirax

C GlaxoSmithKline in time

- Every second, more than 30 doses of vaccines are distributed by GSK.
- Every minute, more than 1,100 prescriptions are written for GlaxoSmithKline.
- Every hour, GSK spends more than US \$ 450,000 to find new products.
- Every day, more than 200 million people around the world use a GSK toothbrush or toothpaste.

- Every hour, GSK donates more than US \$ 148 million in cash and products to communities around the world.

D History of GlaxoSmithKline

Year	History
1873	The company was oriented as Joseph Nathan & Company in New Zealand with the founding of a small import export company. It started its operation as a processing unit of abundant fresh milk of New Zealand. The only product it was producing was Glaxo Baby Food.
1875	It started to export baby food to UK Alec Nathan, son of Joseph Nathan, coined the name Glaxo from Glactose.
1924	Joseph Nathan & Company entered the pharmaceutical industry with the manufacture of Ostelin, the first Vitamin D preparation. The importance of the pharmaceutical market was soon realized
1935	Glaxo Laboratories Limited was founded with its headquarters at Greenford, Middlesex and London for the production and marketing of foods and pharmaceuticals.
1947	After the 2nd world war, Glaxo developed rapidly. Glaxo Laboratories Limited absorbed its parent Joseph Nathan & Company, and became a public company.
1963	Edinburgh Pharmaceutical Industries Limited, which owned Duncan, Flock hart and Company Limited and MAC Far lane Smith Limited, joined Glaxo.
1995	Glaxo acquired 100% share, of Wellcome PLC on may 01, 1995 and formed Glaxo Welcome PLC.
1998	Glaxo Wellcome achieved a number of regulatory milestones for several of its key projects, such as ZEFFIX for the treatment of influenza.
2000	Glaxo Wellcome and SmithKline Beecham merged to form GlaxoSmithKline; a worldwide research based pharmaceutical company

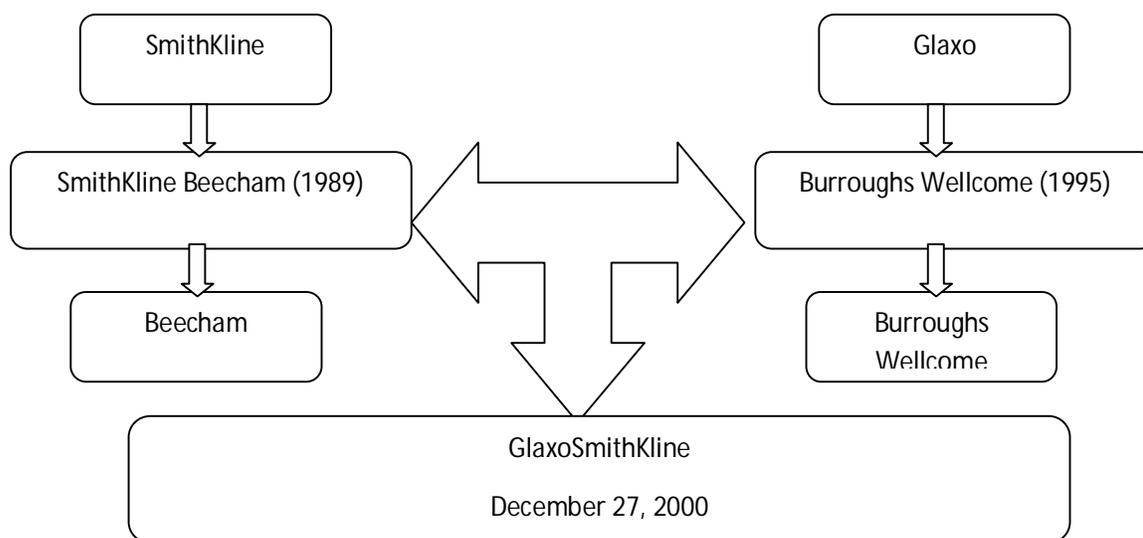


Figure: GlaxoSmithKline

E Mission

The mission statement of the business- “ Our global quest is to improve the quality of human life by enabling people to do more, feel better and live longer”

F Spirit

“Our company spirit describes how we need to behave if we are to achieve our goal” –We undertake our quest with the enthusiasm of entrepreneurs, excited by the constant search for.

G Vision

Becoming the undisputed leader in the industry means conquering the challenges that will be face as an industry and as a global society.

H Quality Statement

Quality is at the heart of everything we do- from the discovery of the molecule through product development, manufacture, supply and sale- and vital to all the services that support our business performance.

I GlaxoSmithKline Bangladesh Limited

With an enviable image and reputation for the past 6 decades GlaxoSmithKline (GSK) Bangladesh Limited running its operation as a subsidiary of GlaxoSmithKline plc- one of the world’s leading research-based pharmaceutical and healthcare companies. In 1949 the Company commenced its journey in Bangladesh with its’ corporate identity as Glaxo in Chittagong as an importer. In 1967, the company established its own manufacturing unit at Chittagong. The facility till date is considered as one of the Centre of Excellence in Global Manufacturing & Supply Network of the Group. The global corporate mergers and acquisitions have seen the evolution of the Company’s identity in the past 6 decades. In line with mergers and acquisitions the identity changed from Glaxo to Glaxo Wellcome Bangladesh Limited following the Burroughs Wellcome acquisition in 1995 and finally to GlaxoSmithKline Bangladesh Limited during 2002 after merger with SmithKline Beecham in December 2000. The mega merger of the Company enables it to deliver cutting edge advancements in health care solutions. The relentless commitment, setting of standards of ethical standards and quality backed leading edge technology of the Company has built a strong relationship between the stakeholders and GSK Bangladesh. With the ever committed 701 numbers of personnel all over the country GSK Bangladesh, which now comprises of both Pharma and Consumer, continually strive to meet the GlaxoSmithKline mission.

GSK has made a global commitment to reinvest 20% of the profit they make in the developing to address issues around providing healthcare services to the underserved communities. In line with the above, in Bangladesh they are investing more than 1 million GBP per year since 2010 in a number of projects in partnership with CARE, icddr and Friendship.

J Operations in Bangladesh Headquarter

GlaxoSmithKline Bangladesh Limited Corporate Office House # 2A, Road # 138. Gulshan-1.	Registered Office & Factory Fouzderhat Industrial Area North Kattali, Chittagong. District Marketing Office
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GlaxoSmithKline Bangladesh Limited has 3 Sales Region throughout the country. These are divided in 13 Area by which GSK's products are sold.

K Distribution Channel

- Mutual Food- Distributor of consumer health care product of GSK, Bangladesh.
- Zuellig Pharma- Distributor of pharmaceuticals and Oral Health Care (OHC) product of GSK, Bangladesh.

L Organizational structure of Company

Top Management

As per provisions of the Article of Association, Board of Directors holds periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management

The Managing Director heads the Executive Management, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management.

Corporate Governance Structure

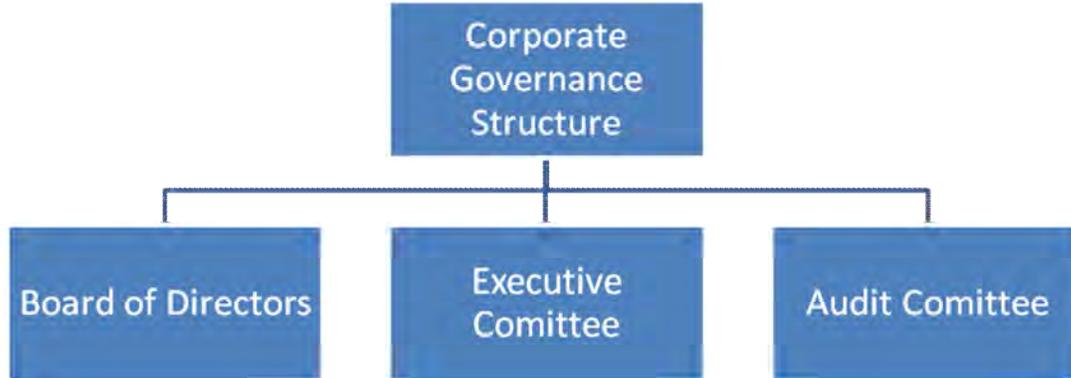


Figure : GSK corporate governance structure

Functional department of GlaxoSmithKline Bangladesh Ltd

GlaxoSmithKline, Bangladesh, Limited comprises of seven major departments. They are given below-

- Human Resources
- Supply Chain
- Marketing
- Sales
- Finance
- Legal
- Information Technology

Each department of GSK operates in different aspects but they are inter-related as well as complementary to each other. Above mentioned functional departments are worked under the Managing Director. The company's delegation of authority is decentralized. The main functions of these departments are shown below:

M Products of GSK Bangladesh Ltd

GSK is committed to develop new and effective consumer health care solutions. The values on which the group was founded have always inspired growth and will continue to do in times to come. In Bangladesh GSK is providing both Pharmaceutical and consumer Health care products for its consumers.

GSK works in the two broad areas of products markets:

- Pharmaceutical: prescriptions, medicine and vaccines

- Consumer Healthcare: Health Food Drink (HFD), Oral Health Care (OHC) and Instant Powder Drink (IPD).

GSK Portfolio

GlaxoSmithKline Products Glossary	
Local production	60 products including <ul style="list-style-type: none"> ➤ Berin ➤ Cytamen ➤ Kefdrin ➤ Pentamox
Imported product	17 products including <ul style="list-style-type: none"> ➤ Alkeran ➤ Seretide ➤ Zinnat
Vaccines	17 products including <ul style="list-style-type: none"> ➤ Engerix-B ➤ Fluarix ➤ Synflorix
Consumer Healthcare	11 products including <ul style="list-style-type: none"> ➤ Horlicks ➤ Chocolate Horlicks ➤ Junior horlicks ➤ Mother Horlicks ➤ Women Horlicks ➤ Horlicks Lite ➤ Boost ➤ Maltova ➤ Glaxose ➤ Sensodyne ➤ Sensodyne Brush

Mother Horlicks

In the Bangladeshi market, GSKCH's journey began with Horlicks. Mother Horlicks launched in 1977, Mother's Horlicks is a superior nutritional supplement with 27 vital nutrients scientifically designed, keeping the nutritional needs of pregnant and breastfeeding women in mind. It has been re-launched with a great new taste in 2014, as a tailor-made nutritional supplement for pregnant and breast feeding mothers. Mother's Horlicks is a nutritional beverage to be consumed as a part of daily diet .It provides nutrients to help meet the increased calorie requirements during pregnancy. Mother's Horlicks contains micronutrients (Iron, Iodine, Folic acid, zinc, Magnesium, vitamin A, B6, B12, and D) known to help improve birth weight of the baby. Dietary interventions or supplementation during pregnancy can increase the secretion of these nutrients in breast milk. It also provides nutrients (vitamin B1, B2, B6, B12, A, iodine, selenium) known to helps improve the quality of breast milk during Lactation. The period of brain growth in children is from 12 weeks of pregnancy until three years of age. The sensitive period for neural development and for associated behavioral capabilities is from prenatal life to early in infancy. Deficiencies of even the small amounts required during critical growth periods cause learning disabilities. In infants, deficiency of key nutrients [vitamins B2, B6, B12, C, Folic acid and iron] can impair development of the central nervous system and the brain. Other nutrients like iodine and zinc are important for normal brain development. Mother's Horlicks contains nutrients known to contribute to normal brain function of baby. It also has no artificial colors, no artificial sweeteners and no added preservatives.

CHAPTER - 03

LITERATURE REVIEW

A Introduction

This chapter introduces the theoretical background of the Customer Relationship Management under the study and explains on why it is a relevant issue from a FMCG perspective. Besides, the emergence of the phenomenon Customer Relationship Management and its connection to Consumer Retention has been described. Some of the concepts relevant to the Customer Relationship Management have also been presented and elaborated.

The research work started with a thorough and critical review of literature which focused basically on the concept of Relationship Management and Customer Relationship Management in the FMCG sector in Bangladesh. For getting in-depth knowledge of Customer Relationship Management different books, journals, publications were reviewed. Besides, the websites of different organizations practicing Customer Relationship Management and also different multi-national organizations were visited in order to know the latest advancement in this sector.

Reports of different local organizations on Customer Relationship Management, reports of different MNCs have helped a lot to enhance the knowledge base of the subject matter. Finally, the articles published in different newspapers on this issue have been reviewed in order to have the current exposure of the subject matter.

B The Concept of Relationship Management

At the broadest level, the function of an enterprise's marketing activities is to bring buyers and sellers together, to create customers. While getting customers is fundamental to business success, keeping customers is more important. Successful firms work to build long-term relationships with their customers. The term Relationship Management or Relationship Marketing communicates the idea that a major goal of a business enterprise is to engage in interactions with customers over the long term.

Consider the local butcher of years ago. When a female customer walked into the shop, the butcher said hello and called the customer by name. The butcher knew how the customer wanted her steaks and chops trimmed. He knew her family always grilled hamburgers on the weekend and that they preferred ground sirloin over ground chuck. Although he specialized in meats, he also stocked hamburger buns so his customer needed to make only one stop. She appreciated the personalized service she received. Both the butcher and the customer profited from this loyalty relationship.

The old fashioned butcher understood his customers and promptly responded to their needs. In recent years, contemporary marketers have realized that they can learn a lot from shopkeepers of the past. Contemporary marketers recognize that, once a sale occurs, the firm must stress managing relationships that will bring about additional exchanges. Making a sale should not be viewed as the end of the marketing process, but rather as the start of the organization's relationship with a customer.

The relationship between a buyer and seller seldom ends when a sale is made. In a greatly increasing proportion of transactions, the relationship actually intensifies subsequent to the sale. This becomes the buyer's critical factor in the buyer's choice of a seller the next time around. The sale merely consummates the courtship. Then the marriage begins. How good the marriage is depends on how well the relationship is managed by the seller.

A principle thesis of this text is that customers who receive more than they expect from an organization are pleased and satisfied. Satisfied customer who develop a history a positive interactions and who want to purchase the same product or a related item will return to the organization that has treated them well in the past. As firms strive to treat customers in a manner that encourages repeat sales, they maximize the life time value of customer relationships.

C The Concept of Customer Relationship Management

Customer relationship management has been defined as “a business approach that integrates people, processes, and technology to maximize relationships with customers” Goldenberg (2008, p.3). Moreover, it has been stated that customer relationship management “characterizes a management philosophy that is a complete orientation of the company toward existing and potential customer relationships” (Raab et al, 2008, p.6)

Mueller (2010) characterizes customer relationship management aspect of the business as a highly dynamic, and convincingly argues that businesses have to adopt a proactive approach in devising relevant programs and initiatives in order to remain competitive in their industries.

Sinkovics and Ghauri (2009) relate the necessity for engaging in customer relationship management to high cost of direct sales, highly intensifying level of competition in the global level, and need for information about various aspects of the business in general, and consumer behavior in particular, that can be used to increase the levels of sales.

According to Peppers and Rogers (2011), there is global tendency in customer relationship management that relates to the shift from transactional model towards the relationship model. In other words, Peppers and Rogers (2011) argue that satisfying customer needs as a result of on-time transaction is not sufficient today in order to ensure the long-term growth of the businesses.

Instead, businesses have to strive to maintain long-term relationships with their customers in order to maintain flexibility to adopt their increasing expectations and thus achieving their life-long loyalty. Peppers and Rogers (2011) further stress that, businesses that refuses to acknowledge this tendency in the global marketplace would be risking their market share and growth prospects in the future.

One of the most critical sources for the research is the book “Relationship Marketing and Customer Relationship Management” authored by Brink and Berndt (2009). The book offers an in-depth discussion of the concept of Customer Touch Map and discusses the role of information technology in facilitating customer relationship management.

The work of Mathur (2010) represents another significant contribution to the research area to be used in the study. Namely, the author provides a wide range of specific customer relationship management techniques and principles that are used by multinational businesses. The findings of Mathur (2010) can be compared to the primary data findings in the proposed research, thus enhancing the scope of the study.

Khurana (2010), on the other hand, discusses the concept of customer relationship management in a great detail, and also addresses advantages and disadvantages associated with a range of relevant software applications. The third edition of Pradan’s (2009) “Retailing Management” is another noteworthy source that is going to be used in the study. Specifically, Pradan (2009) identifies customer relationship management as an emerging aspect of marketing in retail and discusses its importance for ensuring long-term growth for retail businesses.

A global approach towards the issues of customer relationship management is adopted by Raab et al (2008) in “Customer relationship management: a global perspective”. The value of this specific work to the proposed research can be explained in a way that it will allow the comparison of customer relationship management principles to the similar principles exercised by other multinational retailers in a global marketplace.

Bhatia’s (2008) work, “Retail Management” is also going to be used in the proposed study due to the significance of the contribution of the work to the research area. Bhatia (2008) offers in-depth discussions related to the use of loyalty cards by retailers, and this represents a comprehensive analysis of the issue in the secondary data.

Moreover, Cox’s (2011) “Retail Analytics: The Secret Weapon” deserves also to be mentioned in here thanks to the most modern and fresh perspective the author adopts in order to approach the research issues. The most valuable part of this specific article is that it provides highly practical recommendations to retailers of various sizes in terms of increasing the levels of revenues through adopting a range of customer relationship management principles.

A range of academic models and writings relate to this research in direct and indirect ways and some of the most relevant models are going to be explored in the study. One of the most models to be used in the study is The Gap Model of Service Quality. “A model of service quality called the gap model identifies five gaps that can cause problems in service delivery and influence customer evaluations of service quality” (Lamb et al, 2011, p.189).

These five gaps are a) the gap between customer wants and the management perceptions about customer wants; b) the gap between the management perceptions about customer wants and the specifications of service developed; c) the gap between the service specifications and the actual service provided; d) the gap between the quality of service promised and the quality of service provided, and e) the gap between expected service and perceived service on behalf of customer.

Another relevant model to be tested during the study constitutes Relationship Model of customer relationship management proposed by Peppers and Rogers (2011). Specifically, the model advocates adopting a pro-active approach in sustaining customer relationships and proposes a set of specific principles that would assist to accomplish this task.

D The CRM System as a Hub of Applied Learning

In essence, the CRM approach represents another step in the development of the traditional concept of marketing. A philosophy or a way of envisioning an organization as an integrated system where all aspect work to satisfy customer needs, at a profit, within societies long term best interests. Integrated system requires access to information that cuts across all functional areas of the firm. Satisfying customer needs implies a necessity to acquire information before, during and after the sale. While not for profit organization may prefer terms such as ‘donations’ to the term ‘Profit’ the issue remains one of comparing costs to the benefit of alternative actions.

The basis of building effective CRM systems and strategies is to build profitable relationships in the long term that are mutually beneficial and that fulfill promises as customers experience the product or service offering. However many organizations experience difficulties in building information and e-commerce initiatives since implementing the new technology requires a complex array of skills to capture data from dynamic processes. Further organizations must balance the need for security with the goal of increasing personalization. People often find a difficult to change traditional approaches and to grasp the information needed to plan effective strategies.

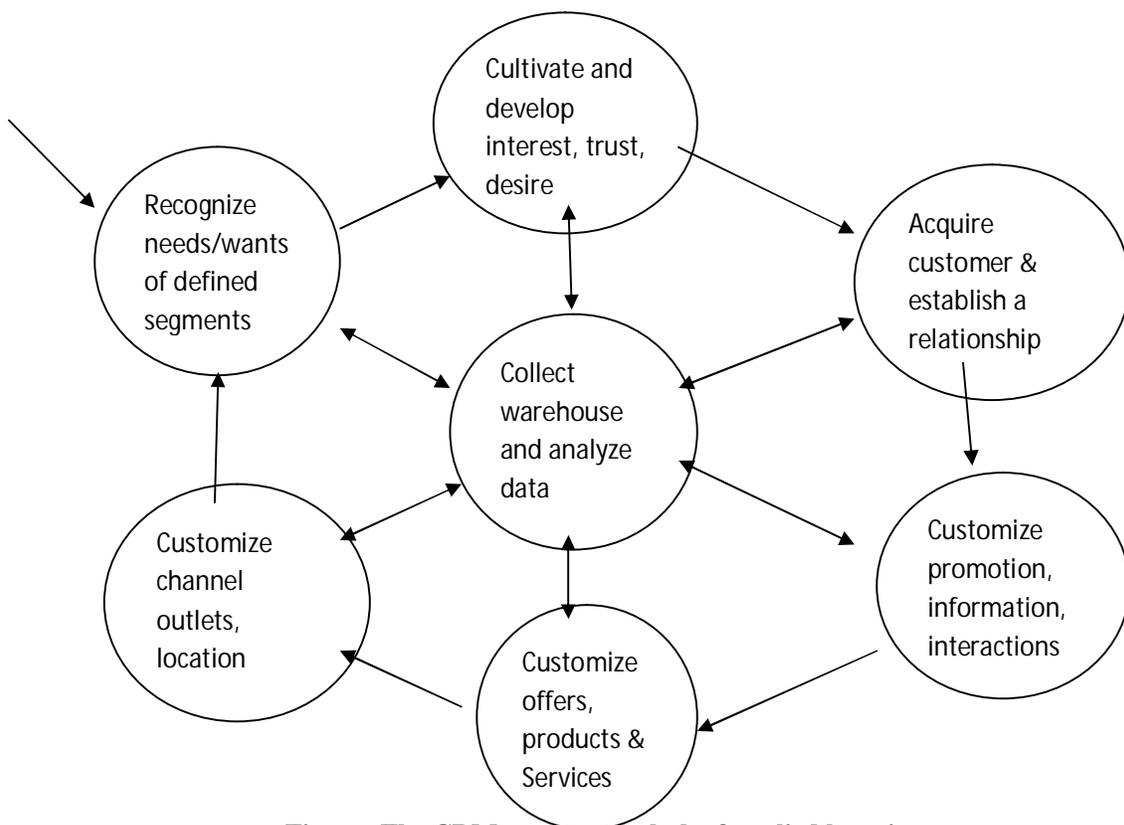


Figure: The CRM process as a hub of applied learning

Potential returns of CRM systems

Potential of CRM system and the traditional concept of marketing view the customer as the pivotal point around which the business revolves. A fundamental principle of marketing is that customers are different. Some customers cost a great deal to attract and require a great deal of service while others require very little service and seem anxious to learn about your organization. A basic tenet is that different customers represent different levels of profit for the firm.

In the below figure, there are potential benefits as well as cost associated with CRM systems for both organizations and customers. Organizations or the CRM champions within the organization tend to think of all the benefits of the system-the promise of increased revenues and lowered costs. Customers in contrast, may first think of the costs associated with the system and have to be reminded of some of the benefits. For example, if the customer orders one product from a supplier on the internet and there are suddenly 2000 messages from firms that sell related product, the customer may think twice before placing another order on the web or with that organization. Thus it can be helpful for organizations to consider the benefits and disadvantages of CRM systems as they invest in their development.

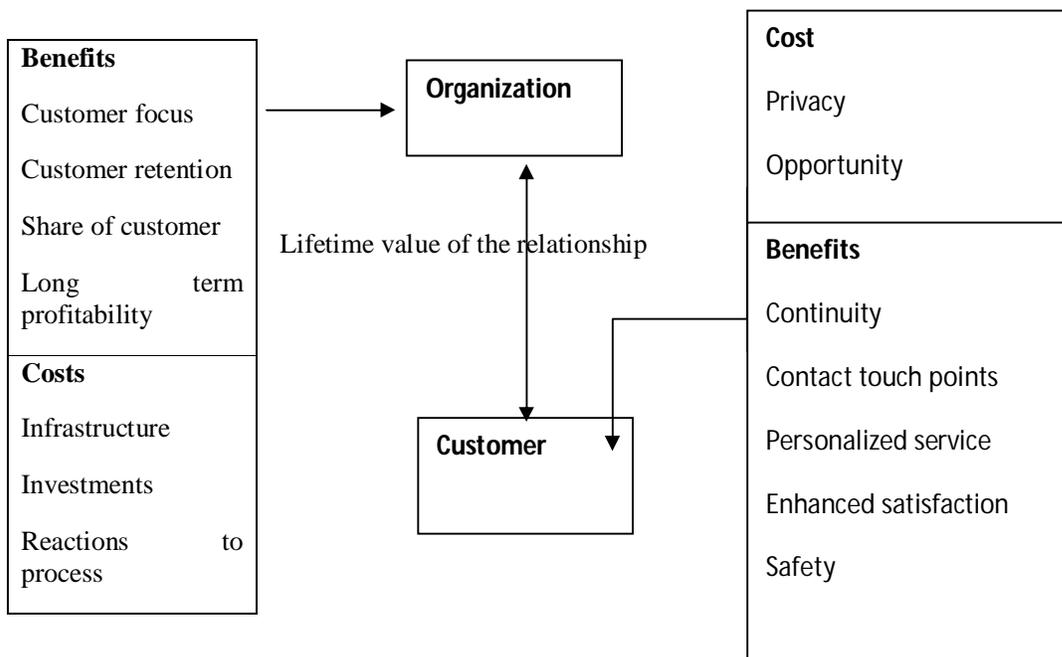


Figure: Potential costs and benefits of CRM systems

Potential Costs of CRM Systems to the Organization

We can simply say that a major benefit of an effective CRM approach is that it allows marketers to send the right messages about the right offers to its best customers at the right time. Achieving that level of quality from a CRM system may require a significant investment in the organizations information technology infrastructure. The IT infrastructure is the processing capacity required to fulfill customer needs.

The cost of building a technology infrastructure can apply to cities and towns as well as to firms. With significant web bases processes the system must be available 24 hour each day and 7 days of each week for 365 days of each and every year. If the organizations is located in an area that experiences intermittent power outages, it may lose credibility, customers and the possibility of future repeat sales unless it invests in battery support and failsafe backup systems.

Despite the best efforts of organizations to design effective CRM systems, it is people who must implement those systems and customers who must appreciate them, use them with ease and feel safe in the process. Organization must appreciate the dance of change, the inevitable interplay between growth and benefits and costs if positive outcomes are to accrue. CRM systems hold the promise of growth and benefits but the implementation of such systems carries with it limits, costs and other risks.

Potential benefits of CRM systems for customers

Customers may also get profit from CRM approaches and relationship marketing efforts. First, the continuity derived from a relationship with the same seller simplifies the buying process. Continuity implies a stable connection or linkage. A Honda advertisement says, "Life is full of complicated decisions. Simplify." This advertisement reflects an understanding that people want their buying decisions to be easier. Many buyers do not want to evaluate too many factors when choosing among alternatives. If a firm can consistently meet a customer's needs over time, the continuity of the exchanges serves to simplify the process and reduce the risk of dealing with a new supplier.

In an age when personalization is rare, CRM information technology is bringing it back. Personalization implies that the organization knows the customer by name, knows the customer's normal purchasing routine and can forecast the customer's need for variety as well.

With the appropriate information technology, customers can increasingly benefit from personalized service.

Potential Costs of CRM systems for customers

Perhaps the most obvious cost of the widespread adoption of CRM systems by organizations is the inevitable loss of privacy for customers. Privacy means confidentiality or a feeling that you can have some space to yourself where other people cannot intrude. Organizations want to know which people purchase which products in which colors on which days of the week with which credit card. Customers want to feel that no one knows that much about their personal choices. The ability of organizations to track related purchases is extensive and potentially tied to the customer's phone number, bank account or credit card number.

Lifetime value of the relationship

Whether the final customer is a business or a household, CRM systems are formed to facilitate exchanges and interactions over time. It may be helpful to recall at this early stage of the text that a customer can be an organization, another supplier or a household as shown in below figure. To improve profits, organizations have traditionally focused on reducing costs within the supply chain. The firms that coordinate processes to move supplies and products from conception or raw material stage to final consumption. Since the heart of effective supply chain processes is the development of communication networks. CRM system represent the logical next step in improving lifetime value for organizations and customers within the system.

The below figure shows a simple supply chain for vacuum cleaners. Both households and businesses need a system for removing dust and dirt. Delivering a vacuum cleaner requires many interactions between suppliers, manufacturers, distributors, sales representatives, agents and final customers. CRM approaches can be used to benefit each member within the supply chain.

The lifetime value of the relationship can be simply defined as the net benefit to each party in an exchange over the length of time that interactions occur. A focus on lifetime value does not ignore the fact that costs accrue, but rather it emphasizes the need to view the long term potential in the exchange.

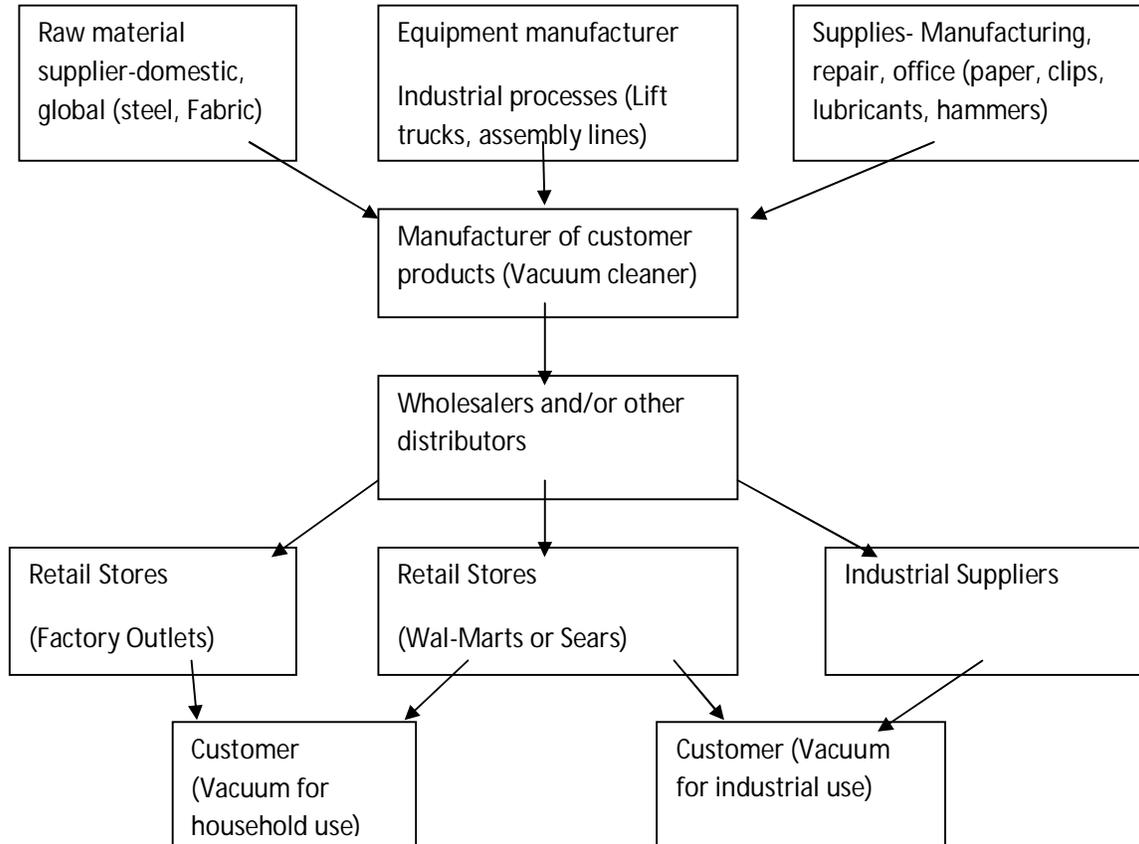


Figure: Customers occur in all phases of the supply chain

CHAPTER – 04

CUSTOMER RELATIONSHIP MANAGEMENT: BANGLADESH PERSPECTIVE

A Introduction

This chapter describes the general background of CRM practice in Bangladesh including its history and evolution. The analysis also focuses of their perspective on CRM, their intention in establishing CRM, lack of understanding in establishing CRM.

Customer Relationships is the building block that describes the types of relationships a company establishes with specific Customer Segments.

B Customer Relationship Management practice in Bangladesh

In Bangladesh, Customer relationships may be driven by one or more of three motivations:

1. Customer acquisition,
2. Customer retention and
3. Increased sales (upselling).

Motivations commonly change or evolve. For example, Customer relationships in the mobile phone market of Bangladesh were first driven by acquisition strategies involving free mobile phones. When the market become saturated, each and every organization switched to customer retention and increasing the average revenue per customer.

Companies need to be clear about their motivations, and to analyze performance carefully to establish such benchmarks as: cost of customer acquisition, effectiveness of various marketing approaches, average period of customer retention, and integration of motivations with overall company policy.

Customer Acquisition

In Bangladesh most of the organizations are emphasizes on customer acquisition through customer relationship. Because, Bangladesh is a development country. A lot of people live below the poverty line. But, economic conditions of our people are turning back rapidly. So, most of the organizations are focusing on the segment of 'Bottom of the pyramid'. Each and every organization wants to increase the penetration of their products. They are offering different product benefit, different SKUs, different flavor also. To aim on different type of customer segment organizations are offering different quality products. For example, Arla food Bangladesh ltd is a Multi-national Company. They are mainly produce Full Cream Milk Powder. It's a top quality product and price is relatively high. To penetrate in maximum house hold they come with cheap grade milk. They are offering minimum price. Now they have highest market share in Full Cream Milk Powder category.

Customer Retention

Customer retention is the challenge for any organization. Customer retention is depends on customer relationship. In Bangladesh it's more challenging to retain customer because most of the customers are not brand loyal. Here people are price sensitive. For example, in Bangladesh at present 100 million people are using cell phones. There are 3 top mobile operators in Bangladesh. They are giving different types of schemes to their customers. But one scheme is common to all, that is-a special offer on temporary close connection. That offer is only to retain their customer, nothing else.

Increased sales

In FMCG industry of Bangladesh, most of the companies are continuously focusing to maximize their sales. They are spending lots of money for ATL activity, BTL activity. Under those activities they are offering lucrative scheme for bulk purchase, giving incentive to retailers, wholesalers, distributors as well as sales force. They are going for mass production to ensure economies of scale.

CHAPTER-05

CRM PRACTICES AS WELL AS ROLE OF CRM FOR MOTHER HORLICKS IN GSK

A Introduction

In Chapter 01, two research questions have been proposed which are, firstly How GSKCH maintains the supply Chain process for Mother Horlicks and secondly what are the common problem and challenges to increase CRM of Mother Horlicks? This section addresses the 2nd of the research question and represents findings for what are the common problems and challenges to increase CRM of Mother Horlicks?

B Steps to CRM Practice

Leading healthcare company, GlaxoSmithKline, is building on its success with CRM Customer Relationship Management. GSK rolled out DARPAN, a tools use for CRM, to its sales representatives in its Consumer Healthcare Retail Grocery division throughout Bangladesh.

GSK wants to improve the management information relating to its independent retail customers by replacing the manual reporting systems used by its field sales force, with DARPAN. The company hoped that the resulting advances in customer service would help drive greater sales of its popular consumer products like Horlicks, Boost, Maltova, Glaxose and Sensodyne toothpaste through independent retail outlets. GSK's CRM project followed the successful upgrade of DARPAN and Expert Marketing (EM) team. CRM to the company's representatives, which saved literally thousands of hours through productivity improvements as well as improving data integrity and building customer loyalty.

C Product Promotional Meeting (PPM)

GSK is continuously arranging Product Promotional Meeting (PPM) with chemist outlet owners across the country. In this meeting they are detailing their product benefit specially for Mother Horlicks. In this meeting they are generally emphasize on three things. Such as:

Products quality:

Mother Horlicks containing 27 micro nutrients including DHA and Choline. They give that information to their key retailers with Power Point Presentation. They try to make the secession interactive so that retailer can educate about the products quality.

Consumer's benefit:

In this meeting they give them a detail idea about the benefit of consumers from the products, reason for consumers to buy the product.

Retailers benefit

Here they show the maximum benefit of the retailers can earn by selling Mother Horlicks. Their purchase price, selling price, display scheme etc. If possible they take Mother Horlicks order from this meeting.

Expert Meeting (EM)

To generate demand, GSK often arrange Expert Meeting with prominent specialized doctor/nutritionist. In this meeting they educate them about Mother Horlicks quality and benefit. They select a lead speaker among of the participants. The lead speaker gives a short speech on Mother Horlicks.

Get together with Mothers

GSK often arrange a get together with mother in different villages. They called this get together “Uthan Boithok”. They do this meeting with a facility of health check up of mothers. They conduct the meeting with a doctor who gives advice to mothers about their daily life, required nutrition, health tips etc. In these meeting they give few sample sachet of Mother Horlicks to all participants.

Call Centre

GSK have a toll free call centre number where any mother can call for advice during her pregnancy period. This service is making their customer loyal to them.

D Annual Report 2015

The cover page of Glaxo Smith Kline Bangladesh Limited’s annual report 2015 speaks about this Company’s intention towards Customer Relationship. As mentioned in the introduction of this chapter the very slogan of this Organization’s is “Do more feel better live longer”. They have tried to give a strong message towards their stakeholders that they would like to strive to achieve a business goal which is doing any harm to the people and planet.

GSK values (Page 2 of Annual Report 2015)

The spirit of GSK is its values. In their values, they are telling “Respect for the people, Patient focus, Transparency, Integrity”. Their slogan is “Believe in your values for a better tomorrow”.

GSK Bangladesh Limited’s Approach towards Values (Page 5 of the Annual Report 2015)

At GSK we believe that operating in a responsible and ethical manner is essential for our business. This belief in values based decision making underlies everything we do, and supports the delivery of our business strategy. We are committed to earning the trust of our stakeholders both internal and external. By delivering of our promises as employee and as a company. In doing so we foster an environment where people feel safe to speak up and identify areas of improvement, as well as issues of concern. Trust is the key of our good reputation and crucial of our company’s success.

Our values provide the management tone for the whole organization. They describe the spirit in which we operate and provide a reference point when we encounter difficult situations. The consistent demonstration and communication of values by leaders at all level is essential in making our control effective. We all have individual responsibility to live the value everything we do everyday for GSK. Our values reflect our belief that it is not just what we achieve that counts. It is also how we achieve it.

All the GSK Bangladesh employees follow speak up culture to ask questions and speak up. Every employee is guided up to hold themselves and each other accountable for abiding by our code of conduct. Further more employees are empowered and required to promptly raise concerns of possible misconduct, potential conflicts or known breaches of this code and company expectations. Suspected

violation of country laws and regulations of Bangladesh must also be reported. This include the potential misconduct of employees, complementary workers, consultants, vendors and partners with whom we jointly do business.

Our speak up culture and procedures encourages everyone to raise concerns about potential, unethical or illegal conduct and assure confidentiality and protection from retribution or any form of harassment to those reporting such concern.

Horlicks becomes the 3rd best Brand in Bangladesh (Page 38 of the Annual Report 2015)

Horlicks become the 3rd most loved Brand in Bangladesh in 2015 and the No. 1 Brand in Health Food Drink. Bangladesh Brand Forum (BBF) in collaboration with Millward Brown conducted the study to determine the ranking of the best brands in Bangladesh. The ranking is based on the extensive nation wide survey of around 4000 thousand consumers in Metro, Urban and Rural areas. The results are measured on parameters of being meaningful on Brand salience and being different. This is a prestigious achievement for GSK Bangladesh. The brand has progressively elevated in every year in its ranking compared to other FMCG brands.

Corporate Social Responsibility (Page 41 of the Annual Report 2015)

Our continuous strive at GSK remains to be creating access to quality healthcare in communities we work at. To create access and facilitate healthcare service delivery GSK has taken initiative to re-invest 20% of its profit to building capacity of the community health workers (CHWs) at the hard to reach areas of the country. The projects under these initiatives are named below:

GSK- CARE public private partnership initiatives to address the health work force issues at remote areas

GSK-CARE community health worker initiative is an innovative Public Private Partnership (PPP) to address the human resource and health service gap for 1.40 million people in 50 Union of 10 underserved Sub Districts of remote Sunamgonj District. This is an ongoing initiative since December 2012 and founded by Glaxo Smith Kline Bangladesh Limited as part of our 20% profit reinvestment programme. The programme will deliver consistent high quality and sustainable maternal new born and child health care by developing private community skilled birth attendants (P-CSBAs) and community health workers (CHWs) and strengthening community health systems. The programme also actively engages with local government (Union Parishad) to support the P-CSBAs and facilitate service access to poor women and children. The initiative has demonstrated impressive result in last 3 years and as a results Ministry of health and family welfare has requested to expand the reach to all 87 Unions of 11 Sub District from December 2015. To mark the expansion, in September 2015, different launch events were organized in Dhaka and Sunamgonj. At Dhaka Secretary of Ministry of health and family welfare (MOHFW) Syed Monjurul Islam, Vice President of GSK Ramil Burden, CEO of CARE-UK Lauree Lee attended the event along with other senior government, GSK, CARE officials and UKAID representatives. The formal launching event in Sunamgonj was participated by Joint Secretary of HRM unit of MOHFW Dr Md Sahjedul Hasan, Vice President of GSK Ramil Burden, CEO of CARE-UK Lauree Lee, Senior Assistant Chief HRM unit of MOHFW Jesmin Nahar, AD-DGFP Dr Rezaul Karim, global community partnership manager of GSK Daryl Burnabi with other government, GSK and CARE colleagues. The event started with a video documentary 'A new hope in haor basin' which screened the story of new initiatives journey and was followed by 'Testimony of success' shared by an UH-FPO and UFPO, a local government representative (UP Chairman) and a P-CSBA. The civil surgeon Dr Abdul Hakim, Deputy Commissioner Sk. Rafiqul Islam and Deputy Director- Family Planning Mozammel Haque also shared their experiences and suggestions. Champa Rani a P-CSBA said that being a P-CSPA to fulfill my long term dream to serve my own community and family, I am proud that I can now support my family expenses specially contributing to my children education and its valued. The P-CSBAs provided about 2,88,346 skilled health service during

26 months. As of today 14553 birth were attended by P-CSBA. 5909 pregnant women and new born were referred by P-CSBAs for accessing lifesaving services.

GSK friendship M-Health project

The 5 years long GSK friendship M-Health project partners a local NGO called Friendship. GSK friendship in health is enabling medical information exchange through a mobile phone in long at a distance with the ultimate goal of community health care. It provides diagnostics and cure or the course of action to be taken for the cure. The project will enable 150 specialized FCMs to provide basic minimum package of quality health care, which is manageable at that level and also affordable for the communities when the NGOs and donors are not there for subsidizing the health care costs. Each char has upto 3 FCMs depending on the number of household of the char, with each FCM covering 250-300 households.

Health Access and Linkage Opportunities for Workers (HALOW)

Halow is a jointly funded project of MARKS and SPENCER and Glaxo Smith Kline. It is a yearlong project that was initiated on 1st April 2015 and will continue till 31st March 2016. The main aim of this project is to cater improve health care service to RMG workers and increase their awareness and understanding of health issues, especially female worker at both at factory and community levels. The key areas HALOW wishes to address and develop are health and nutrition behaviors, health care awareness, preventive and curative service uptake, community mobilization and service linkage for RMG workers including their family and create a platform for dealing with underline health and nutritional issues.

To materialize the project objectives, the following action were taken:

- 4 community support system (CmSS) were developed in the targeted communities
- Core project team was established at two factories (interstoff and Interfab) to support and coordinate all project activities, especially at the factory level.
- Linkages with local government and NGO health service provider were formed, bringing satellite clinics and provision of quality health related consumables to the workers on-site.
- Health camps were held at both the factories.
- Disease awareness sessions were held for 63 factory management members.

As of today the project have directly benefited 7700 factory workers and 1500 (est) community members while indirectly benefiting 5000(est). The project is being implemented by CARE Bangladesh.

GSK-CARE RMG Worker Health Initiatives

This is a GSK funded 3 year long project (2015-2018) focused on RMG workers at Jeacon Garments Ltd, Elegance Orientale Ltd and Panache Knitted Creations Ltd. The project involve establishing a sustainable and comprehensive SRH and nutrition programe delivery model that can be replicated to ensure consistent access and availability of health and nutrition services and information related to health and GBV emergency awareness to garments workers and their families.

The main objectives of the project are to:

- Promote multi-sectoral partnership for developing a sustainable health service delivery model for improving SRH and nutritional status of Ready Made Garments (RMG) workers.

- Enhance management capacity of partners and relevant stakeholders.
- Improve health, nutrition and women empowerment awareness
- Provide 24 hour essential health and nutritional service by qualified health providers by targeting population.
- Ensure access to affordable comprehensive health care.
- Determine the effect of micro nutrients deficiencies and anemia of absenteeism and productivity of the female garment workers through conducting operational research.

Till date the project has directly benefited 5700 workers and 7000 community members while the indirect beneficiaries' number around 15923.

GSK icddr Health System Strengthening Programme

In Mid July 2015, the GSK-icddr, bB-HSS program came to a completion of its 2 year project. The project implemented clinical governance in the 3 selected hospitals training numerous healthcare professionals on infection management. Following the success of the project in the pilot phase it is being expanded for 3 years from August 2015 at Sunamgonj are in 6 hospitals thus aligning with the GSK CARE CHW initiative in the same locality.

E Interview Findings

Introduction

Customer Relationship Management encompasses two dimensions e.g. Organization's wants and needs, Customer's wants and Needs. The operational definitions of these two aspects are outlined in Chapter 1. A questionnaire was designed including a number of questions which covered not only the above mentioned two aspects of Customer Relationship Management but also the information about the organization's supply chain. Some general questions have been set at the end of the questionnaire to get the perception of the respondents about the potential drivers and obstacles of Customer Relationship Management in Glaxo Smith Kline Bangladesh Limited. Valuable suggestions, opinions or comments have also been sought from the respondents regarding Customer Relationship Management from their operational experiences in this field.

To evaluate the understanding of Customer Relationship Management issues by the members of supply chain related staffs of Glaxo Smith Kline Bangladesh Limited we have conducted in depth interview with three Division/Department Head and also conducted survey among 10 officers of various level (considering seniority and portfolio size). The list of officers was chosen from different divisions so that we can get a holistic view of entire GSK.

Survey Questions and Result

This section presents the findings and analysis of the survey data. A total of ten respondents were covered under the questionnaire survey. The data collected through the key informant interviews have been analyzed based on the questions asked in the interviews. An individual analysis has been made on each of the questions which would help find a complete picture of the matter. Most of the analyses have been done qualitatively from the perception based interviews with the respondents. However, some quantitative analyses have also been made based on the supplied data by the respondents. The questions set to the respondents are presented along with an analysis of the responses.

Relationship Aspect of Customer Relationship Management

It has been mentioned earlier that the Customer Relationship Management encompasses two dimensions e.g. Organization's wants and needs, Customer's wants and Needs. The respondents were asked a number of questions about the relationship aspect of CRM.

To be in top of mind of consumers

In order to know the view of the respondents about the process used in CRM, most of the respondents opined that products quality and competitive price is the main criteria considered in CRM. But ensuring best quality is one of the major considerations along with the competitive price as mentioned by a number of respondents. However, it is evident from the responses that helpline/call centre service is rarely considered by consumers. Out of 10 respondents, 6 respondents mentioned the best quality as the main criteria while 3 officials mentioned both Competitive price and best quality. Only one respondent has gone for call centre service. The responses from the Supply Chain officials give the view that the consumer loyalty system of GSK is basically based on best quality products.

Towards the most trusted brand in consumers mind

Demand Planning Manager Rishad Sharif said, "We work in partnership with our suppliers and vendors both in backward and forward linkage. We share our rolling 24 month material forecast (Material Requirement Planning-MRP) with our suppliers at the back end for their preparedness. We also share our forecasted sales plan with our distribution partners. "

He also added, "Mother Horlicks is a promising and potential brand for GSK. The product is expensive which might be a weakness for the product. However, our expert marketing team as well as sales team is rigorously working with experts, shoppers and consumers as well to make it best to its target customers. They are mainly focusing on the benefits of the products, tastes, suggestion to the consumers during their maternity period.

"For smooth supply of the product to support the pregnant mother continuously in our country, GSK makes sure the availability of raw material as well as finished goods to its warehouse as there is often delay in Indian ports due to force majeure events." –He further added.

According to Brand Manager-Shehreen Kamal, "The major challenge of the products for its target customers in Bangladesh is lack of knowledge. Most of the women in Bangladesh believe that a pregnant mother does not require any type of supplementary nutrition during their maternity period as earlier children were born normally and they were usually healthy as well without having any supplementary nutrition product. However, as a part of CRM, GSK is working to change this myth. For this purpose, they have taken initiatives like giving a congratulation card (WOW MOM) with the help of experts (doctors) along with 3 sachets of Mother Horlicks as complimentary. From this card, a mother can learn her daily nutrition requirement, exercise that she needs to do, schedule health checkup etc." From the sachets, a mother can have taste of Mother Horlicks which act as primary demand creation for mother Horlicks.

She added that, "The products contain lots of micro nutrients such as DHA, Choline etc. This ensures baby's brain growth properly."

"There are a few problems arise during pregnancy period i.e. constipation, vomiting, asthma, depression, high blood pressure, migraine, Thyroid disease, Uterine fibroids etc which can be caused of eating disorders which is a big reason for malnutrition of a mother. Regularly consuming two cups of mother Horlicks can prevent the malnutrition for mother."- She further added.

National Sales Manager Sujay Kumar Prasad said, "Mother Horlicks launched in 1977. It is a superior nutritional supplement with 27 vital nutrients scientifically designed keeping the nutritional need of pregnant and breast feeding women in mind. It has been re-launched with a great new taste in 2014.

Mother Horlicks contains micro nutrients that are iron, iodine, Folic acid, zinc, magnesium, vitamin A, B6, B12, and D known to help improve birth weight of a baby.”

He asked, “Do you know 70% of adult brain is formed before birth? Choline and DHA is required for development of brain, eyes and nerves. This choline and DHA is not easily available from average Bangladeshi diet.”

Only emphasizing on CRM, we are enjoying a huge sales growth of the brand mother Horlicks in 2015 by dint of a huge competition in this category in Bangladesh. Experts, shoppers and consumers all are in favor of the brand. Experts are very much convinced with the quality of this brand, shoppers are happy to sell the products as its off take is higher than competitors’ brand. Consumers love this brand because of its taste, quality, availability etc. A dedicated well trained team is working directly with all three layers of customers to create awareness for mother and baby’s health.” – He further added.

Summary of the Analysis

In this chapter, analysis has been done dividing the whole study into two parts. The first part was the analysis of relationship approach to determine whether they are continuing the relationship development approach which addresses the issues of Customer Relationship Management. The analysis indicates that they have the willingness to maintain a very warm relation with their customers.

The second part of the analysis was based on the current scenario of CRM practice in Glaxo Smith Kline Bangladesh Limited. As mentioned above, three interviews have been conducted in different sessions. Each session was planned for discussing only one area of CRM. Thus the interview sessions were deliberate and focused. In addition to the interviews ten officers who are involved in Supply Chain related activities have been provided with printed questionnaires with a view to get a holistic view of CRM scenarios of GSK. To do this, the interview and survey questions were divided into two categories addressing two aspects of CRM which are Organization’s wants and needs, Customer’s wants and needs. Besides, a number of additional questions have been asked in order to get some extra comments or suggestions from the respondents. The analyses done on the responses against the set questions indicate that although there are a few cases where some relationship issues are in practice, these are not very common in the whole of the FMCG sector.

The analysis made from the questionnaire gives a realistic picture of Customer Relationship practices in the FMCG sector in Bangladesh. Best quality is still the key criteria for the brand. A few more activity for the welfare of pregnant women could have been taken, but in current situation GSK is not emphasizes on it. But they have planned to increase their engagement with underprivileged pregnant women in near future. They are planning to deliver sachet of Mother Horlicks to ensure the nutrition of underprivileged pregnant women.

CHAPTER – 06

FINDINGS AND RECOMMENDATION

A Introduction

Since a long time only profit factor has been the single most important indicator in business of FMCG Sector of Bangladesh. Consumer benefits factors have always been neglected in the supply chain system. However, the importance of customer's wellness factor in the supply chain increased significantly with the development of the concept of Corporate Social Responsibility (CSR) worldwide.

FMCG Sector in Bangladesh is one of the largest business sectors. Our basic requirements fulfilled by this sector. It is a huge market, customers are the key to success and sustain in here. Only emphasizing on profit is not possible to be loyal in customer's heart. To be the best, organizations have to provide the better quality with a competitive price. Not only that organizations need to focus on pack size also.

B Findings

Expansion of competitor's product line: Day by day competitors of GSK are coming to the market with different sizes, flavors and packages. In Outlets, traders want to keep visible of all company's entire SKU product on their category shelf. To give facing all SKUs of other products, sometimes GSK did not get facing more than one of all SKUs of that category and face problem to increase visibility.

Product unavailability at DC (Distribution Center): Sometimes products were not available at Distribution Centre (DC) of GSK, so that they did not deliver products to trade as per demand and proper time. Because of out of stock Mother Horlicks at trades, GSK lose its sales.

Raising competitor's promotional activity: Recently GSK competitors are becoming more active with different promotional activities in Bangladesh. They are renting Shelf, keeping a promoter along with lucrative BTL activities to attract more customers.

Presence of gray product in trade: In Bangladesh, many people have the capability to buy imported product and traders are responsible for grabbing the market by the Gray products. Sometimes it creates problem for GSK distributor to sell their products.

Concern on CP less than TP: GSK distributors execute different agreement like visibility drive, joint business plan but did not get any trade promotion to the traders for Mothers Horlicks. They only provide consumer promotion to delight the customers and to compete with the competitors in trade.

C Recommendation

Although Customer Relationship Management is an important issue in most of the developed countries, it has not become an important matter of concern in developing countries like Bangladesh. However, it is a matter of hope that this issue is gaining acceptance in our country which may be a potential driver for

introducing the willingness of loyalty based consumer in FMCG sectors. CRM is particularly important in this sector as they deal with various products and various customers. Expectations from the organizations are high in comparison with other sectors. The general people have almost similar type of demand to an organization that is quality products. So, in order to introduce a brand like Mother Horlicks in Bangladesh it is necessary to take steps as the short-term, medium-term and long-term customer relationship.

From the overall analysis few key points would recommend to Glaxo Smith Kline Bangladesh Limited for Mother Horlicks which are given below:

Expansion of SKU: The consumers are always want different SKU sizes according their buying capacity. But there are only a single SKU for Mothers Horlicks in Bangladesh. Competitors of GSK Bangladesh have multiple SKUs in Bangladesh. GSK can introduce small sachet with reasonable price which is popular in Bangladeshi consumers. GSK can also bring different flavor of Mothers Horlicks to compete with competitors.

Product availability: GSK may maintain a framework agreement with its key suppliers to avail Mothers Horlicks throughout the years so that they can deliver products to the trade or trader's as per demand and make available and visible Mother Horlicks in trade. It will certainly help to increase their customer satisfaction as well as traders.

More promotional activity: As market is so competitive, GSK should offer lucrative and unique promotional offer to the consumers for a regular interval. Apart of it, GSK may recruit Brand Promoter, Nurse Engagement, Sachet of Mothers Horlicks sampling to new pregnant mother etc.

Minimize the impact of Gray market: To handle the Gray market, GSK should convince the traders so that they can assist the customers to purchase the local one. Here, GSK can give them trade promotions, incentives, can ensure proper & timely delivery and should maintain a good relationship with the traders to increase sales volume. GSK may take help from Bangladesh government as all the gray products come through illegal way and Bangladesh government is losing duty/tax. Consciousness building activity for the consumers and traders can be rolled out across the country.

Campaign about extra nutrition for pregnant mothers: GSK can start a new campaign of Extra Nutrition requirement for a Pregnant Mother under its CSR policy. It will create consciousness among the people that will help to generate the demand of Mother Horlicks.

D Conclusion

GSK Bangladesh Ltd. is a strongly positioned organization. The Company is continuously growing through the policy of constant innovation, concentrating on its core competencies, core values and its commitment to high quality food to the people. People feel respect in their mind when they think about GSK products. GSK believes Mother Horlicks can be enjoyable and play an important role in a balanced and healthy lifestyle for mother, so that it always makes sure the same quality in compare to the other countries. Finally it can be said that GSK Bangladesh is using and developing their market strategy perfectly. By using valuable marketing tools they are creating competitive advantage for themselves which ultimately helping them to reach their market as well as organizational objectives.

CHAPTER – 07

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Your Bibliography: "Extend Complete CRM Functionality to Field Workers. (2017). [Blog] *Oracle*. Available at: <http://oracle.com> [Accessed 24 Jul. 2017].

➤ **Website**

Management Tools - Customer Relationship Management - Bain & Company

In-text: (www.bain.com, 2017)

Your Bibliography: www.bain.com. (2017). *Management Tools - Customer Relationship Management - Bain & Company*.

➤ **Book**

Sims, D.

CRM Adoption 'Biggest Problem' in 83 Percent of Cases

In-text: (Sims, 2007)

Your Bibliography: Sims, D. (2007). *CRM Adoption 'Biggest Problem' in 83 Percent of Cases*. TMC.net (2007).

➤ **Book**

The Birth Of CRM: Two Salesmen And A Restaurant Napkin Drawing

In-text: (The Birth Of CRM: Two Salesmen And A Restaurant Napkin Drawing, 2017)

Your Bibliography: The Birth Of CRM: Two Salesmen And A Restaurant Napkin Drawing. (2017). financemagnates.com.

APPENDIX A: QUESTIONNAIRE

Title of Dissertation: Customer Relationship Management: A Case Study on Mother Horlicks

Name: Azizur Rahman

[This is a questionnaire for conducting a research on scope and practice of Customer Relationship Management in GSK Bangladesh Limited. It is a requirement for the fulfillment of the degree 'Masters in Procurement and Supply Management' at the BRAC Institute of Governance and Development, BRAC University. Your honest response is valuable for the researcher. The researcher does assure that the information given by you will be kept confidential and will be used only for the academic purpose.]

1.0 General

1.1 Name of the Department

.....

1.3 Designation of the Officer

.....

2.0 Information Regarding the product 'Mother Horlicks'

2.1 Annual turnover of the product? (in approx. Taka)

.....

2.2 Quality of the product

.....

3.0 Information Regarding Customer's loyalty aspect

.....

.....

4.0 Information Regarding Competitor's Aspect

4.1 Do you have any strong competitor?

i) Yes ii) No

If Yes, Please specify

.....

4.2 Do you think Mother Horlicks is better than its competitor brand?

i) Yes ii) No

If Yes, Please specify

.....
.....

5.0 Your comments about the relationship issue.

5.1 Could you please suggest any initiative that can help to achieve customer's loyalty?

.....

5.2 What is the main obstacle to achieve the loyalty of customer's?

.....

5.3 Any more suggestions/opinions/comments regarding loyalty of customer's from your experience in supply chain management in Bangladesh.

.....

Thank you very much for your heartiest co-operation.