

Managing Customer Relationship through Emotional Intelligence- Some Perspectives during Post COVID-19

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Abstract

History of mankind perhaps had never experience such a global calamity and crisis in which everyone, irrespective of their position, power and status has a realization that one may have enough fund at disposal but cannot spend as per the wishes at the cost of health and life security. Everyone has been afraid of Corona virus and warned to maintain social distancing. As a preventive measure, majority of the countries declared lockdown and asked people to maintain social distancing for their safety and security. A complete stand still situation prevailed in almost all activities and the business houses discontinued their operations and activities. The businesses houses in general, the employees and public in particular have suffered huge loss throughout the world, especially in Corona affected countries. This pandemic situation will certainly be passed away and a new normal life will be prevailed. However, the issue which needs to be addressed by the business houses in general and the service sector organizations in particular is meeting the changing expectations of consumers with emphasis on safety, security and hygiene in the product/services delivered by the frontline employees and/service providers at the end. Having backdrop, the present article is a modest attempt to address this complex issue of managing customer relationship with emotional intelligence in order to gain competitive advantage, especially during the post COVID-19 period.

Keywords: *Emotional Intelligence, Managing Customer relationship, Frontline Employees, Service Performance, Carona, COVID-19*

JEL Classification: *D91, M1, M15*

Introduction

It was in news sometime in December 2019 that the Corona virus (COVID-2019) started spreading in the Chinese city of Wuhan (Hubei province) which subsequently spread to other countries and the whole world is now living in fear of this virus. A number of symptoms of the virus affected patients for which public were informed to be careful and conscious happen to be fever, myalgia, fatigue, and dry cough. Other referred symptoms are

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chills, coryza, sore throat, nausea, vomiting, and diarrhoea (Chen et al., 2020; Huang et al., 2020). These symptoms are usually mild, and some infected people are asymptomatic (Rothe, 2020; Ryu et al., 2020). According to the World Health Organization (World Health Organization, 2020), about 80% of infected people easily recover from COVID-19, without the need of any specific treatment. However, about 1 out of 6 cases of infection courses with severe pneumonia (Bermejo-Martin et al., 2020), which can lead to respiratory failure, cardiac injury, acute respiratory distress syndrome and death (Holshue, 2020). But the most unique aspect of COVID-19 has been this deadly virus spreads from person to person via virus-laden respiratory droplets produced when an infected person talks, coughs, exhales or sneezes. These droplets can be inhaled by the people nearby, and/or fall over objects and surfaces, which another person can touch, and then touch their nose, eyes or mouth and get infected (World Health Organization, 2020; Centres for Disease Control and Prevention, 2020). COVID-19 is a highly contagious virus (Yang & Wang, 2020). Thus, even though only a minority of infected people develop severe symptoms, COVID-19 becomes a global health threat. In fact, on the 30 January 2020, the WHO declared the health outbreak caused by COVID-19 a public health emergency of international concern. Lakhs of people lost their life in countries like USA, UK, Russia, Italy, France, India and almost all COVID-19 affected countries. As a result, one of the alternatives to save the lives of the people was physical distancing and self-isolation to protect self and others and stop the spread of the disease which result into closure of activities in business and service industry in particular and civil lives in general. Out of precautions, majority of the countries have lockdown their civil lives and business activities months together.

In fact due to lockdown, everything is standstill everywhere in almost every sector and the worst affected is the service sector like hotels, motels, tourism industry at large. To be optimistic, sooner the situation normalizes better it is, though everyone is asking the question, when? But even if it revives, in initial period, how long it will continue nobody knows but the invisible insecurity and desire for extra safety and security in products and services provided by the front line employees and/service providers will be critical issue for every organisation. Therefore, only those organisations who will be proactive in preparing themselves to meet the changing expectations of the consumers, they can only attract, retain and manage customer relationship and gain competitive advantages to survive in the new competitive environment during the post COVID-19 period. One of the mechanisms to manage customer relationship, especially during this type of situation, could be the use of emotional intelligence to better understand, satisfy and motivate customers. The present paper is a modest attempt to discuss how to manage the customer relationship during post COVID-19 with emotional intelligence.

Customer Relationship Management

The concept of marketing has changed enormously from acquisition to retention of customers. In present context of COVID-19 pandemic, major challenge before the business houses is to adopt such marketing strategy so as to motivate the customers to buy/use their products/services with confidence and faith. Normally, it is possible when a business/service provider has a track record of strong customer relationship management or has to make enough visible efforts in this regard to attract and motivate to use their products/services

where there exist security. The marketers have to make extraordinary efforts to maintain and retain the existing customers and attract new ones, which can only be achieved by building good relationship with them in which role of frontline employees is very important and critical. Relationship marketing has been defined as establishing, maintaining, and enhancing relationship with the customers and other stakeholders in an attempt to improve and sustain organizations customer base and profitability (Gronroos, 1994). The concept of relationship marketing emerged from the fact that transactions in the service industry are relational in nature. In banking industry, Walsh et al. (2004) visualized that relationship marketing are the activities carried out by banks in order to attract, interact with, and retain more profitable or high net-worth customers. Customer relationship management evolved from the concept of customer orientation. It is not only important to serve the customers but also to maintain and retain relationship with customers. According to Kotler & Armstrong (2004), customer relationship management is the overall process of building, maintaining and enhancing profitable customer relationships by delivering superior customer value and satisfaction. In today's context, customer relationships are either personal or virtual and have been identified as a tool to increase competitive advantage of organization over its competitors. According to Hawke & Heffernan (2006), relationship management is to obtain, retain and create repeat purchase and referrals. Relationship management mainly consist of establish, nurture, sustain, and enhance client relationship which will lead to maximization of profit and market share of the organization (Hawke & Heffernan, 2006; Helm, Rolfes, & Günter, 2006; Kandampully & Duddy, 1999). Similarly, Payne (2009) pointed out that relationship management as a strategic management of relationship with all relevant stakeholders to achieve long-term shareholder value.

In the present changing context, relationship marketing will play a predominant role in doing business, especially in service sector. In service sector, there occur continuous interaction between the customers and the service providers. The degree of customer-employee relationship can influence the consumption of products and/services being offered. Developing and maintaining positive relationship with customers is critical for the success of organizations because it increases the potential to retain the customers. According to Lindgreen et.al. (2000), it is 10 times more expensive to attract new customer as compared to retain it and it cost 16 times more to bring new customer to the level of profitability as the lost one. Adding to it, Ndubisi (2007) opined that organization should put effort to grow and enhance the quality of relationship with customers in order to gain mutual benefits to both the parties. According to Ndubisi (2003), organizations can sustain growth successfully only through mutual symbiotic relationship. The inseparable nature of service makes production and consumption of service between employee and customer leading to inter dependence role between service provider and the customer (Solomon et.al., 1985) in which emotional intelligence of service provider plays crucial role. Jamshidi & Gharibpoor (2012) investigated the relationship between employees' and managers' emotional intelligence and success of customer relationship management in respect of customers, people, and process. Result proved that there is a strong relationship between emotional intelligence and CRM success in banks. Khreish (2009) suggested that in banks, the employee with high level of emotional intelligence have the better ability to construct and maintain a long- term

quality relationship with their clients. Therefore, the need of the hour is to give adequate importance to emotional intelligence of service providers at the time of their entry into the organisation, in their utilization and development programmes.

Emotional Intelligence (EQ)

The term emotional intelligence has popularized and commercialized with the writings of Goleman (1998). According to Goleman (1998), emotional intelligence is one of the important criteria in the selection of employee and also in the selection of executives. Goleman (1996) defined emotional intelligence, which includes self-control, zeal, and persistence, and the ability to motivate one-self. In fact, EQ is the ability to identify, understand, and manage emotions. It is the ability to listen to what is being said and understand the meaning behind the words and to respond with empathy. It is also about making emotions work for you, not against you. Emotions may affect one's ability either in a positive or negative way to inspire and lead. One cannot eliminate emotions and memories. Without understanding this, it can affect the way we act, and react to others. In turn, this causes miscommunication, frustration, anxiety and even anger within us.

After spending more than six months such an unusual and unprecedented horrifying time during COVID-19 period in isolation, social distancing and working from homes when people will move out for any product and/services, there is all possibility that they will be apprehensive, expecting and evaluating the quality of safety and security of the product and services. In such situation, the quality of service delivered with respect to safety, security and hygiene, which is to be visibly reflected in the behaviour of service providers (employees), has to become inseparable behavior because according to Hartline & Ferrell, (1996), during service encounter, when customer evaluates service delivered, the behavior of frontline employees plays an important role. These employees play the significant role in the delivery of service quality in an organization and making customer delighted. The degree to which customer is satisfied and delighted it results into the emergence of loyalty of customers towards store, product/service, increases customer retention and reduces their switching behavior. In certain cases, what the customer feels about the behavior of contact employees' results in formation of positive response towards the serving employees as well as the organization. According to Bowen & Ford (2002), managing employees in service industry is different than managing employees in manufacturing industry in several dimensions like (i) the process of service delivery involves customer in service production process; (ii) service employee should respond to each situation uniquely; (iii) emotions plays important role in service settings and (iv) service employee need to manage the service delivery process along with job performance. Perhaps, it is the human and emotional element in the service settings than the manufacturing settings which makes them different from each other. If service sector employees are not emotionally sound and strong and are frustrated due to any personal or professional reasons, it may adversely affect their job performance and directly influence customer's perception of organization (Schlesinger & Heskett, 1991). For the service organizations, according to Beatty et al., (1996); and Griffith (2001), customer's perception towards the service employees remains the perception towards the organization. In general sense, customer's perception of an employee can be determinant of firm's performance

(Heskett et al., 1994; Heskett, Sasser, & Schlesinger, 1997, 2003). Therefore, the firms should understand the new economics of services in which the frontline employee and customer plays a centre role (Heskett, 1994). This could be the reasons for which Goleman (1998) subsequently redefined emotional intelligence as the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions. Moreover, Mayer & Salovey (1997) viewed emotional intelligence as a set of abilities to perceive accurately, appraise, and express emotions; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotions and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth. Kernback & Schutte, (2005); Nwukah & Ahiazu, (2009) concluded that the higher level of emotional intelligence in the service provider, the higher will be the customer satisfaction. Yaghoubi, (2011) examined the linkage between emotional intelligence and relationship marketing and concluded that there exist positive association between various components of emotional intelligence and relationship marketing. Research concludes that emotional exhaustion of frontline employees is critical issue in the success of the service industry. The frontline employee in service performance has to always remain be courteous and professional to all customers while serving (Mattila & Enz, 2002). Therefore, the emotional exhaustion of the employees is serious issue which need to be taken care of by the management.

Strategy to Manage Customer Relationship through Emotional Intelligence during Post COVID-19

The prevailing restrictions, reservations and impositions on life and living of people during Covid-19 for more than last six months has not only derailed their usual thinking and routine behaviour pattern but there is every possibility that they will be very suspicious and demanding special care, concern, commitment from the service providers and frontline employees. No doubt, post COVID-19 customers will develop ambiguity within themselves while interacting with the service providers of the organizations. In certain situation, when it becomes difficult for customers to evaluate services and behaviour of service providers, according to Parasuraman, Zeithaml, & Berry (1985), then they look for other facets like interaction or interpersonal ways to assess the service quality. During that situation when service providers with empathy and sympathy understands on his/her own about what are the possible difficulties the customers might have, what they want, what support facilities they will desire but are unable to express because of ignorance, fear, lack of confidence it ultimately gives mileage to either party. Especially, during this period, customers will definitely appreciate this gesture of the service providers and the organization which ultimately builds brand, store and organizational loyalty. Naturally, emotional intelligence of service providers will play a vital, positive and motivating role. By providing personal attention, care and expressing concern leads to emergence of healthy relationship with the customer that can be one of the reasons for customers to return or retain with the organization. According to Reichheld (1996), a company's profit can be doubled if they improve the mechanism to retain customer. Because, it is less expensive to serve long-term customers as the loyal customers and will have higher willingness to pay a premium price. There exist no shield between

employee's attitude, satisfaction, performance and the customer's perception towards the organization. Thus, it is largely possible on the part of employees with high emotional intelligence and hence the need of the hour for marketers and service providing organizations is to give due emphasis on it. Therefore, following are the possible strategies to be urgently framed by the organisations to manage the post COVID-19 situation in order to manage customer relationship:

1. **Recruitment and Selection of Manpower:** It is the appropriate time for the organizations to give due emphasis at the entry point. At present and in future while recruiting and selecting people, there should be use of emotional intelligence test of candidates for front line and service provider's positions. The organization should use EQ tests and set a minimum standard of emotional intelligence in a candidate without which the person should not be offered service provider job within the organization.
2. **Special Training and Development Program:** The need of the hour for every organisation is to be proactive and management has to proactively train and develop the people with emotional skills. Organisations need to organize special training programmes to develop and strengthen EQ since emotional intelligence in a person can be developed. Therefore, organizations should assess the standardized EI scale and accordingly design proper training and development programmes for those existing employees and for newly inducted too in order to develop their emotional ability to meet changing requirement of building strong relationship now and in future too with changed business environment.
3. **Weightage to EQ in Performance Appraisal:** There should be provision for assessment of Emotional Ability (EA) of employees in performance appraisal programme of the organisation. If the company uses 360 degree performance appraisal methods and an employee has high score in EA, the organization should reward him/her for this ability so that it will set example for others to make planned effort to develop this characteristics in them.
4. **Compensation and Motivation:** Organization should have enough provision for recognition and reward of employees who have demonstrated marked emotional ability in their day-to-day business performance. There should be a system in the organisation where there should be formal policy to reward people who have achieved a particular level of EA in managing customer relationship using their EQ.

Conclusion

This is a fact that the business environment during post COVID-19 is going to be different and difficult for the critical for survival especially managing customer relationship in a competitive business environment. Those business houses which will treat post COVID-19 as an opportunity and prepare themselves not only in terms of their products and services but also with people through proper training and development of their service providers they may gain competitive advantage otherwise some of them may vanish/and suffer huge loss. Rafaeli (1989) correctly observed that every individual employee is responsible for the image of service organization in customer's perception and it becomes

more challenging when employee works at the lowest level of organization. Because these employees represent the organization and they are practically aware of needs and requirements of the customers. Especially, service industry employees in general and other frontline employees in particular, their emotional intelligence at this juncture of time can play significant role in organization's success and achieving effectiveness. Thus, it can be concluded that frontline employees with high level of emotional intelligence not only improves the financial performance but also maintain quality long-term relationship with its customers. Higher the emotional intelligence of employees, better will be their relationship with customers, higher will be the goodwill and profitability of the organization. This needs to be understood and addressed by management of the organisations in the present context and while preparing for the future.

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