Enhancing Effective Corporate Communication Systems for Cost Effectiveness and Increasing Consumer Loyalty in Malaysia

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Abstract

Corporate communication cannot be given a fixed definition but the major end results can be ascertained these being to reduce cost and to maintain customer loyalty. There is need to move up the ladder and apply current strategic technological tools in order to meet the objectives as stated for the purpose of having an edge over competitors in the marketplace. Current cost in servicing and meeting needs of clients/stakeholders is on the increase globally, minimizing the profit income of organizations with poor corporate communication systems. Customers’ expectations are high and stakeholders struggle to satisfy them. Analysis currently shows that communication with telephone networks and other public relations media still takes a large share of the funds that could be better utilized in other areas of the organization. With the use of qualitative methodology, a look into companies with successful implementation of proper corporate communication systems in their organization and also indicating the role which it plays in strengthening all other arms of the organization apart from its cost effectiveness. Also, using corporate communications and growth hacking techniques as a tool in the modern day to maintain consumer loyalty and improve external communications without having a negative effect on the underlying structure of branding which is begin carried on in the organization. Technologically today, Many tools are used, ranging from visual website optimize, MailGun, Intercom, RJMetrics and Geckoboard, any of these tools may be used to effect positive response in communication. Although some organizations end up developing their own tools using a strong database at the backend.

1. Introduction

Internal communication portals are for the dissemination of information within a certain institution or organization. Information of all sorts including highly classified ones are passed across from one level of the organization to the other. As a result, there is a need to have an internal system to cater for the proper management of the information within a certain confinement.

The use of tele-marketing and other forms of communication with customers are still rampant in the society today. Even with the improvement in the ICT industry, the use of ICT as a tool for capitalizing on the market environment and organizational growth is still neglected.

The aim and objective of any organization is not just to service the customer and make them comfortable in order to maintain a high retention rate, but also to run at low cost in order not to close down business. A good number of organizations such as Intel, DHL, IBM and other multinationals were able to capitalize on corporate communications and they got desired results which helped them in recording a high turnover.

Lots of techniques are recently used at very low cost and are also effective. A good tool will be to develop and implement platform which will be similar to that of social media on the company's website. It will be a good way to network between the Organization and its customers.
This paper focuses on studying the current corporate communications analysis pattern in Malaysia, highlighting current patterns used to enhance corporate communications. At the end of this paper we will see how corporate communications can foster positive growth in customer retention. Cost slash in terms of reduction in the amount spent on corporate communication using other means will be brought down to the lowest limit.

2. Literature Review

This gives an exploration into events in corporate communication in recent times and where Malaysia stands in today's world as related to corporate communication. Karuna Kumar in her write up “best practice for internal communications professionals” Jan 2012, reveals the need to disseminate news and information internally and how to utilize tools in engaging, educating and entertainment of employees. People are of the opinion that corporate communication is only related to information passed within the walls of the organization alone possibly for sharing, updating and transferring of information. Lehmuskallio (2006,2009) said the speed and cost-effectiveness are advantages benefitted using corporate communication means like intranet rather than other communication channels.

Corporate communication is a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favorable reputations with stakeholder groups upon which the organization is dependent.

When going through the evolution of communication disciplines and the techniques which are utilized by organizations in promoting, publicizing or generally informing customers and potential customers within and across the country about their affairs began 150 years ago. Until the 1930s, communication was generally characterized by mass production and consumption. Organizations make use of promotions in the form of very large scale publicity in order to get their clients. Years later, changes in the society especially in the Western world brought about radical changes in communication with customers. New practices were introduced to flow with the current ICT age.

According to Burrus (2010,), companies have started utilizing social network as a tool for communication for better business practice. Although Burrus knowing the benefit of a customized communication network for organizations further emphasizes on the secure version of social network which some organizations use, stress that it has helped them to increase the level of their internal networking as well as collaboration. Consumer loyalty goes beyond introducing promotions that bring the organization backward. Technology has developed and more effective ways have been introduced through technology and they are measurable.

Malaysia currently has a vision to be among the most developed nations in the world, and lots of foundations have been laid especially in the ICT focusing towards 2020. Among those initiated is the inauguration of the MSC (Multimedia Super Corridor) and other IT establishment to speed up the process.

It is imperative that in Malaysia growing companies should tap into this movement as a source to strengthen their corporate communication so as to help in increasing the profit generated into their business and also to have high customer retention.

A strong and good ICT system is the major drive for corporate communication and since it is gradually coming into place, traditional means of communication for both internal and external usage need to be changed.
3. Methodology

The research is basically a qualitative one, utilizing tools in accordance to procedures involved in the methodology in order to get the actual state of corporate communication in Malaysia.

![Methodology Diagram]

**Case Study:**

The main purpose of having a website is for effective communication between the organization and its customers. It importantly serves as a bridging gap for purpose effectiveness and cost reduction.

Before now, some organizations have been using customized internal communication tools to communicate among staff of the organization. There is a need to also have such for customers, it will be a form of social networking site on the organization url. AIESEC, a youth run organization with about 115 member countries across the world has a communication platform where all members communicate and share ideas.

This medium of communication has brought about a great reduction in the cost of operation. Members do not need to make phone calls or wait unnecessarily to get documents of information because document sharing is done with ease through the system.

Just as it has a platform for internal communication amongst its members, another platform is created for non-members to view updates on AIESEC activities.

Such as it is done by AIESEC, other organization in Malaysia can also emulate. The idea of having the customized communication tool for customers will enable the company to have proper data and also measurement in terms of its actual retention rate. Lots of organizations now major their retention rate based on the number of likes they have on social media platform such as Facebook and the number of followers on Twitter.

Such data cannot be assumed to be real because a user can choose to be adding as many groups he or she wants without having knowledge of the organization. Running the customized communication platform will give room for the easy calculation with the use of various metrics and tools that are available for analysis.
The organization will be able to know how well customers value their product and study where they have peak periods of customers.

**Secondary data:** All data was gotten from journals in e-commerce, ICT and the internet in general.

**Observation:** From my observation, internal communication system has been able to bring about cut cost in telephone usage bringing down the expenditure cost. Also, it is observed that only a very loyal customer will visit the company website constantly. Organisations with a system such as this are able to know how well the public value them and their product.

**Interview:** Interview with some top staff in big and medium scale organizations shows that about 70% reduction in cost was obtained after they implemented internal communication system among staff within their organization and it also had a positive effect on the efficiency level of the staff. Likewise, interview from random people to know if they will like to be part of their desired companies customized network.

4. **Justification**

Recent development in technology applications has brought about the development of tools such as Google analytics to show customers inflow rate on organization webpage and also study the growth over time. Data on the metrics gotten through Google analytics are also seen on reviews as provided by IT specialist. Working on the result generated can give organizations ideas on how to strengthen their product.

The internet is global; it gives a better result in terms of the survey that would have been carried out by marketer’s. Effective running of internal communication system has been proven as to how it reduces cost of communication for AIESEC members in about 115 countries around the world.

5. **Analysis**

Using the required fact finding techniques as mentioned in the methodology, findings have shown that technology through the implementation of an internal communication system will have a positive effect in cost reduction. Also, customer retention rate with the aid of analytical tools can be used to study what customer want and help increase customer retention rate.

An important factor is the security level that the company tends to get by running their personal customers details.

Vishen Lakhiani, the CEO of Mindvalley Malaysia during his talk on "Why happiness is the new productivity" in 2009 shared on how the company was able to interact with its or her clients using www.gratitudelog.com.

The blog closed the communication gap between customers and the company. The customer loyalty experienced on the blog shows that the clients derive pleasure visiting the blog and share their views. This in turn will trigger the interest of new clients after reading testimonies of the old clients.

Also in Mindvalley, Vishen was able to shed light on the social internal communication system which the staff uses within the company. This will save a huge amount from making phone calls and even sending SMS.
Studies carried out on 40 random people around Malaysia shows that engaging in corporate communication will enhance cost reduction and even bring about loyalty and high retention rate.

Research also shows that lots of users around the world have products which they regard as been favorite to them. The chart below (fig 2.0) shows that 32 of 40 audiences have products of their choice while 8 do not have any favorite product.

![Figure 2.0: Chart showing favorite product among customers](image)

As shown in the (fig 3.0), majority of users do not visit the website of the product company of their choice, majorly because there is nothing fascinating there for them to view or access. There would have been an improvement/increase in the number of customers who constantly visit the websites of favorite product company if the company worked on developing an application to keep them closer.

![Figure 3.0: Chart showing customers who constantly visit product company website.](image)

Studies shows that it goes beyond just having a company website, most organizations do not have this, even if they do, their clients do not have idea about it. Majority of the audience are not sure while a few are aware and very percentage have absolutely no knowledge as shown in (fig 4.0).
Figure 4.0: Chart showing customers knowledge on corporate communication of their favorite product website.

The social network boom is on, and people are really interested in it, people most especially derive pleasure in clicking the “Like” button on facebook and following twitter pages. (Fig 5.0) shows that clients are willing to associate with a social network which is attached to company’s website. Rather than joining on public networks.

Figure 5.0: Chart showing customers interest to join corporate communication pages.

Organisations that have a well implemented internal corporate communication system attested to the fact that it increased the staff effectiveness and reduced costs. Fig 6.0 shows that 70% of organizations with corporate communication systems agreed to the effectiveness of the system.

Figure 6.0: Chart showing effectiveness corporate communication systems in company.
6. Conclusion

In conclusion, Malaysia is experiencing fast growth in the ICT world, the foundation has been laid to experience sporadic growth. The foundation laid should be capitalized upon to further reduce its cost of operation when it comes to corporate communication both internally and externally. The role of corporate communication as it used to be before where the marketers and the PRO alone are made to handle issues relating to branding needs a new turn. In the 21st century, a lot lies in the hands of the IT professionals. Idea brought in the IT sense travels farther and readily accepted than when using other medium.

Designing an attached corporate communication system to existing organizational website will help increase customer retention thereby having a sporadic effect of the profit generated by the organisation. Also, it will reduce cost in publicity because the corporate communication will serve as a means of publicity to the public. Current clients profile can be easily read by anybody and it will bring an increase in the level of patronage.

References