RELATIONSHIP MARKETING AND THE MARKETING PRODUCTIVITY PARADIGM

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ABSTRACT

Three schools of thought within relationship marketing, inter-organizational, customer relationship, and customer valuation research, are all analyzed within the scope of marketing practice. Each school of thought is analyzed in line with marketing productivity, and the research that follows helps to demonstrate the success of each approach. Furthermore, the success of relationship marketing, and attempting to give it a specific definition, is analyzed. Each approach to pinpointing a more specific example of what relationship marketing entails is explored; from including all concepts of relationship marketing, to including the most used keywords experts use when defining relationship marketing, to finally, allowing the expert to apply the definition using his or her own approach are all analyzed. A study was also conducted to use customer feedback regarding a specific definition of relationship marketing, since generally scholars, experts, and businesspeople are the ones defining relationship marketing. Based on our findings and our consensus of analysis, we feel it is best to allow relationship marketing to be defined on an as needed approach by the scholar or the customer (client), since it encompasses so much, and can be applied successfully in many arenas. Although they are used rather interchangeably, there exists a clear distinction between the terms "customer" and "client". According to the Merriam-Webster dictionary, "customer is one that purchases a commodity or service" (https://www.merriam-webster.com), while in the business world customers are assumed to be "kings" and/or "always right". Instead, "client is one that is under the protection of another", or "a person who engages the professional advice or services of another" (https://www.merriam-webster.com). The difference is that customers trust their own judgement to assess a purchase, while clients rely on professionals who will explain what they really need. Interestingly, the key element of trust is common in both definitions, although it may be argued that it is even more important in the case of clients and/or in B2B transactions.

INTRODUCTION

The past twenty years has seen the concept of relationship marketing emerge as an important ideal within the scope of marketing research. A variety of research approaches and methods have developed as a response to the popularity of the approach, and the development of the research serves as an important aspect to consider within the scope of marketing research. The variety of research responses that have developed to analyze relationship marketing has shifted a wide array of marketing research to focus specifically on relationship marketing

Thus, in order to understand the widespread approaches relationship marketing has spawned, we must first understand what relationship marketing is. A standard definition is as follows, "Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges." Perhaps the most interesting aspect of relationship marketing is that it is known to cover a very broad, but at the same time, very select group of concepts. The interesting idiosyncrasy behind relationship marketing exists because of the wide scope that exists to define it, and the many individuals that define it with their own interpretations at hand. For instance, what makes the above definition so broad is the concept of 'relational exchanges," which is another term that, like its brother term relationship marketing, is vastly over interpreted. Much like relationship marketing, when using the term relational marketing, many individuals interject their own analysis and interpretations within the concept of the term.

ANALYZING RELATIONSHIP MARKETING

Most definitions of relationship marketing link it to its potential to provide long term competitive advantage by using the concepts of focus, identification, development, and maintenance when developing long term relationships. Furthermore, definitions usually include the businesses' ability to strengthen ties by catering to individual customer service needs. This ability to cater and adapt should allow the business to create lasting relationships as well as increasing profitability in scale. Providing efficient and adequate marketing for each customer, and focusing on the areas that generate future prospects for the client has become the area to focus on for successful marketing power. Thus, making the client's goals an achievement comes into play when relationship marketing places emphasis on a few ideas, which include, 1) successful development of relationship marketing, 2) links for the client between marketing idea and marketing productivity, and 3) identification of possible pitfalls to the marketing plan in an attempt to avoid the pitfalls from distracting or destroying the marketing project(s). The purpose of this article will be to examine the previously stated three concepts of successful development, links between marketing ideas and marketing productivity, and pitfall avoidance, in order to demonstrate how relationship marketing can be used to garner success in today's marketing industry.

RELATIONSHIP MARKETING DEVELOPMENT

The explosion of the post-Recession consumer and the power Yelp and social media gave to them, within the scope of the word-of-mouth advertising platform, has forever changed the marketing world. The old theories that surrounded supply and demand concepts are no longer up to par with the new outbursts, and the dramatic scale of how quickly word can spread, on social media. It is difficult for some businesses and marketing theorists to grasp, but social media and the post-Recession world has forever changed the way businesses can successfully market, and this includes how businesses market within the concept of relational marketing. However, because relational marketing is more individualized and focused, its sphere has a greater ability to succeed than many other types of marketing. The individualized approach for clients and customers is proving to be the relationship marketing aspect that generates the best feedback, and seems to be the most successful in the marketing world.

The way relationships are viewed transaction ally varies as well whether when is talking about a United States company or a European company. For instance, most United States marketers view their relationships as an intense form of transactional marketing, which is more related to relationship marketing. On the other hand, European marketers view the transactions within the actual scope of the relationships. Most marketing theorists feel that both of these approaches can co-exist and work together for the creation of success. There are many theorists who state the idea of Contemporary Marketing Practice (CMP) actually encompasses a combination of relationship and transactional marketing, and allowing the two concepts to work together can create excellent marketing results. The fact that transactional marketing has become a part of the marketing game demonstrates how widely used relationship marketing has become, how much it has grown and evolved, how often used it is, and how it has been adapted to the various stages and needs of contemporary marketing.

Perhaps, because of its massive success and growth, as well as its constant evolution, the word "relationship marketing" has become so difficult to define because it encompasses so many different concepts behind marketing, and it is ever-changing. Its ability to evolve in order to fit different markets and specific clients, however, is one of the reasons why it is so successful and popular in the marketing world. A marketing concept that can be used to specifically identify with a group or with one client helps to successfully bridge the gap of marketing while focusing on individual identification. Instead of trying to squash everybody into categories certain businesses may never fit into to begin with, relationship marketing is able to adapt and evolve to fit all businesses. While it is a remarkable feat for relationship marketing to be able to do this, one thing we need to remember is that it makes the concept of relationship marketing itself very difficult to define in few words. A term that has come to evolve constantly and encompass so much can be difficult to present in one straight definition. To make this point more clear, for instance, Harker (1999) noted there were twenty-six different definitions of relationship marketing existing in relationship marketing writings, and the different dimensions of relationship marketing ranged from database marketing to customer loyalty. Trying to synthesize something like relationship marketing with such a wide and varied scope is extremely difficult, since it has entered into the realm of so many other marketing definitions. Grönroos' (1990, p. 7) states the best definitions of relationship marketing offer "the 'best 'interns of its overage of the underlying conceptualizations of relationship marketing and its acceptability throughout the RM community." In general, relationship marketing aims to establish, identify, and maintain existing relationships while working to enhance them when dealing with both customers and stakeholders. The relationship exists to try to establish a profit, and aims to meet all of the goals of the parties involved in the relationship. The goals are achieved by a mutual exchange as well as mutual fulfillment of the promises and processes at hand.

LITERATURE REVIEW ON RELATIONSHIP MARKETING

The first method to analyze when looking at the research on relational marketing is the unique method that combines all of the concepts and prospects that have been used to define the term. Another approach takes a look at the different unique perspectives in relationship marketing to look for common points and synthesize those Next, there are

those that have characterized various schools of thought as "schools with no formal membership but an acquired, informal membership based on recognition from commitment to discipline" which is achieved through research, application and practice. The last method we see is the usual method of using one aspect of relationship marketing and utilizing that as the perspective and definition applied.

Taking a look at the literature behind each aspect, first we will look the unique method that combines all perspectives into one, and attempts to utilize all of relationship marketing. Bloemer, J. M., & Poiesz, T. B. (1989) follow this approach, as well as Bitner (1990). Fabre (2011) argues alongside this approach that in order to effectively utilize such a popular marketing approach that encompasses so many various ideas, an individual must include and refer to all of those ideas to really get the scope of the culmination of the definition. The individual who understands relationship marketing, therefore, according to George (1990), can define every single aspect of relationship marketing and understand how to apply it. Leaving out some aspect of the definition means that the scholar applying the definition is leaving out something important, or simply does not understand how relationship marketing works, according to Amit, R., & Schoemaker, P. (1993). While this approach to relationship marketing tries to include all aspects and everything that makes up relationship marketing, it may be unrealistic to assume that all scholars can include all aspects of relationship marketing in every single analysis done. It is nice to give relationship marketing as a concept this type of respect, but for many scholars, it seems almost unfathomable to approach relationship marketing from this concept (Schneider, 1980). Basically, it would take a good deal of explaining and background in any research article simply to explain what this concept is, and most researchers are hoping to "cut to the chase," so to speak, with that amount o background.

The next category of literature attempts to take a consensus of the most commonly used words within the concept of relationship marketing in order to develop a consensus on the definition among scholars, like Amit, R., & Schoemaker, P. (1993) and Barney (1991). The approach to this is to assume that whatever is most commonly used is the most important aspect of relationship marketing (Bitner, 1991). Using a consensus is supposed to curb the problem of too long of a standardized definition, focusing on what most researchers are using most often (Catalgo, 2006) (Fornell, 2006) and (Fornell et. Al, 1992), (. Formulating a type of keyword consensus hopefully does two things for those doing research on relationship marketing (Icon Group International, 2002): 1. It makes the ability to define relationship marketing more feasible, with less background and 2. It allows for a simpler application of relationship marketing, according to Constantinides, E., & Geurts, P. (2005). While this approach to defining relationship marketing certainly helps us to limit the problem of too much background discussed previously, there are still concerns with this approach. For instance, the ideas behind relationship marketing that are most commonly used are possibly not recently popular, just more researched. This means that some of the newer trends in relationship marketing can be left out of the definition, and overlooked. The last thing that most researchers want to do is to overlook new trends in development of relationship marketing; most arguments facing modern marketing obstacles want to include whatever is most popular and up to date in the present. A consensus of terms, while it seems like a beneficial standardized approach, cannot necessarily promise an answer if we are hoping to use the most popular keywords and trends (Rust, 1993).

Third, and probably most used amongst scholars, there is the idea to define relationship marketing using the standard definition that fits the category the scholar is using, according to Klee, A., & Thurau, T. H. (1997).. Traditionally, this has been the route many scholars have followed to pinpoint their definition of relationship marketing, according to Kutner, S., & Cripps, J. (1997). LaBarbera, P., & Mazursky, D. (1983) state that this approach lets scholars use the definition as they see fit, pinpointing how the particular definition works and ties in with their research. Levin (1983) argues that this approach, in fact, allows for the most successful and standardized approach to defining relationship marketing, as it lets scholars apply as they see fit. Certainly, some room in the scholarly application of the definition cannot hurt, and using the definition to fit a scholarly approach is only going to add more to the already present resources of relationship marketing.

HOW CUSTOMERS DEFINE RELATIONSHIP MARKETING

In order to obtain a stronger definition of relationship marketing, a survey was done on customers and clients in order to gain their perspectives on the definitions of relationship marketing. First, there is the concept that firms can generate response based on a client's trust, commitment and satisfaction with that company. Therefore, relationship quality can serve as a marker in our survey when testing how relationship marketing is going to be defined by each client. It is assumed that companies that meet a client's needs most often will generate positive word of mouth advertising, customer loyalty, better firm performance, and a good maintained collaboration between clients and the business.

Therefore, when conducting our survey, we pulled a random sample of 20 from our audience, and we were able to see that the client's trust level matched up with a positive response and positive definition based on relationship marketing. Conducting research on a yes/no scale, general results for each question were as follows:

1. Do you feel a good deal of loyalty toward your stated business? 18 Yes, 2 No
2. Do you feel that loyalty impacts business performance? 19 Yes, 1, No
3. Do you feel your loyalty impacts your definition of relationship marketing? 18 Yes, 2 No
4. Do you feel that loyalty impacts the way you define the business? 18 Yes, 2 No
5. Is that way positive? 18 Yes
6. Or Negative? 2 No

Notice the pattern of answers in our experiment, and the fact that whether positive or negative, customers feel that the way they perceive a business based on trust impacts the way they define that business, positively or negatively.

RECCOMENDATIONS

Thus, coming up with a standardized definition or relationship marketing needs to take into account some of the results that our analysis and study has reflected on. First, of all the types of definitions of relationship marketing that we can pull from, the two that appear to be the least useful are the concept of encompassing all aspects of relationship marketing, followed by an attempt to use consensus only, which can ignore the more popular aspects of relationship marketing (Oliver, 1989). Our recommendation is to allow scholars to use

and apply the definition as they see fit in order to prevent them from having to develop an overwhelming background, while at the same time, allowing them to come up with a definition that fits their application in their writing as closely as possible to their research (Perkins, 1991). Doing this prevents the worry of having too much background overall to explain, and it also allows researchers to have some control over the way they present the information. Next, we have the concept of customer definition of relationship marketing, which is obviously based on trust. The way customers and clients see a company has a lot to do with how they trust the business they are coming in contact with within the term of relationship marketing. How well a customer views both relationship marketing and the company has to do with the trust they individually have in that company. Therefore, this concept of customer trust affecting customer/client interpretation of a business also needs to be interjected into any definition of relationship marketing in the future.

CONCLUSIONS

Taking a close look at the definition of relationship marketing and how it has been defined over the years, we feel we have opened a new door to the approach of scholarly research. So many have attempted to define relationship marketing focusing just on the companies that apply the concept itself, and doing this, marketing has been able to come up with a standard definition of relationship marketing. However, once we took a look at the concept of relationship marketing from the consumer perspective, we were able to come up with a survey based on trust to see how much trust is emphasized by the client in the relationship. Trust is the standard focus for every customer, and the way these customers see relationship marketing as a concept, whether it is successful or not, and how they see it interacting within its business focus, dictates the definition of relationship marketing a bit differently. Companies need to take a closer look at customer response rate and loyalty, as the entire focus of how successful relationship marketing may be per customer depends on trust.

Previous attempts at definitions of relationship marketing all focused in on the businesses defining the concept of relationship marketing, and failed to look at relationship marketing from a customer centered focus (McKenna, 1991). Our goal here was to create a survey that did so, and that analyzed the closeness of the way relationship marketing is viewed between trust and the success of the business (Woodruff, 1993). It is important for businesses to consider how customers define relationship marketing, and it appears little of this has been done (Newman, 1973). In fact, we were startled to discover that it is much more popular to allow scholars and businesses to define relationship marketing. Customers are often ignored in the process (Wong, 1998). Why is this? It is fascinating to think the most important part of the process gets totally ignored within the definition of relationship marketing, for without the customer (or client), there is absolutely no relationship marketing experience to discuss or analyze. Therefore, we feel that the idea of building from the customer's/client's focus and centered perspective can only help us create a better scope and definition of relationship marketing, and a more successful one.

This is of course, not to say, that scholars should not somewhat be a part of this process. Where the error lies is in letting scholars and businesses dominate the definition process as well as the overall analytical process. Relationship marketing in itself is a team effort and all aspects of that team must be included if a successful perspective is to be put forth. Thus, we encourage all businesses that use relationship marketing to consider

looking at the aspect from all sides, and most importantly, do not forget the customer. In fact, always consider the customer as the most important part of the process; the individual that is putting the money forth, and whose interest in the success of the subject based on his or her monetary investment is obvious.

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