Chapter-5

Conclusions and Recommendations

In the previous chapter interpretations from the qualitative study conducted amongst the managing partners and senior employees from flexible packaging industries based in Bangladesh. The qualitative study comprised of responses of 19 managing heads and department heads of flexible packaging industries based in Bangladesh. The responses of the respondents were then interpreted and contrasted with prior literature or empirical findings. Furthermore the intensity of relationship between trust, cooperation, bonding and commitment were measured on a scale of 0-10 in order to assess and address the hypothesis postulated for the research study. The findings were then thematically presented. However in this chapter the conclusions from literature and qualitative analysis have been presented. Furthermore the chapter addresses the research questions that were presented in the Chapter 1 along with the aims and objectives of the study. In addition to addressing each question, current findings were presented along with the research gaps. The findings and the conclusions were then presented in support of secondary studies. This chapter also presents a brief summary of the complete research study along with limitations that were experienced or perceived while conducting this study. The limitations were thus presented as the future scope and implications of the study. Lastly recommendations for grooming researchers in this field of study and managerial implications to the department heads and company heads were also made to focus more on the need for trust, commitment, cooperation and bonding to influencing customer loyalty. The main aim of the present research study was to assess the impact of good relationship and behavior between businesses and customers with respect to customer retention and loyalty in B2B (business to business) flexible packaging industry in Bangladesh. Thus in this chapter concluding notes on the study aim has been presented.
Discussion of Research Questions

In this section the research questions formed from the main of the study to assess the impact of good relationship and behavior between businesses and customers with respect to customer retention and loyalty. The following are the research questions that were presented for the study.

What is the importance of customer relationship aspect for a B2B packaging business?

Customer relationships are the strongest and the most efficient approach in maintaining and creating relationships with customers (Vivek, Beatty, & Morgan, 2012). Customer relationship is not only pure business but also ideal strong personal bonding within people. Development of this type of bonding drives the business to new levels of success (Lima & Fernandes, 2015). The strongest aspect of customer relationship is that it is very cost-effective. Rauyruen & Miller, (2006) mentions advantages of decently implemented customer relationship system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a customer relationship system are also very cheap and smooth as compared to the traditional way of business (Lima & Fernandes, 2015; Vivek et al., 2012). Strong relationships with customers show how they will make their future purchases. Furthermore better relations with customer makes them satisfied and will always be loyal to the business/service/products. Zhang, Li, Wang, & Wang, (2016) concluded in their study that customer relationship will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business. Customer relationship has different determinants such as trust, commitment, communication, promise, cooperation, power, empathy, rapport, duration of time and accuracy (Rauyruen & Miller, 2006; R. Zhang et al., 2016). Trust is an important and necessary thing for a strong relationship and contributes to relationship performance. Relationships built on the foundation of mutual commitment and trust based
commitment level are found to be the strongest predictor of the voluntary decision to pursue a relationship. Establishing a relationship means giving promises, maintaining a relationship is based on fulfillment of promises and enhancing a relationship means new set of promises with the fulfillment of early promises (Vivek et al., 2012). Lima & Fernandes, (2015) also mentions that customer-business relationships should work for full circles because these relations will not only help in tracking the current customers but also bring in new ones. Apart from these, the importance of relationship marketing is to build customer loyalty in order to obtain customer values through building long-term relationships (Gaurav, 2016).

Relationship building by keeping promises made to customers as well as by protecting customers’ information to ensure customers’ confidentiality helps reduce efforts and cost for creating loyalty among the customers (Gaurav, 2016; R. Zhang et al., 2016). This also helps in building trust among the customers thereby leading to loyalty.

However, one gap that was estimated from the literature and secondary findings was that studies on importance of customer building do not speak on the perspectives of company heads and department heads. Moreover, there is a significant gap in assessing the importance and the role building customer relations play in B2B packaging industry specifically in Bangladesh. With this regard the current study was planned to address and bridge the gap.

The respondents implied that for a company’s existence, it is very important relationship is build between two entities. According to the respondents, consumer’s trust leads to cooperation and commitment, which in turn help in relationship building. The responses of the interviewees implied that relationship building is important to induce customers with the feelings of trust, commitment, cooperation and bonding. These factors together help in relationship building amongst consumers and thereby impact customer loyalty. Furthermore in B2B industry it is very
important that suppliers build good relations with its buyers through cooperative and committing actions. Moreover in B2B industry relationship building is a two way process where both the supplier and the buyer are equally involved with actions of trust building, commitment and cooperative strategies. Thus, contrasting the secondary and primary findings, customer relations are very important in B2B industries, specifically in flexible packaging industry of Bangladesh.

**What are the benefits associated with customer retention and loyalty in B2B businesses?**

Customer loyalty can be loosely defined as the predisposition of any given customer to purchase your goods or services over comparable ones available in the marketplace (Keiningham, Cooil, Aksoy, Andreassen, & Weiner, 2007). On the other hand customer retention is the activity that a selling organization undertakes in order to reduce customer defections. Customer retention is the most important factor to influence to profit growth, and a key motivator for executives to buy from any supplier (Khan, 2012). It's so important because it costs so much to influence customers to buy and so little to induce a repurchase. Customer retention and loyalty have very deep impact on the business which leads to a huge profit over a period of time (J. Kang, Alejandro, & Groza, 2015). With customer retention and loyalty, the cost of getting new customer is greater than the cost of retaining the old customer. Thereby it allows a lot of free time to the businesses in creating value of the brand or the services. Another benefit of customer retention and loyalty also helps assessment of consumer’s desires, aspirations, expectations, spending pattern, and their price sensitivity (Hur, Park, & Kim, 2010). Customer retention and loyalty not only helps in recovering costs but also make the company or the firm profitable. Similarly other benefits of loyalty and customer retention can increase profits, repeat business, selling of more number of goods, and immunity toward the competitive forces (J. Kang et al., 2015; Keiningham et al., 2007). Retention
and attraction of new customers are used as drivers for increase in market share and revenues. Good relation with customer also have significant impact on customer loyalty and is also a benefit as higher the relationship higher will be the retention attitude of the respondents. It has also been seen that loyal customers are more profitable and has better returns (Khan, 2012). Furthermore, customer retention and loyalty also influences people to refer friends and family to choose certain brand or service. Word of mouth according to Khan, (2012) is one of the best mode of gaining customer base in B2C industry. It has also been implied in certain studies that once a brand has proven itself with one product or service, customers are more likely to say they would try a new product or service from the brand as soon as it becomes available (J. Kang et al., 2015; Keiningham et al., 2007). Thus the main benefits of customer retention and loyalty are improved brand image, minimum service cost, and reduce marketing costs, and most importantly customer acquisition and retention.

However, the prior studies did not focus on benefits of customer retention and loyalty in B2B packaging businesses. Furthermore secondary studies presented only empirical studies either on the perspectives of consumers or suppliers. Gaps in literature with respect to the benefits of customer retention and loyalty implied that studies are majorly focused on B2C industries and not B2B industry. Moreover, the importance of customer retention and loyalty in the context of industries in Bangladesh showed that very fewer researches have been done. Also there is a lack of qualitative studies contributing to the main research gaps and has been addressed via the qualitative analysis.

According to the perspectives of the respondents, customer loyalty and retention are interdependent on each other. The perspectives of the respondents implied that loyalty can be measured by the intention of repurchase, recommending the product/services to other and patience
towards price. The analyses and perspectives of the respondents also imply that it is crucial to understand the customer psyche for building competitive policies to succeed in differentiation and winning of customer loyalty in the competitive market. Customer loyalty is a vital element for the continued existence and operating of firms business in B2B. Thus, loyal customers are reported to have higher customer retention rates in the state of Bangladesh, whereby consumers in B2B industry commit a higher share of their category spending to the firm, and are more likely to recommend others to become customers of the firm. Thus, customer retention and loyalty strategies adopted by flexible packing industries in Bangladesh are beneficial in both economic and face value growth.

What are the factors that affect customer relationship management in B2B businesses?

Customer Relationship Management (CRM) is a process used to create a competitive advantage by being the best at understanding, communicating, delivering, and developing existing customer relationships, in addition to creating and keeping new customers (Dickinson, 2013; Velnampy & Sivesan, 2012). CRM research has maintained its distinctiveness from other marketing research areas such as RM and market orientation (MO), possibly due to the variety of research domains, fragmented research focus, initial technology focus of CRM, or perceived lack of a theoretical foundation. One of the benefits of CRM solutions is that they link together the different departments of an organization (Alshawi, Missi, & Irani, 2011). The study explain that through CRM a company’s touch points are linked together with other business units, this lets the front office get up to date information about what is going on with the customers. Furthermore, this information can be used in back office functions, to help with planning and setting strategies for the future (Oketch, 2014; Wilson, Daniel, & McDonald, 2002). Companies have three general points in common which are the primary factors impacting CRM are; margin of sold products,
loyalty, and cost of capital and discount rates. The Margin reflects the revenues minus expenses of an individual customer, usually estimated on an annual basis (Hannola, 2016). The retention rate is the probability of the customer leaving to another organization or competitor. The final factor, cost of capital and discount rates, is a way of accounting declining incomes, and the costs associated with running the business and the risk of lost capital (Hannola, 2016; Richard, 2008).

The most critical factors in CRM system implementation are management support, perceived usefulness, communication and training, implementation to customer-processes, cooperation challenges, lack of process definitions, system design and data management (Hannola, 2016; Richard, 2008; Wilson et al., 2002). Discipline and support, perceived usefulness, training, lack of communication and knowledge, lack of clearly defined processes, and technology are some other factors that are responsible for impacting CRM in B2B industry. However according to Flint, Blocker, & Boutin, (2011) and Singh & Khan, (2012); relationship and behavioral aspects also impact CRM if B2B industries. Huang, (2010) and Tuan, (2015) on the other hand implied that trust, commitment, relations, and bonding are the most important factors that are responsible for influencing CRM.

With respect to the research question it was found that every researcher in this field of study implicated that trust, satisfactions, loyalty, commitment are responsible for impacting CRM. However, there is a lack of literature and empirical studies acting as gaps in previous studies on the role of various factors that impact CRM. As it is known CRM is a very important component of customer management that helps in relationship building and loyalties. There is also lack of studies on the aspects of Bangladesh and flexible packaging B2B industry. Similarly, every researcher had estimated different forms of factors under various situations and hence there is no common factors that may testify to impacting CRM.
Thus, in this study, the respondent’s transcripts from the interview were consulted and found that CRM plays a major role in customer retention and loyalty. According to the respondents, trust plays an important role in building loyalty and customer relations in B2B businesses. Businesses are closely related to the seller’s behavior of trustworthiness. A seller must be trustful to its buyers in order to build relationship and bonding. Relationship and bonding together will therefore help in motivating customer loyalty. Similarly, the respondents also supported cooperation as a key factor of trust relations, and strategies related to enhanced cooperation are responsible for building customer loyalty and relations. A cooperative environment thereby enhances the coordination and result in better performance of the market system and thereby impacting CRM. However, the respondents implied that bonding is dependent on cooperation of the sellers which in turn enhances the trust behaviors of consumers and thereby customer loyalty and better influenced CRM. According to the respondents, commitment is one of the most vital dimensions in relationship marketing paradigm, which is regulated by the stability of a relationship between two entities in B2B marketing. Thus, the four variables were mainly focused to understand and address as the factors that are mainly responsible for impacting CRM.

What are the challenges associated with customer retention and loyalty in B2B segment in B2B packaging industry of Bangladesh?

Customer retention is a part of marketing goal accustomed to preventing customers from going to the competitor (Watson, Beck, Henderson, & Palmatier, 2015). Customer retention is the way in which organizations focus their efforts on existing customers in an effort to continue doing business with them or customer purchases a product or services again and again. In one of the studies by Oketch, (2014), the researcher mentioned that when a company consistently delivers superior value and wins customer loyalty, market share and revenues go up, and the cost of
acquiring and serving customers goes down and thereby retains customers. However, along with benefits there are challenges of customer retention and loyalty too. Customer satisfaction acts as the main challenge for retention, because the more the customer is satisfied, the higher is customer retention and therefore many firms devote lots of efforts on creating and maintaining customer satisfaction (Danish et al., 2015; Flint et al., 2011). Some researchers argue that lack of sufficient switching costs for the consumer with sufficient information acts as an important challenge. However, Martínez & Rodríguez, (2013) says that trust is one of the most important challenge that defined by cooperative behavior, ethical norms and values, including reliability, and loyalty in B2B industries. Building up trust takes lot of cooperation and commitment between a supplier and buyer, and hence is a big challenge. Competition in B2B industry also forms one of the worst challenges for customer retention. Vuuren, Lombard, & Tonder, (2012) and Zhang et al., (2016) also mentions that building up relations for new companies is a big challenge as there is no instance of long term cooperation and commitment. Moreover, cooperation and commitment is impacted by trust, so if there is no trust in B2B industries, cooperation and commitment also acts as challenge thereby impacting customer retention and loyalty.

The challenges of customer retention and loyalty remain same in both B2C and B2B industries. However, the challenges may differ with respect to the type of industry and the type of services the company deals with. In most of the literatures and researches made previously are focused on B2C or finance sectors. There is a lack of information or literature involved with respect to challenges of customer retention and loyalty in the packaging industry. Thus, the gap of challenges associated with customer retention and loyalty in B2B were bridged with the help of this study. Furthermore, the existing literatures on challenges associated with customer retention
and loyalty in B2B does not provide insight on perspectives of higher officials and company heads, which acts as another gap.

The respondents from the flexible packaging industry in Bangladesh implicated that there are various challenges in the respective sector, such as; competitions, trust building, relationship building, lack of alternative sources, cooperation, buyer-seller bonding and commitments. In one of the interviews respondent also implied that trust is like a gamble where initially both the entities take risk of doing business with each other. Assuring commitment of quality and efficiency and cooperation leads to building up of trust. However, it is very difficult to do so in short run. Building relations in the long run is the biggest challenge any packaging industry face specifically in Bangladesh. It can also be concluded from the primary findings that trust, bonding, cooperation and commitment are both beneficial factors as well as challenging factors.

Implications

The main aim of the present research study was to assess the impact of good relationship and behavior between businesses and customers with respect to customer retention and loyalty in B2B (business to business) flexible packaging industry in Bangladesh. From the qualitative analysis it was found that there is adept importance of customer relationship building specifically in B2B industries. Building customer relationship helps in making customers satisfied and be loyal to the business/service/products. It also helps to motivate trust, commitment, communication, promise, cooperation, power, empathy, rapport, duration of time and accuracy leading to customer retention and loyalty. With respect to the significance of customer retention and loyalty in B2B packaging businesses, it not only helps in recovering costs in B2B businesses but also make the company or the firm profitable. Similarly loyalty and customer retention in B2B businesses helps improve profits, repeat business, selling of more number of goods, and immunity toward the
competitive forces. Thus, it can be implied that customer retention and loyalty would help flexible packaging industry of Bangladesh towards improved financial and economical state. Moreover, customer retention and loyalty in flexible packaging industry of Bangladesh helps in help in relationship building between the buyers and the sellers. Good relations improve buyers and sellers cooperative and committing actions and therefore strengthening bonds. CRM in flexible packaging industry helps with competitive advantage in the market developing and acquiring existing customer relationships, creating and keeping new customers. Although the factors are beneficial to the flexible packaging industry in Bangladesh, various challenges are associated to impacting customer retention and loyalty. The challenges that the flexible packaging industries in Bangladesh face mainly are competitions, trust building, relationship building, lack of alternative sources, cooperation, buyer-seller bonding and commitments. Thus there is a significant impact of good relationship and behavior between businesses and customers with respect to customer retention and loyalty in B2B flexible packaging industry in Bangladesh.

Summary, limitations of the study and recommendations to future scope

The current study focused on impact of good relationship and behavior between businesses and customers with respect to customer retention and loyalty in B2B flexible packaging industry in Bangladesh. The complete study assesses the importance of customer relationship building in customer retention and loyalty. This was assessed with the help of literature reviews and research along with qualitative analysis of 19 respondents from the flexible packaging industry in Bangladesh. The literature review helped in assessing impact of customer relationship management (CRM) on business performance in the packaging industry and the challenges involved. The factors of trust, cooperation, commitment, and bonding in a B2B business are very important in building up customer loyalty. The alternative hypothesis being accepted and proved,
indicated with trust, cooperation, commitment, and bonding are equally related to each other and therefore has impact on customer loyalty. However, the qualitative analyses helped in assessing the factors affecting customer relationship management in B2B packaging businesses and flexible packaging industry of Bangladesh.

However, by the end of study various limitations were found with respect to assessing impact of relationship and behavior to customer retention and loyalty in B2B flexible packaging industry in Bangladesh. The first and foremost limitation that was found in the study was that the study used only qualitative methods of analysis whereby the perspectives of the respondents were coded and interpreted with the help of interviews. Although the interviews comprised of senior management and company heads, the perspectives of middle level and low level employees were missing. Moreover, there was no focus group discussion that would have led to better implications of relationship and behavior impacting customer retention and loyalty in B2B. In addition there was no quantitative study or analysis that would have otherwise statistically implicated the significance of the beneficial and the challenging factors impacting customer retention and loyalty. Thus, another limitation in this study was that quantitative analysis was not conducted and hence statistical significance was not proved. Furthermore, another limitation of the study was that factors trust, commitment, cooperation and bonding did not statistically validate impact on B2B customer loyalty by calculating a p-value or an effect size. The method of proving the hypothesis in this study lacked statistical data. The hypotheses were addressed on the basis of the comparison between scoring perspective of the interviewees and the empirical findings of previous studies and thus are a limitation of the study. Although the study included coding and scoring system behavioral coding was missing in this type of analysis and thus acted as another limitation to the research study in assessing the impact of relationship and loyalty in B2B industry of Bangladesh.
Thus, considering the limitations of the research study the following recommendations were made for future scope of the study. The recommendations are;

- The study only comprised of interviews amongst the senior management and company heads. Thus in the future studies it is recommended that interviews be conducted amongst the middle and junior level employees to understand the motivators and challenges faced in the ground level in acquiring customer loyalty and retention.

- The study also did not implement focus group discussions, and hence this mode of qualitative data analysis is recommended in the future studies. Focus group will help in bringing together many respondents from the packaging industry of Bangladesh and contrast the ideologies on factors impacting customer retention and loyalty.

- It is also recommended that in the future studies a pragmatic research philosophy be adopted so that both qualitative and quantitative study be implemented, This would help in assessing and contrasting the perspectives of various groups of respondents and arrive to final conclusions on factors impacting customer retention and loyalty.

- Last recommendation of the study is that, the studies must focus on other types of flourishing industries in Bangladesh such as; fisheries and poultry, textile, and infrastructure are few to name, to be targeted in order to study impact of relationship and behavior with respect to customer retention and loyalty in B2B industries.