Influence of Strategic Customer Management on Competitive Advantage of Mari Petroleum Company Ltd in Pakistan

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**Abstract**

Competitive advantage is an aspect or mix of elements that make a firm more successful than other firms in a competitive environment. The goals of the competitive advantage are to develop a framework that makes others firms in the industry hard to imitate. The study sought to examine the influence of strategic customer management on the competitive advantage of Mari petroleum company ltd in Pakistan. The study was literature based. The findings of the study were based on the findings from the preceding studies. Based on the reviewed literature, it was found that strategic customer management has a positive effect on competitive advantage. Strategic customer management has become a crucial capability that businesses need to develop. A strategic customer represents the target audience for a product and possesses an outstanding reputation. The study noted that for sustained success, it is important for companies to align their customer strategy with the company’s aims and objectives. The profitability of a firm depends on its ability to identify, grow and retain profitable customers. This can be achieved through combining a deep understanding of customer needs, behaviors and values, with the ability to engage specific customers optimally at various touch points. In addition, strategic customer management enables the company to optimize customer satisfaction and develop a relationship of trust with its customers. The study concluded that strategic customer management has a positive effect on the competitive advantage of Mari petroleum company ltd in Pakistan. The study recommended that companies need to emphasize more on ensuring they optimize strategic customer management. Besides, firms need to combine a deep understanding of customer needs, behaviors and values to increase customer relationships.

**Keywords:** Strategic customer management, competitive advantage, Mari petroleum company ltd, Pakistan

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1.0 Background of the Study

Competitive advantage is an aspect or mix of elements that make a firm more successful than other firms in a competitive environment. The goals of the competitive advantage are to develop a framework that makes other firms in the industry hard to imitate (Hosseini, Soltani & Mehdizadeh, 2018). Firms might be successful in some instances where others are not successful, making certain activities much better than others or maybe the most effective among the rivals. The competitive advantage might be due to firm assets or resources. In this instance, a firm's getting the resources it didn't have in the past, can bring in a competitive advantage. Rauf, Kadir and Kamariah (2019) reported that sustainable competitive advantages are tough to replicate or duplicate. Competitive advantage is a base or an essence for creating strategy, and developing strategy are to develop and maintain a competitive advantage under the firm’s goals. Sustainable competitive advantages are a collection of assets, attributes, or abilities that enable a firm to fulfill its client’s requirements better than its competitors can (Annarelli, Battistella & Nonino, 2020). The sustainable competitive advantage sources for any firm consist of brand loyalty, innovation, proprietary information scale, copyright, innovation and network-effect. To maintain a competitive advantage, it needs to be tough for your rivals to copy or substitute, superior to the rivals, valuable and costly for your rivals to attain. When handled properly customer relationships can have all these qualities.

Sustaining competitive advantage is the difficulty encountered by lots of firms in the nowadays fast-changing environment (Mahdi, Nassar & Almasafir, 2019). Service quality is a concern regularly researched within the sector of services marketing, both by academicians and specialists. But little focus has been offered on the capability of service quality in attaining and maintaining a competitive advantage. Service firms, without regard to size, are progressively looking for special methods of distinguishing their provision and service quality is among those options. Most firms, currently, have responded to the strategic and financial effects of quality, using it as a strategic weapon. Together with globalization, the effect of quality on service is one of the most extreme trends influencing the management and advertising of services in the present vibrant environment. Better service delivery assists companies in separating their provisions; getting more business from current clients; and attracting new clients (Rajendran, 2021).

There is a significant need for the survival of companies to stay ahead of their rivals and predators by differentiating themselves. Developing and maintaining competitive advantage is among the means of attaining this goal (Pratono, Darmasetiawan, Yudianto & Jeong, 2019). The success of the firms lies in their capability to have more advantages than their rivals. Accomplishing these competitive advantages is the goal of strategy and exceptional performance will eventually arise from a competitive advantage. Strategies, whereby firms may acquire a competitive advantage, consist of better quality, innovation, reduced price, enhanced processes, and advertising. Competitive advantage results either by executing a value-developing technique not being executed by the rivals or through superiority by implementing the same method as rivals (Herden, 2020).

Considerable investment and efforts are called for to remove challenges stopping imitation by rivals will guarantee the sustainability of the competitive advantage (Kharub, Mor & Rana, 2022).
When a company has attained competitive advantage and removes the barriers which avoid rivals to emulate, it hence "resists erosion by rival actions" and attains sustainability of the competitive advantage. Although, preventing emulation permanently is not easy. Hence, companies need to have the capability to hold this opportunity to get the optimal gain from any competitive advantage. Competitive advantage is attained with the means of activities of a firm fit and enhances each other (Singh, Chen, Del Giudice & El-Kassar, 2019). Fit is important for maintaining a competitive advantage. Rivals attempting to mimic a company with an arrangement of interrelated activities (fit) will have to reconsider a lot of their activities for competing effectively, thus developing a difficult emulation challenge. The strategy has been an organization buzzword. Top managers consider strategic objectives and goals (Gerea & Herskovic, 2022). The other managers down the line rough out product/market methods. Useful principals set out "strategies" for everything from research and development to inputs sourcing and distributor relationships. Mere planning has lost its glamor; the organizers have all turned into strategists.

Managers are significantly encountering tremendous stress to increase service quality by every method to make sure that not just existing clients remain loyal but likewise new clients become permanent clients. Satisfying clients’ needs every time is the itinerary to accomplishing and maintaining competitive advantage and service quality is a tool that firms may utilize to understand this vision (Sheth, Jain & Ambika, 2020). Numerous firms recognize the need for greater service quality, but not all of them relate service quality as a tool for attaining and maintaining a competitive advantage. There is increasing evidence that how clients' behavioral intentions are influenced by their perception of service quality. Particular customer behavioral responses offer a clear indication that they are ending up being bound to the firm. The intentions to behave are due to previous experience with the service or the information client has obtained regarding the service (Iqbal, 2018). A series of desired behaviors consist of regular purchases, referring to others, complaining, complimenting, switching the service provider, and deciding not to utilize any service at all. A client having a positive experience will certainly choose to buy repetitively, referring, and complimenting.

Na, Kang and Jeong (2019) argued that to attain competitive advantage, companies are required to continuously concentrate on the identification of differential item methods, building or restructuring core competencies, getting distinct modern innovations, and buildup of copyright, all of which may be utilized to make the firm successful in a very competitive market. Determining what comprises a core competence has been a major area of discussion in the last two decades. This issue has become more complicated with globalization and the advancement of the internet, which has given open accessibility to extra competitive, ecological, and technological information (Gligor, Feizabadi, Russo, Maloni & Goldsby, 2020). One key model that was created in the 1980s designed core competencies as one-of-a-kind "resources and capabilities. This was known as the resource-based sight of the company.

2.0 Literature Review

A study by Fan (2018) found that strategic customer management has a positive effect on competitive advantage in the case of Dongpa logistics in Pakistan. The profitability of a firm depends on its ability to identify, grow and retain profitable customers. This can be achieved

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through combining a deep understanding of customer needs, behaviors and values, with the ability to engage specific customers optimally at various touch points. In addition, strategic customer management enables the company to optimize customer satisfaction and develop a relationship of trust with its customers. Strategic customer management has become a crucial capability that businesses need to develop. A strategic customer represents the target audience for a product and possesses an outstanding reputation. The study noted that for sustained success, it is important for companies to align their customer strategy with the company’s aims and objectives. The study concluded that strategic customer management has a positive effect on the competitive advantage of Mari petroleum company ltd in Pakistan. The study recommended that companies need to emphasize more on ensuring they optimize strategic customer management. Besides, firms need to combine a deep understanding of customer needs, behaviors and values to increase customer relationships.

Haseeb, Hussain, Kot, Androniceanu, and Jermsittiparsert (2019) reported that strategic customer management positively affects competitive advantage. The competitive approach is a management discipline that concentrates on the firm’s goal, looks for golden chances, determines whether they fit the firm’s strategic direction, specifies the steps for success, and consistently reflects on possibilities. The study layout was utilized as a case study given that it is one unit of evaluation. The research used interviews to gather data. The interview guide was utilized to interview the country director, public relationship supervisor, financing supervisor, human resource supervisor, human rights program manager, monitoring and evaluation manager, tranquility developing program manager, research/capacity building supervisor, recognition rising/advocacy supervisor, natural resource program, grants supervisor and finance manager. According to Todericiu and Stăniț (2018) attaining sustainable competitive advantage can be achieved through strategic customer management.

Wang and Gao (2021) discovered that strategic customer management positively affects competitive advantage. Sustaining competitive advantage is the difficulty encountered by lots of firms in the nowadays fast-changing environment (Mahdi, Nassar & Almsafir, 2019). Service quality is a concern regularly researched within the sector of services marketing, both by academicians and specialists. But little focus has been offered on the capability of service quality in attaining and maintaining a competitive advantage. Service firms, without regard to size, are progressively looking for special methods of distinguishing their provision and service quality is among those options. Most firms, currently, have responded to the strategic and financial effects of quality, using it as a strategic weapon. Together with globalization, the effect of quality on service is one of the most extreme trends influencing the management and advertising of services in the present vibrant environment. Better service delivery assists companies in separating their provisions; getting more business from current clients; and attracting new clients (Rajendran, 2021).

Amoah, Samed Seidu and Ashaley Thompson-Aryee (2019) examined the influence of client relationship management (CRM) on the competitive advantage (CA) of small and medium-scale ventures in Afghanistan. The study used a quantitative method in dealing with the interaction impact of CRM measurements and SMEs’ competitive advantage in Afghanistan. The study utilizes a sample of 485 processing SMEs evaluated in Afghanistan. The outcomes show that just

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3 measurements of CRM have a substantial influence on SMEs' competitive advantage, but not that between (KCF) and SMEs' competitive advantage. The results of the research provide vital insights for proprietors and managers of SMEs, researchers and policymakers to better recognize the influence of CRM on SMEs' competitive advantage. SMEs must additionally be urged to create their CRM to enhance their competitive advantage. Last but not least, the research makes several contributions to the field, the initial of which is the arrangement of proof regarding the significant duty of CRM as a dependent variable and competitive advantage as an independent variable. Secondly, contribution refers to its fundamental status in evaluating the direct partnership between CRM measurements and the competitive advantage of SMEs in Afghanistan. Parida and Wincent (2019) argued that strategic customer management positively affects competitive advantage.

Competitive advantage is an aspect or mix of elements that make a firm more successful than other firms in a competitive environment. The goals of the competitive advantage are to develop a framework that makes other firms in the industry hard to imitate (Hosseini, Soltani & Mehdizadeh, 2018). Firms might be successful in some instances where others are not successful, making certain activities much better than others or maybe the most effective among the rivals. The competitive advantage might be due to firm assets or resources. In this instance, a firm's getting the resources it didn't have in the past, can bring in a competitive advantage. Rauf, Kadir and Kamariah (2019) reported that sustainable competitive advantages are tough to replicate or duplicate. Competitive advantage is a base or an essence for creating strategy, and developing strategy are to develop and maintain a competitive advantage under the firm’s goals. Sustainable competitive advantages are a collection of assets, attributes, or abilities that enable a firm to fulfill its client’s requirements better than its competitors can (Annarelli, Battistella & Nonino, 2020). The sustainable competitive advantage sources for any firm consist of brand loyalty, innovation, proprietary information scale, copyright, innovation and network-effect. To maintain a competitive advantage, it needs to be tough for your rivals to copy or substitute, superior to the rivals, valuable and costly for your rivals to attain. When handled properly customer relationships can have all these qualities.

Lestari, Leon, Widyaastuti, Brabo and Putra's (2020) research determined whether strategic customer management gives a competitive advantage for the company, consumer behavioral purpose for the future, and can that competitive advantage be maintained over a certain duration. A cross-sectional study style was utilized as a technique for the study. A survey was executed with the aid of a questionnaire making use of the SERVQUAL scale. 500 current customers of the cellular phone were targeted for the objective of information gathering through practical sampling. The research discovered that the telecommunications market got an outstanding score on tangibility, specifically equipment and client service employees' dress, and reduced rankings on compassion, especially not knowing customers' needs and not providing individual and personal interest to clients. SEROQUEL is a great starting point for assessing strategic customer management. A strategic customer management system needs to create decisive moments where various signs revealed by clients about quality must be examined quickly. The research has a sensible value for policymakers of companies in the telecommunication sector of Pakistan for comprehending the behavior intentions of their clients and for efficiently placing their company's strategic customer management. The research just examined the useful measurement of the service.

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quality to discuss consumer behavior which may be a misspecification of strategic customer management and may have reduced predictive legitimacy.

3.0 Research Findings and Conclusions

Based on the reviewed literature, it was found that strategic customer management has a positive effect on competitive advantage. Strategic customer management has become a crucial capability that businesses need to develop. A strategic customer represents the target audience for a product and possesses an outstanding reputation. The study noted that for sustained success, it is important for companies to align their customer strategy with the company’s aims and objectives. The profitability of a firm depends on its ability to identify, grow and retain profitable customers. This can be achieved through combining a deep understanding of customer needs, behaviors and values, with the ability to engage specific customers optimally at various touch points. In addition, strategic customer management enables the company to optimize customer satisfaction and develop a relationship of trust with its customers. The study found that sustainable competitive advantages are a collection of assets, attributes, or abilities that enable a firm to fulfill its client’s requirements better than its competitors can, they are tough to replicate or duplicate. The success of the firms lies in their capability to have more advantages than their rivals.

Accomplishing competitive advantages is the goal of strategy and exceptional performance will eventually arise from a competitive advantage. The study concluded that strategic customer management has a positive effect on the competitive advantage of Mari petroleum company ltd in Pakistan. Firms might have a strong base for developing methods for sustainable competitive advantage if only they had a diverse project on the global market. From the resources of the firm, there is a high possibility of creating through employees and IT infrastructure approaches that will be challenging to imitate by their rivals. Companies have to stay ahead of their rivals by differentiating themselves through the services and products which they offer. Strategies, whereby firms may acquire a competitive advantage, consist of better quality, innovation, reduced price, enhanced processes, and advertising. Firms might be successful in some areas where others are not successful, making certain activities much better than others or maybe the most effective among the rivals. Besides, the competitive advantage might be due to firm assets or resources.

4.0 Recommendations

The study recommended that companies need to emphasize more on ensuring they optimize strategic customer management. Besides, firms need to combine a deep understanding of customer needs, behaviors and values to increase customer relationships. The study suggests that the firm needs a global collaboration area to get from being a local player to a global one. This will imply working on a strategy that will make sure the domestic, regional and international clients are not dissatisfied but remain faithful to the firm. More focus has to be offered on the capability of service quality in attaining and maintaining a competitive advantage. The majority of the firms should recognize the need for greater service quality, but not all of them relate service quality as a tool for attaining and maintaining a competitive advantage.
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