THINK INDIA JOURNAL

ISSN:0971-1260
Vol-22- Issue-14-December-2019

Creating Customer Value Through Whatsapp

Dr. Madhavi R[1] **Dr. Easwaran Iyer[2]** **Vishnu Nagaraj[3]**

Abstract

Customer Value can be broken down to two distinct perspectives which are 'Desired wants' or 'Perceived wants. Marketers today strive to create customer value through various techniques and strategies. The Customer-Value creation framework by Smith and Colgate identifies four types of values that can be created by Organizations:

1. *Functional value*
2. *Experiential value*
3. *Symbolic value*
4. *Cost value*

Companies try to find/develop various tools, techniques to provide customer value and keep them engaged in the most cost-effective way. Then there is WhatsApp, a cross-platform instant messaging app with over one billion active users and more than 10% of such users are in India. (Satpathy, 2016) WhatsApp is installed on 90% of smartphones in India(Jana, 2016). It now boasts of features like WhatsApp calling, Web WhatsApp and much more. WhatsApp presents a solution for business houses' search for affordable alternative for marketing and particularly value creation for customers. Based on research findings – 39 out of 50 businesses find WhatsApp an important tool which creates a customer engagement and customer retention.(Madhavi, Vishnu, & Rahul, 2015) What kind of values can it create? Here, responses are collected through structured questionnaire and semi structured interviews with a sample size of 65 marketing professionals/entrepreneurs.

Key words: customer engagement, value creation, customer retention and WhatsApp

Research Design

Purpose of the Study:

a. To explore how WhatsApp promotes customer engagement
b. To uncover if customer engagement promotes customer retention through WhatsApp
c. To explore strategies that marketers use to create customer value through WhatsApp

Review of Literature:

Some noteworthy research efforts that made way for the present work are presented here:
Divatia A and Patel M (2017) in their paper titled "A study on selected social media applications usage practices of homemakers" researched 80 housewifes and found no relation between the age, family income, number of children and time spent on the internet on social media.Business daily claimed that Startups find success with social media marketing (2017). Among the various options, WhatsApp was the most favoured as it has helped in achieving better response rate and higher levels of customer engagement for business from their customers.DavidivitchNitza, et al (2016) researched on how WhatsApp is playing a pivotal role in academia on diverse counts. They found a strong effect on students' achievements. C.M Shashi (2012) in his paper titled "Customer engagement, buyer-seller engagement and social media'; from the department of marketing in Florida Atlantic university, Boca Ranton researchedon the developing strategies of customer engagement for a business.The approach linked customer engagement strategies to marketing concepts, market orientation and relationship management.One of the key findings of this paper was the customer engagement cycle in the following order: *Connection – Intergration – Satisfaction – Retention –*

[1] . Associate Professor,Department of Commerce – PG Studies,School of Commerce,JAIN (Deemed-to-be University), Bangalore.
[2] . Dean of Commerce,JAIN (Deemed-to-be University), Bangalore.
[3] . School of Commerce,JAIN (Deemed-to-be University), Bangalore.

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

Commitment – Advocacy – Engagement. Thus, four types of customer relations emerged. They are *transactional customers, delighted customers, loyal customers and fans*. Based on these solutions and findings on customer engagement, the author suggested different tools of WEB 2.0 that can be used to build customer relations with the help of different social media platforms.Jamaluddin Ibrahim, Rafidah Chee Ros, Nurul FaatihahSulaiman, Roszaini Che Nordin, & Li Ze Yuan; Graduate School of Management, International Islamic University Malaysia researched on "Impact of Smartphone Application, Whatsapp and Facebook for Online Business" with 100 respondents of varied backgrounds.88% of the respondents are aware through online platforms. Pearson product-moment correlation coefficient r = 0.98, n = 125, p = 0.002 assessed the relationship between 'the frequent usage of smartphone by people' and 'the accessible and effectiveness of a business promoted through smartphone application'. The authors concludedthat there are many different free applications that customers can use on smartphones and businesses can use to increase brand awareness of the business products they sell.

Research Gap:

The above research efforts clearly establish that social media in general and WhatsApp in particular are identified for various purposes including business purposes, consisting of customer interactions of varied nature.The target audience researched upon often consist of diverse groups. Yet, they present gaps with regard to geographical areas, concept design and target audience. Hence the present study is undertaken.

Methodology:

(a) Type of research*:* Both, field research and library research were undertaken. The objectives were first analysed through field research and then elaborated through library research.

(b) Data Collection Tool:A questionnaire was drafted, keeping in mind the objectives of the study as listed above.

(c) Sample Design:

- Purposive sampling method is adopted for the study. Here, the sample units are chosen primarily on the basis of well-defined criteria and willingness of the respondents to participate in the study undertaken.
- The sample size of sixty-fiverespondents who consented for the study is businessmen/marketers.
- The inclusion and exclusion criteria may be stated as follows:

Inclusion Criteria:

- The respondent must carry on business or work in the capacity of a marketingprofessional
- The businessmen/ marketing professional must be aware and must be using WhatsApp
- Such business houses are established in India or such marketing professionals work in India

Exclusion Criteria:

- Non businessmen/ non marketing professionals are not considered.
- Businessmen or marketing professionals who do not use WhatsApp are outside the realm of this study

(d) Profiles of the respondents:

- Questions were framed to understand their awareness level etc. as regards the topic to serve the research objectives.
- Men and women were included randomly without preference to either one of them.
- The personal background, IQ levels of the respondents, their stream and extent of education and belief system of the respondents were not taken as criteria in this study

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

(e) Collecting data:

- Each respondent was asked to answer the questions in the same order as in the questionnaire. Initially, rapport was established with the respondent and he/she was made aware that they were part of research work and his/her co-operation to the fullest extent would make the research meaningful.
- The respondent was asked to give his/her opinion freely. Any doubts raised by the respondents were clarified so as to gain honest answers.
- In certain cases necessary, the questionnaire was translated into vernacular languages so as to facilitate right understanding of the concept.

(f) Method of analysis:

- MS Office has been used to tabulate and present the data.
- Descriptive analysis is the method employed to present data. Here, data visualisation, classification, graphical analysis, charts and diagrams are used. The study builds a conceptual model.
- Thematic analysis was employed on qualitative data

Introduction & Concept:

The growing popularity of WhatsApp has been witnessed through major breakthroughs. In January 2014, Co-Founder and CEO Jan Kaum announced the cross-platform messaging service to have crossed over 50 billion messages per day globally. This was the highest achieved reach by any messenger till date. Its availability across iOS, Blackberry, Android and Windows phones has made it equally user friendly, apart from keeping it advertisement free (HNGN, 2014). In January 2016, the company announced removal of the $1 subscription fee and in April, same year; it introduced end-to-end encryption. The quote and reply feature enhanced convenience and clarity, while the support for GIF enhanced user experience. In May 2016, it added an app for the Windows and Mac Operating Systems, similar to WhatsApp Web and later the two-step verification system. While video calling made things exciting for the customers, it sent down jitters and shivers down the spine of mobile service providers cutting significantly into their international and long-distance services by slashing the cost and breaking more than just tech barriers.Many different perspectives can be drawn out on account of its active growth and feature enhancement endeavours throughout. This research effort aims to find out if business houses and marketers make use of this cross-platform communication tool to add customer value through working on customer engagement and customer retention. This in turn adds value to the business/marketing efforts itself, through serving the customer.

Some giant brands such as Toyota (2012), partnered with the interactive agency Medialabs to develop an innovative online marketing campaign using WhatsApp. The brand invited users to put 'Hibrizado' (Hybridized) as their WhatsApp status, after registering themselves on the brand's website for a week. Once done, users could enter a competition to win iPhones in a lucky draw. Toyota Spain had aimed at highlighting the benefit of their range of models with hybrid technology. Through the campaign, the brand clocked nearly 35,000 visits and over 6500 registered users in just one month. Similarly, Rishi Gangoly of a firm called Webdudes conducts WhatsAppinar (WhatsApp versions of Webinars) for its products and services. Webdudes provides end-to-end solutions for designs and communications to enterprises. Be it a job application, a political campaign, a promotional campaign or anything under the sun, communication is pivotal to their success, and WhatsApp is facilitating the same (New Delhi, 2017).

WhatsApp is a tool to equip business houses in more than one way. Apart from using the App for internal team communication, all other ideas are aligned to customer communication, customer support, marketing and promotion (Profitbooks.net, 2015). Business houses,

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

especially the ones that need to reach the customer directly and those that have a tight string on their marketing spend are breathing a whiff of air thanks to WhatsApp.Restaurants are taking orders, family doctors are providing consultation on common medical queries, governmental agencies are seeing new ways to reach out to their citizens, etc. For example, the GSRTC – Gujarat State Road Transport Service –is providing their Volvo helpline through WhatsApp. Russsh, a Mumbai based Concierge service is using WhatsApp as a booking platform. Bangalore based, Ms. Kavita, sells, recommends and offers new deals to her customers in selling designer/readymade garments. Ms. Shivani, a B Com student sells hand-made jewellery in Bangalore and Ms. Sheenu Sachdev, a budding entrepreneur in the baking business sells pastries and cakes in Gujarat, using WhatsApp as the primary platform to facilitate communication. Dentists are giving appointments, re-adjusting or cancelling the same through this tech driven platform. Often, the burden of cost-cutting is over-emphasized and WhatsApp is here to rescue many a dollar. Bakers catering to customised orders confirm and seal the deal through WhatsApp. Personal counsellors connect to their needy patients round the clock. Pharmacists confirm availability of medicines; while grocers do the same and private tutors are solving student doubts over WhatsApp. Police have introduced this App efficiently in some cities in India to register complaints and connect to the citizens in a better way. The myriad ways mentioned above are growing by the hour, as people want to capitalise on the cheapest and clearest platform for easy communication, that is, connecting parties better than anything the world has seen before.

Major Results, Discussion & Implications:

Brief description of respondents:

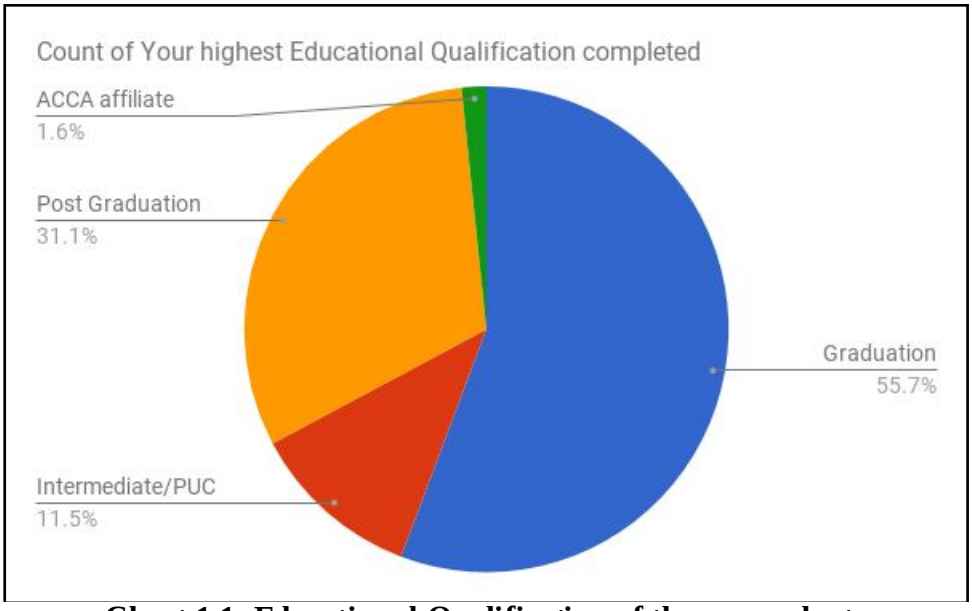


Chart 1.1: Educational Qualification of the respondents

The above chart reveals that over 55% respondents have completed graduation; about 31% post-graduation; 1.6% are ACCA affiliate and the rest are educated till PUC. All these respondents are either entrepreneurs or marketing professionals functioning at the grass root level, who have the need to reach out to their customer/s themselves.

Age wise, over 77% respondents are less than 30 years old. This shows that youngsters are using this app actively as against their counterparts.

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

The marketing professionals comprise of 90% of the respondents and the rest are entrepreneurs whose businesses are between the ages of less than one year to 12 years. The respondent marketing professionals have experience of anywhere between less than one year to over 26 years. Some entrepreneurs who function particularly in the marketing aspect of the business have also identified themselves as marketing professionals, even though they are part of family businesses having combined roles of entrepreneurship.

The primary research reveals the following:
Awareness of the term customer engagement exists for about 87% of the respondents. This is positive regardless of the education level of the respondents. The researchers opine that regardless of the 'awareness' of the term, the respondents indulge in customer engagement due the need and nature of the role they play in their business. This is revealed through the responses to the next question, where about 97% of them think that interacting with existing customers is important for their businesses.

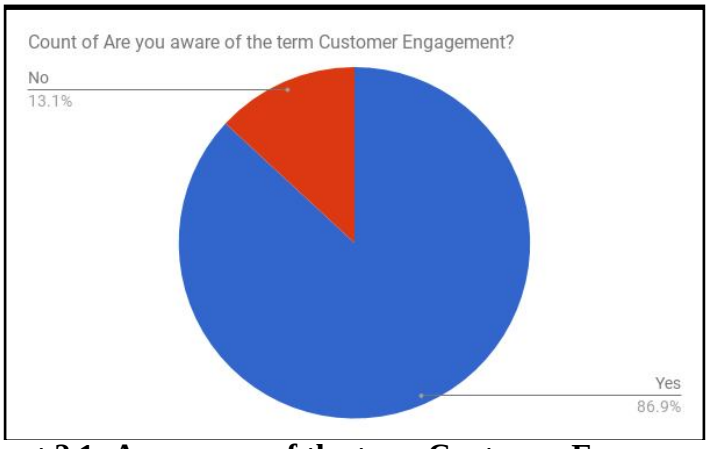


Chart 2.1: Awareness of the term Customer Engagement

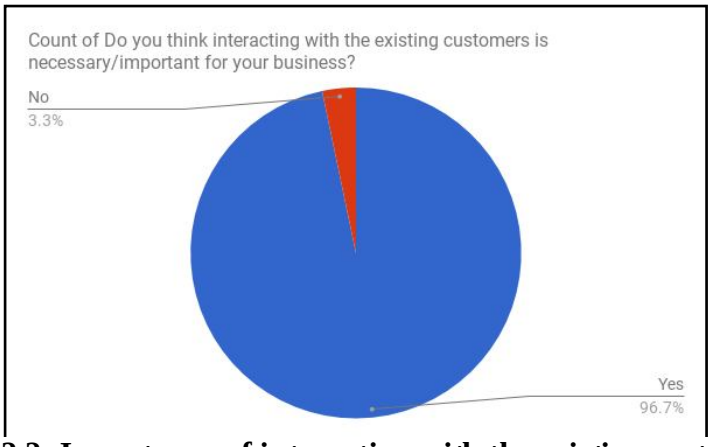


Chart 2.2: Importance of interacting with the existing customers

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

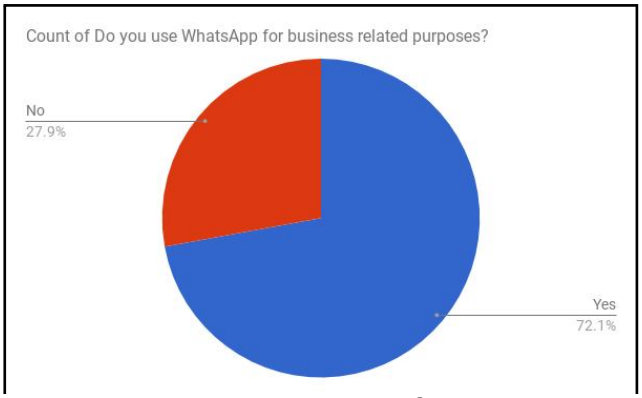


Chart 2.3: WhatsApp used actively for Business purposes

When asked how important is customer retention for a business?; the responses can be explained as follows:
Customer retention is the charm that allows a business to continue in business and stay strong. Having repeat customers ensures a greater rate of return on every rupee invested into a business. Over 90% of the respondents opine so. Over 50% respondents use WhatsApp just as and when required, without a plan laid out for customer engagement. Yet, about 37% claimed to use it every day to interact with their customers. The rest felt weekly interaction fit better into their working conditions.

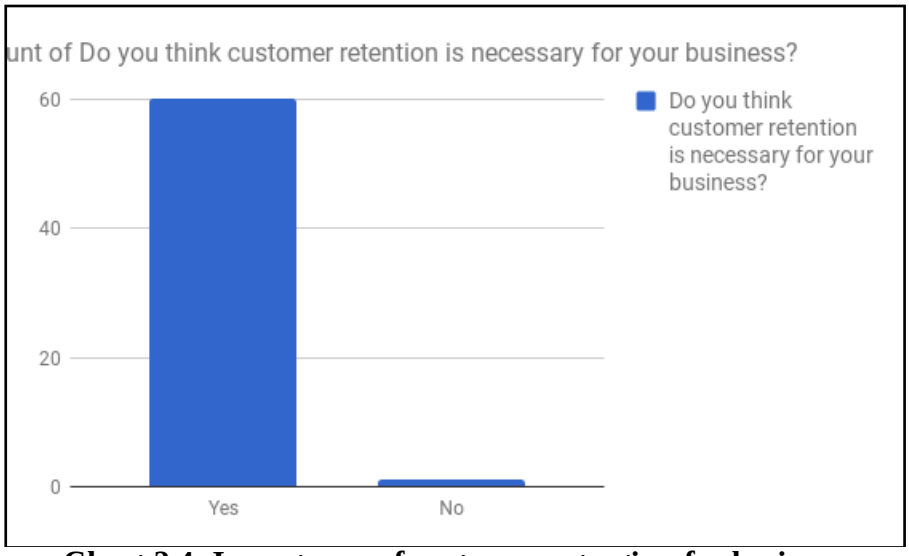


Chart 2.4: Importance of customer retention for business

About 72% of the respondents comprising of entrepreneurs and marketing professionals used WhatsApp for Business related purposes. Such purposes may include general interaction, informal wishing or greeting the customer on special occasions, continuing product/service related discussions, fixing appointments, confirming availability of products/services, taking orders, reserving preferences, registering complaints, rectifying information, answering queries, solving problems etc.Every business has processes in place and communication is imperative to fulfil those processes and systems. Such communication is facilitated through many platforms. But since the introduction of WhatsApp, its usage is growing at a greater pace than any other medium and has therefore taken over a larger share than its competitors

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

efficiently. The researchers strongly opine that such usage of WhatsApp for business purposes will grow exponentially and strengthen in the years to come. This can be attributed to the incessant efforts by the founders to consistently upgrade the app and enhance the user experience on various counts. The appreciable experiences of marketing professionals and entrepreneurs gathered through the responses are summarised as below (repeated responses are skipped):

- Offers faster responses including international reachability. It works very efficiently and is user friendly
- Complimenting platform to reach and later use email to explain in detail. Easy to reach the client over WhatsApp than over email as clients are available over WhatsApp even if not on email.
- Context to message works well in connecting with customer.
- Sharing component photos and machine working videos; Selection of tiles and marble on WhatsApp by our existing customers
- Posting new purchases and regular updates on the respective products and services
- Easy and free calls. Receiving queries directly. It eliminates middlemen, barriers and offers quick and direct connect to your customers.It’s got a direct touch. In terms of engagement, this has been the best so far in interacting at all times.
- I have shared numerous business documents, it is much easier than sending a mail
- It's easier to market through WhatsApp as you can reach a higher target audience
- As a mode of advertisement specially during launch of new product, sharing the details of customer's requirements, showing them work in progress and also keeping record of their feedback
- It's helped me share my portfolio, grow my clientele and get feedback.

The above appreciable responses may be summarised as:

a. Greater reachability, two-way communication, ease of use and quicker response rate makes it better than other modes of communication
b. Expanding/growing of client base
c. Engaging and retaining the existing customers
d. Sharing of sensitive information including documents is possible.

Some striking challenges worth mentioning uncovered in this research effort may be stated as below(repeated responses are skipped):

- Lack of bulk messaging
- If you have other sellers on WhatsApp, they get to know the pricing of your products and your approach
- It can't be trusted and used as an official document in spite of majority of the communication happening due to ease. Not secure enough for sensitive information.
- Messages may considered as spam and ignored or keep bothering beyond the business transaction. Can't cut them out.
- Cannot check product quality just through pictures. If the sender or receiver has a low quality phone camera, pictures may not be clear. The picture varies from actual product to some extent depending on the type of product you're dealing in.
- The size of file that can be shared is limited
- The internet/data that it consumes on the phone is high; which exhausts it quite soon
- Some messages can be misunderstood and it may not be the best channel for formal proposals or sometimes it can be treated as unprofessional

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

- Unnecessary pictures and rumours being shared is a challenge apart from unnecessary forwards as you can't avoid them. Being extremely intrusive results in blocking number
- It gets too personal a relationship sometimes in business
- Broadcast feature is difficult because if other person don't have your number they can't receive your message
- Clients' night reach out, that is, post work hours and it's unavoidable when they see you online. This causes privacy issues
- It does not always reach the target audience ie it's not mandatory that the person receiving the text will read through.
- WhatsApp cannot be accessed through a PC until your cell phone is connected to internet
- Texting can never be as good as a proper call conversation.
- Lack of internet/network in remote areas
- Non availability of group Voice call like a bridge that offers moderator attendee functions
- Makes us lazy because everything is simple and easy.
- WhatsApp is just one aspect of Marketing or approaching our seekers.But it's important for the seekers to also be on WhatsApp as today there are many other apps available.

The above challenges may be summarised as:

- Unnecessary pictures, forwards and rumours making it intrusive
- Infrastructural challenges such as device compatibility, lack of internet or not being on WhatsApp, limited file sizes, no group voice calls, not choosing WhatsApp etc.
- Not secure enough for sensitive information.
- Privacy issues

Despite such challenges, the role of WhatsApp seems to grow to the extent that today smart phones have become mini work stations.

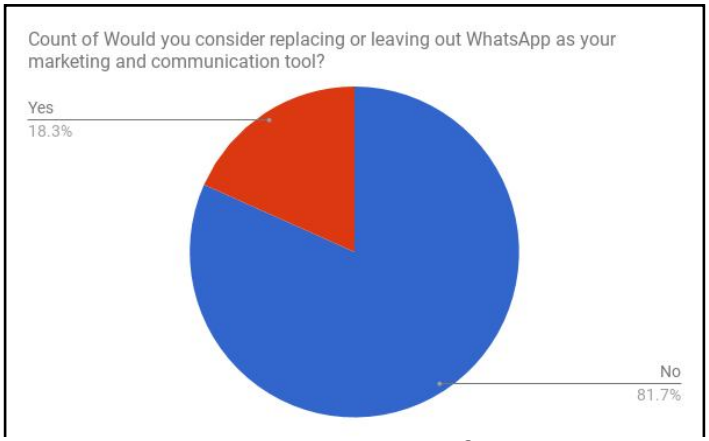


Chart 2.5: Leaving out WhatsApp for Business usage

For all the value enhancing features and ease of usage brought in by WhatsApp, its users favour it over others and hence over 81% felt they would neither leave out WhatsApp nor replace it as their marketing and communication tool.

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

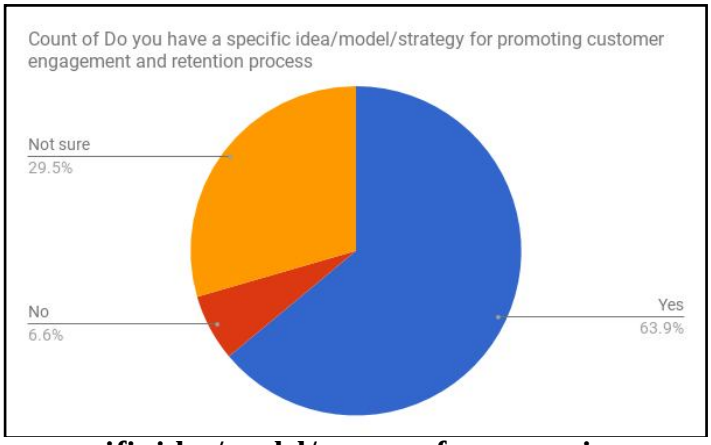


Chart 2.6: Having a specific idea/model/strategy for promoting customer engagement and retention process

About 64% respondents have a specific idea/model/strategy for promoting customer engagement and retention process in general.

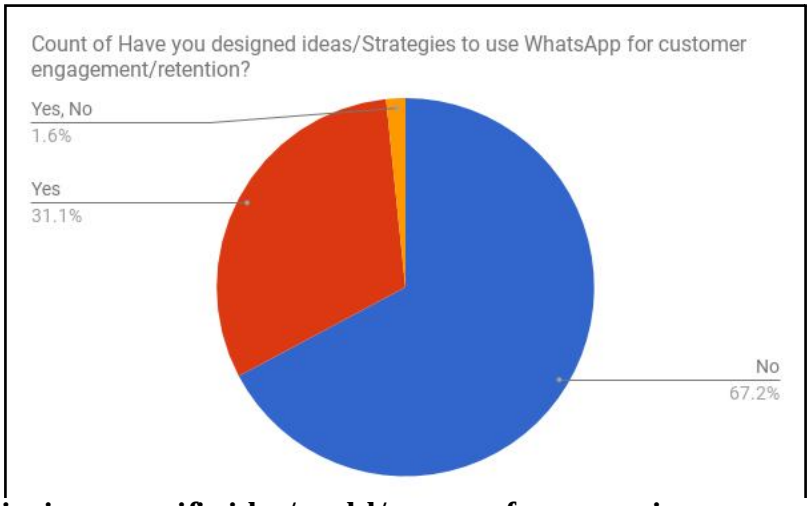


Chart 2.7: Designing a specific idea/model/strategy for promoting customer engagement and retention process through WhatsApp

Although a majority of 67% respondents did not designa specific idea/model/strategy for promoting customer engagement and retention process through WhatsApp, they opined the tool to be imperative. The ones who had a plan mostly stated the following:

- Group interaction and video calling
- A broadcast list for all new products
- Send them ideas as per occasion e.g.: festivals like Diwali , Christmas And keep them updated with new trends and offers or pictures of new products are forwarded to potential customers
- WhatsApp helps in keeping in touch constantly with the customer and updated with the trend. And, regular interaction allows problem solving.
- To maintain regular line of communication without the direct interruption of a phone call this app is useful
- Prepare a crisp message. Send it to selected people of target audience. We need to do the first level of filtering ourselves. WhatsApp aids in STP levels, create broadcast lists of my choice and deliver the message at least cost.

 Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

- In our business, it's become very essential, as we can easily send Pictures and Google map location using one platform to our seekers.
- Working in the Advertising field, it becomes convenient to keep your customers updated with regular product/service updates considering whatsapp is one of the everyday used apps
- We send the customer reminder messages from time to time. We also inform them about new products and offers.
- Keeping in touch on regular basis helps the referral network grow

The above responses can be summarised as:

- Keeping in touch on regular basis and deliver the message at least cost
- Groups, interactions, video calling and broadcast lists
- Media messages adding value to the interaction

The above ideas have resulted in:

- Cost reduction
- Growth of network through referrals
- Effective reach, interaction and problem solving
- Customer engagement
- Customer retention

The respondents also stated:

- About 40% agreed that customer references can be gained
- About 30% felt such references help expand the business
- The constant interaction allowed respondents to track that customers prefer you over others and this was accepted by 22%
- And 43% respondents agreed that sales increased due to usage of WhatsApp for business purposes

When asked about the advantages offered by WhatsApp for promoting Customer Retention; over 82% voted for ease of access; about 50% accepted 'seamless/border free communication; 54% chose reduced cost of interaction; 57% ease of interaction and 38% chose transparency in communication.The respondent marketers/entrepreneurs stated that the above advantages contributed to both customer engagement and customer retention.

When asked in what other ways can WhatsApp be usefully integrated into better business services; the following was identified:

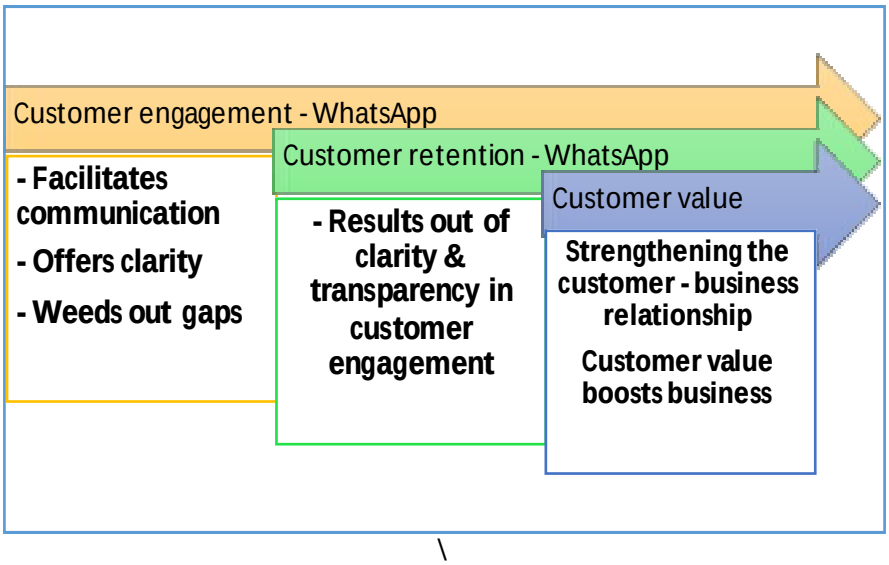
- Creating formal business groups by a brand or a recognized business house
- Connecting to a global network of professionals
- Creating cross platform connections with other social media platforms

The Conceptual Model:

The customer interaction web (wholesome use of various communication platforms such as different social media, Email communication, telephonic interactions, etc.) is a composite container. This is now witnessing an increased share of WhatsApp usage then before. While it is noted that the other platforms – other social media, Email communication, telephonic interactions – will continue to assist; it is the tremendous impact of WhatsApp that is pushing this research effort.

 Copyright ⓒ 2019Authors

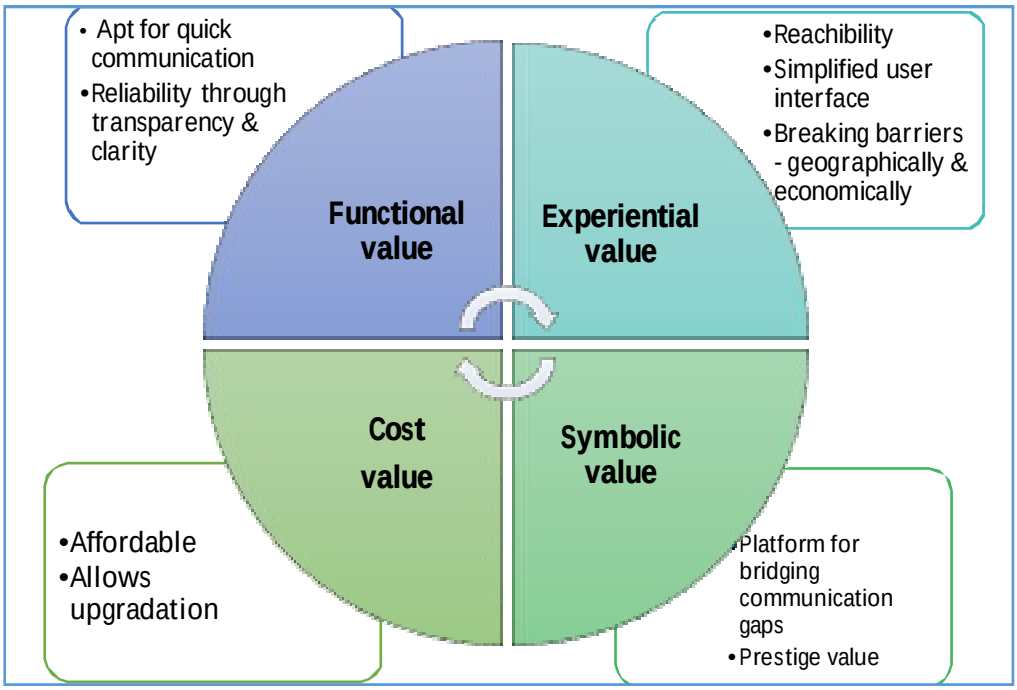
ISSN:0971-1260
Vol-22- Issue-14-December-2019



The Conceptual Model:*WhatsApp projected as the toolpromoting Customer Engagement leading to Customer Retention resulting increation of Customer Value*

Businesses which are functioning at the grass root level can gain through WhatsApp in creating the following four types of values as put forth by Smith and Colgate:

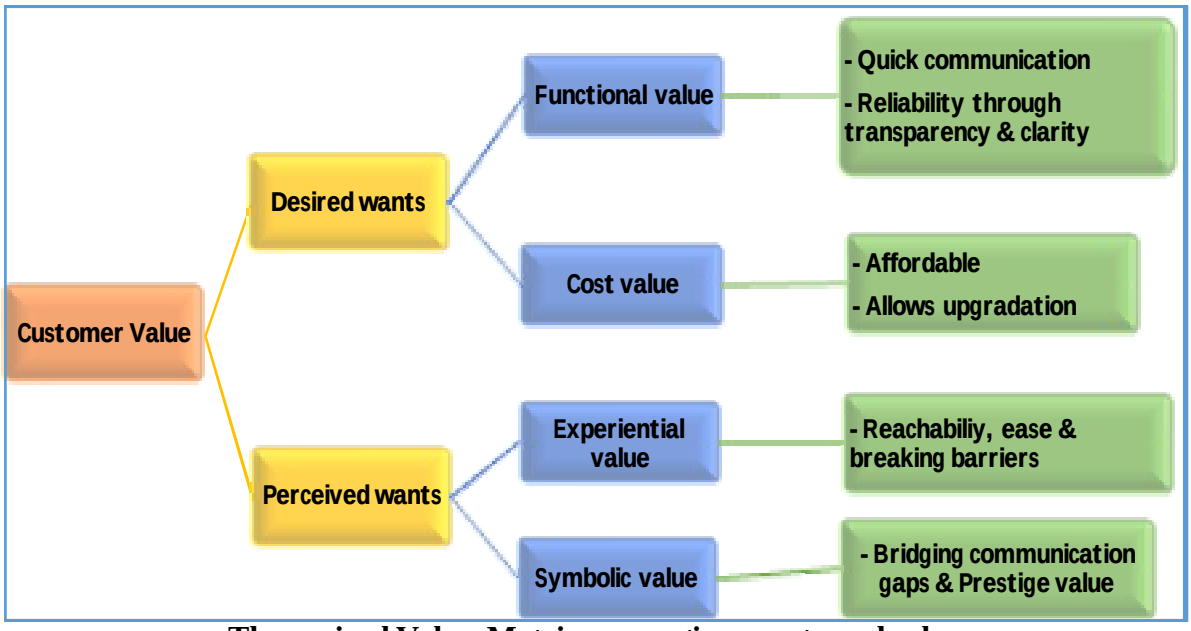
1. Functional value
2. Experiential value
3. Symbolic value
4. Cost value



The Value Matrix derived through usage of WhatsApp for business in promoting customer engagement/retention-

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019



The revised Value Matrix connecting wants and values

In the above matrix both Functional value and cost value represent Desired wants, while Experiential value and Symbolic value represent Perceived wants. Since WhatsApp is able to cater to both it brings in customer value on more than one dimension.

Suggestions:

- The technological simplification is by far the most appreciated feature of WhatsApp as users of varied demographics are able to sustain and continue using the app. The fear of technology is thus broken here by those who are little exposed to it. When thought in this direction, can WhatsApp become a mother App by optionally allowing other messaging services to integrate as well? This will cross connect users to trigger better customer engagement and customer retention from a business perspective.

- The thought of refining the app to upgrade further for any of the following reasons is noteworthy. In fact an example of bringing better coordination among the schools in Haryana, India; connecting the teachers and other interest groups was a success, thanks to WhatsApp. The same was presented as a TED talk by Seema Bansal, Education Innovator (2013) (TED, 2016).
  Such ideas are:
  - Creating formal business groups by a brand or a recognized business house
  - Connecting to a global network of professionals
  - Creating cross platform connections with other social media platforms

  Basically it works on co-creation.

- Social media being a volatile platform, WhatsApp should beware competitors. Telegram (German based), the messaging app which claims to have speed and security, is also cited as a useful alternative. It allows file sharing of up to 1.5GB and

Copyright ⓒ 2019Authors

ISSN:0971-1260
Vol-22- Issue-14-December-2019

group chats of up to 10.000 members. These enhanced features coupled with strong marketing can give stiff competition to WhatsApp.

- The app has transformed the way businesses do business. WhatsApp must allow users to directly connect to its developers for gaining suggestions and criticism. This will further strengthen their ideation process and allow betterment. WhatsApp is a very good tool for Customer Relationship Management. Currently, people resort to Social Media to express dissatisfaction or concern. But WhatsApp can stream line the process and result in lesser PR crisis for a company as messages sharing is private.

Implications for Further Research:

- Further research may be pursued on how brands can usefully integrate this app for achieving well defined business objectives or creating a breakthrough feature of connecting customers globally, especially in cases where such interactions can promote the awareness and wellness of the brand on one side and offer opportunities for customers to interact, socialize and co-create.
- Research may be considered to understand how WhatsApp can cause societal impact by integrating added features into its existing kitty.

Limitations of the Study:

- This study is limited to 65 respondents only at the grass root level who consented to be part of this research effort.
- The study is focused on entrepreneurs working at the grass root level and marketers.
- The study has limitations w r t place, time and resources.

REFERENCES:

Brynley-Jones, L. (n.d.). *70% of companies say it's cheaper to retain a customer than acquire one.* Retrieved from Our Social Times: http://oursocialtimes.com/70-of-companies-say-its-cheaper-to-retain-a-customer-than-acquire-one/

Econsultancy/Responsys. (2013). *Cross-Channel Marketing Report* .

Jana. (2016). *Top 25 used apps in India.* Boston: Jana.

Madhavi, Vishnu, & Rahul. (2015). WhatsApp and Customer Engagement – An exploratory Study. *IIMB*, (p. 12). Bangalore.

Satpathy, S. (2016, Feburary 2). *WhatsApp Crosses 1 billion monthly active users, over 100 million users from india.* Retrieved from BGR: http://www.bgr.in/news/whatsapp-crosses-1-billion-monthly-active-users-over-100-million-users-from-india/

HNGN (2014) Growth Steady; Processes Over 50 Billion Messages Everyday http://www.hngn.com/articles/22510/20140121/whatsapp-s-growth-persistent-processes-over-50-billion-messages-everyday.htm

Profit books (2016) http://www.profitbooks.net/how-to-use-whatsapp-for-business/

https://www.theworldgist.com/whatsapp-free-download-7-ground-breaking-achievements-in-2016/

Copyright ⓒ 2019Authors