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Tara Prasad Gautam
Scholar of Mewar University,
Rajasthan, India,

Prof. Santosh Raj Poudyal
Professor Santosh Raj
Poudyal, PhD, Tribhuvan
University, Nepal

Customer Relationship in Pharmaceutical Industries of Nepal

Tara Prasad Gautam, Prof. Santosh Raj Poudyal

Abstract
Customers' relationship with industry is very important means of advertisement, marketing, communication and expansion of their products. Therefore, every industry has customer care and marketing strategies to attract the customers. Customer's satisfaction ensures the good quality of service and product. The study aims to identify the customer's relationship in pharmaceutical industries of Nepal. Specifically, the study focused to identify the organizational ability to attract and retain the customers and ability to satisfy the customers. There were three indicators to measure the ability to attract and retain customers as well as 3 indicators were used to measure the ability to satisfy the customers. The study was conducted among the 45 staffs of pharmaceutical industries of Rupandehi district of Nepal. The result shows that the organization had better ability to satisfy the customers than to attract and retain them. It indicates the lack of proper marketing and customers' survey strategy to attract and retain the goods. Thus, pharmaceutical industries should increase their capacity to attract and retain the customers.

Keywords: Attract, Customer, Industry, Pharmaceutical, Relationship, Retention, Satisfaction

1. Introduction

Customers are the primary source of income, marketing and promotion of business of any industries. Total number of customers determines the profit and loss of industry so relationship between the customers and industry is must for the growth and development of industry. The product and service of pharmaceutical industry is serious concern of public because it directly relates with the public health. Social role of medicine companies are more important than other types of manufacturing and service oriented companies. Customer relationship management (CRM) means increasing revenues and profitability by coordinating, consolidating and integrating all points of contact that enterprises have with their customers, which is what in effect integrates marketing, sales and service. Under the marketing process: CRM supports the customer and the business itself with information on products, campaigns, customer profiling. Similarly, in sales process, CRM supports the customer with call center activities, product configuration information. In service process, CRM supports the customer with problem analysis, handling guarantees (Österle & Muther, 1998). CRM should be maintained by every organization for the better growth and development of their organization. Consumers are subjects that purchase goods and services to satisfy their needs. The consumer behavior derives from the decision whether, what, when, where and how to purchase goods and services. Therefore, marketing is primarily interested in the behavior of the subject as a consumer. Generally, marketing constantly follows the consumer's needs as a basic assumption in the development of a suitable strategy leading to the consumer's satisfaction (Ilieska, 2009). Advertisement is one effective tool to attract the customers. Advertising is a subset of promotion mix which is one of the 4P's in the marketing mix i.e. product, price, place and promotion (Kumar & Raju, 2013, p. 37). Advertising is the effective source to influence the mind of viewers and gives viewers exposure towards a particular product or service it play an important role in business presentation and is a useful strategy to attract customers (Rehman, Nawaz, Khan, & Hyder, 2014, p. 405).A good management should know how to attract and retention their customers.

Correspondence:
Tara Prasad Gautam
Scholar of Mewar University,
Rajasthan, India

Retention involves five major things: Compensation, Support, Relationship, Environment, Growth (AKILA, 2012) which play the significant role to retain the customers. Retention of customer depends upon the customers' attraction and satisfaction from the organizational services. Customer Satisfaction – is the customer's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation (Ilieska, 2009). There are many factors that affect customer satisfaction. According to Hokanson (1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service (Hokanson, 1995). Good customer satisfaction has an effect on the profitability of every business. The study has produced the data related to the customer satisfaction which can help to understand the effectiveness of business practices selected pharmaceutical industries. The main objective of this study is to identify the customer relationship in pharmaceutical industries of Nepal in relation to the organizational ability to attract, retain and satisfy the customers

2. Material & Method
The study is based on the descriptive study design. The quantitative method was used to collect the data by applying the structured questionnaire. The study was based on the cross-sectional research design. Data was collected from the 45 respondents of pharmaceutical industries established in the Rupandehi district. The respondents were selected by using the simple random sampling technique. The collected data were checked its reliability from the statistical software (SPSS Version 20). The Cronbach's Alpha test was done to check the internal consistency of data. The result of Alpha test is presented in the Table 1.

Table 1: Descriptive Statistics and Reliability Estimates for Pilot Study (n=45)

Variables	Mean	S.D.	Alpha
Customer Intimacy			
Customer Retention	3.31	0.21	0.80
Customer Satisfaction	4.76	0.17	0.74

The data are presented in the frequency table in tabular form. The logical interpretation and discussed are done for each table under the result & discussion section.

3. Result & Discussion
3.1 Organizational ability to retain the customers

Customer retention refers to the ability of a company or product to retain its customers over some specified period. High customer retention means customers of the product or business tend to return to, continue to buy or in some other way not defect to another product or business, or to non-use entirely. Selling organizations generally attempt to reduce customer defections. Customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship and successful retention efforts take this entire lifecycle into account. Customer retention is on the minds of small and medium-sized businesses across the world. With rising customer acquisition costs, businesses need to innovate and assume a proactive role in retaining clients (Beard, 2014).

For any business that provides a product or service to customers, the act of finding, targeting and obtaining new customers is always going to be among its top priorities. But what many businesses tend to forget is that once a customer makes the first purchase, there is much more to be done in the customer relationship. Smart businesses know that the first purchase is really just the beginning, and that the real business value lies in retaining that customer. Similarly the average business loses around 20 percent of its customers annually simply by failing to attend to customer relationships. In some industries this leakage is as high as 80 percent. The cost, in either case, is staggering, but few businesses truly understand the implications. Moreover, the consequences of customer retention also compound over time, and in sometimes unexpected ways. Even a tiny change in customer retention can cascade through a business system and multiply over time. The resulting effect on long-term profit and growth shouldn't be underestimated.

3.1.1 Attract and retain customers is a major strength of our organization
Repeat customers remain a business's best and steadiest source of revenue. While an influx of new and one-off visitors can boost profits, these regulars come in and spend time and time again. On average, their business can be worth 10 times as much as their first purchase. This loyal patronage is part of the reason 43 percent of reporting small businesses plan to focus on customer retention strategies in the coming year. They want to maintain and improve those relationships, some of which may stretch back to opening day (Sutter, 2012). The table below shows the ability of the organization to attract and retain the customers where, male and female are the two respondents given in the table. Within the male staffs, 18.5% and 14.8% agreed and strongly agreed respectively that the major strength of their working industry to attract and retain the customers.

Table 2: Attract and retain customers is a major strength of our organization

			Ability to attract and retain customers is a major strength of our organization					Total
			Strongly Disagree	Disagree	Average	Agree	Strongly agree	
Gender	Male	Count	0	7	11	5	4	27
		%	0	25.9	40.7	18.5	14.8	100
	Female	Count	0	3	10	4	1	18
		%	0	16.7	55.6	22.2	5.6	100

		Strongly Disagree	Disagree	Average	Agree	Strongly agree	Total
Total	Count	0	10	21	9	5	45
	%	0	22.2	46.7	20	11.1	100

Source: Field Survey, 2017

Similarly, within female staffs, in total 22.2% and 5.6% agreed and strongly agreed respectively on the ability of their industry to attract the customers whereas we can see that 40.7% of male respondents and 55.6% of female respondents neither agree nor disagree in the organization view. The data shows the in overall only 31.1% agreed on the ability of industry to attract and retain the customers as a major strength which is not satisfactory result. It indicates that the industry has no specific marketing strategies to attract and retain the customers. The result suggests developing the system of customer survey, feedback collection from customers and survey of customers' satisfaction.

3.1.2 Company quickly responds to any complaint of customers

In today's Internet-driven world, customers have more power than ever. If customers have a positive customer experience, they will share this experience with friends, family and connections, which in turn can lead to new business. All at zero cost. But what happens if you fail to provide a positive customer experience? The answer is simple. Your customers will complain. According to research by Esteban Kolsky, 13% of unhappy customers will share their complaint with 15 or more people. Furthermore, only 1 in 26 unhappy customers complain directly to you. And for customers that don't complain, they just stop doing business with you. There is a silver lining here: A customer complaint highlights a problem, whether that's a problem with your product, employees or internal processes, and by hearing these problems directly from your customers, you can investigate and improve to prevent further complaints in the future. Furthermore, research finds that customers' whose complaints are handled quickly can often turn into loyal customers and even brand advocates. Simply put, a customer complaint can become very profitable when you can resolve their problem (MacDonald, 2017). The Table 3 shows that whether the management responds quickly to the complaint filed by its customers or not. Here, in total 46.7% agreed that their working company quickly responds to ant complaint of customers.

Table 3: Company quickly responds to any complaint of customers

			Management of this company responds quickly to any complaint filed by its customers					Total
			Strongly Disagree	Disagree	Average	Agree	Strongly agree	
Gender	Male	Count	0	5	11	5	6	27
		%	0	18.5	40.7	18.5	22.2	100
	Female	Count	0	0	8	7	3	18
		%	0	0.0	44.4	38.9	16.7	100
Total		Count	0	5	19	12	9	45
		%	0	11.1	42.2	26.7	20	100

Source: Field Survey, 2017

Gender wise, 18.5% and 22.2% male staffs agreed and strongly agreed respectively on the quick response of their company on complain of customers. Similarly, 38.9% and 16.7% male staffs agreed and strongly agreed respectively on the same issue. Whereas, 40.7% of male respondents and 44.4% of female respondents neither agrees nor disagrees on the response of company on complain of customers. In comparison with both respondents, the percentage of male respondents is more than female respondents agree on the competency of their company to quickly respond on the complaints of customers. Customers are the main source of marketing and income of any kinds of industries who promotes their service, goods and facilities in market. So, if industry will not give priority to the needs and concern of customers then industry cannot rise. The above result shows the very weak practice to address the issue and complain of customers so the result seems unsatisfactory.

3.1.3 Company provides needful services to customers in the shortest time

Customers are regarded as the god in any company. So fulfilling their required demand as far as possible should be the first and foremost priority of any company. The prestige and profit of a company depends upon the fulfillment of customers demand. The company should provide the needful service to their customers and it must be given in shortest time than only the company can retain their customers forever.The data presented in the Table 4 shows that in total 28.9% agreed that their company provides the needful services to customers in the shortest time however 48.1% of male respondents and 55.6% of female respondents neither agree nor disagree in the company point of view which can be seen from the table given below.

Table 4: Company provides needful services to customers in the shortest time

	Company management provides customers with needed services in the shortest possible time					Total
	Strongly Disagree	Disagree	Average	Agree	Strongly agree	

Gender	Male	Count	0	6	13	6	2	27
		%	0	22.2	48.1	22.2	7.4	100
	Female	Count	0	3	10	3	2	18
		%	0	16.7	55.6	16.7	11.1	100
Total		Count	0	9	23	9	4	45
		%	0	20	51.1	20	8.9	100

Source: Field Survey, 2017

While comparing the percentages of both the male and female respondents in disagreeing the company point of view are more than the respondents they agree. The result is unsatisfactory from the perspective of service of company to customers because service of company should be effective and efficient to attract the customers. If any company cannot provide the needful service in time then gradually number of customers will be decreased. So, the pharmaceutical company should improve their service quality and strategies.

3.2 Organizational ability to satisfy the customers/clients
Servicing a customer is a part of every purchase and interaction with internal and external contacts. It can last a few seconds up to hours. The definition of customer satisfaction has been widely debated as organizations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that is greatly affected by customer expectations. Satisfaction also is based on the customer's experience of both contact with the organization (the "moment of truth" as it is called in business literature) and

personal outcomes increasing competition (whether for-profit or nonprofit) is forcing businesses to pay much more attention to satisfying customers, including by providing strong customer service. It may help the reader to notice the role of customer service in the overall context of product or service development and management (Centre for the study of social policy, 2007).

3.2.1 Concern of customers/clients Satisfaction
Businesses monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival. Although greater profit is the primary driver, exemplary businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they receive. The Table 5 shows that in total 4.4% agreed and 95.6% strongly agreed that their company showed concern of customers' satisfaction from their service and products.

Table 5: Concern of customers/clients Satisfaction

			Satisfaction of customers/clients is preferred concern of our organization					Total
			Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly agree**	
Gender	Male	Count	0	0	0	2	25	27
		%	0	0	0	7.4	92.6	100
	Female	Count	0	0	0	0	18	18
		%	0	0	0	0.0	100	100
Total		Count	0	0	0	2	43	45
		%	0	0	0	4.4	95.6	100

Source: Field Survey, 2017

Gender wise, 92.6% of male respondents and 100% of female respondents strongly agree in the view that the customer's satisfaction is given the first priority in the organization. The result is highly satisfactory that all respondents reported their concern of customers' satisfaction. The result is varied with the data presented in the above section under the heading of organizational ability to retain the customers because the organizational ability to retain the customers, address the grievance and needful service of customers found very unsatisfactory. So, in relation to the above findings, it can be assumed that the concern of customer's satisfaction may be more theoretical than its practical implication to retain the customers.

3.2.2 Assessment of customers' need
The success of every company is dependent on its ability to create products and services that address unmet customer needs. Despite this fact, in over 95 percent of all companies, marketing and development managers don't agree on what a customer "need" even is. More specifically, they do not agree on what characteristics a customer need statement should possess, what information it should contain, its purpose, and how it should be structured. The first step in becoming a customer-centric organization is agreeing on a customer needs definition. The table demonstrates that both the respondent's i.e. male and female strongly agreed that the company collects different information about the customers to know their actual needs with equal percentage 66.7%.

Table 6: Assessment of customers' need

			This company collects information from customers to know their needs					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	
Gender	Male	Count	0	0	0	9	18	27
		%	0	0	0	33.3	66.7	100
	Female	Count	0	0	0	6	12	18
		%	0	0	0	33.3	66.7	100
Total		Count	0	0	0	15	30	45
		%	0	0	0	33.3	66.7	100

Source: Field Survey, 2017

In total all respondents said that their company has provision to assess the need of customers. Everybody said that they had customer query form which can be filled out by customers if they had any grievances or required services. The result is found satisfactory that there was provision to collect the queries and need of customers from phone call, email and in person from customer but the quick response in time is found not satisfactory as the result presented in the above Table 6. So, the company should address the collected concern of customers in time with quality service to satisfy and retain the customers.

3.3.3 Quality services to customers
The quality of customer service is the key differentiator between good, bad and indifferent companies. Good quality customer service keeps customers coming back; bad customer service drives customers away, taking their friends, family and workmates with them. All else being equal, good quality customer service gives the edge over competitors. Every company tries to meet the customer's desires or needs so that they can avoid the dissatisfaction of customers. We can see that 66.7% of both the male and female respondents strongly agreed on that their company provides good services to their customers.

Table 7: Quality services to customers

			Company management tries to provide good services to avoid dissatisfaction of customers					Total
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	
Gender	Male	Count	0	0	0	9	18	27
		%	0	0	0	33.3	66.7	100
	Female	Count	0	0	0	6	12	18
		%	0	0	0	33.3	66.7	100
Total		Count	0	0	0	15	30	45
		%	0	0	0	33.3	66.7	100

Source: Field Survey, 2017

The result of assessing the need of customers and quality service provided to customers are the same from the both male and female perspective so it indicates that in the experience of staffs, company was providing the quality service to customer which is highly satisfactory. The quality service not only covers the quantity of goods and increased of productivity but also concern with the communication system, customer's caring, in time service, grievance handling skill. These types of service of company should be improved along with the quantity and productivity.

Conclusion
In conclusion, it is found that from the gender perspective of working staffs, pharmaceutical industries had more ability to satisfy the customers than to attract and retain the customers. The result shows the unsatisfactory ability to attract and retain the customers whereas highly satisfactory response found in ability of customers satisfaction. Every industry should have strong marketing system to attract the customers and need effective counseling and communication skill to retain the customers. Quality product and service are the major factors to retain the customers. Customers always do the profit analysis against

the purchase cost; if customers feel benefit then they again visits the same company for the service. So, pharmaceutical industries should develop the effective marketing strategy, need assessment, customer survey to know their purchase capacity, choice and need to retain them. Advertisement of product with detail information is important tool to attract the customers which should be adopted by the pharmaceutical industries of Nepal.

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