



RELATIONSHIP CREATES AN URGE TO SURGE IN TODAY'S MARKETING ENVIRONMENT

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ABSTRACT

In this era of fierce competition where all companies are equal and at par in serving the need of internal and external consumer, it is relationship that can differentiate and can offer competitive advantage to organizations. It is relationship that creates value for the firm in long run. Relationship is a form of capital which the company earns from its experience and trust with employees, customers, channel partners and suppliers. Relationship Marketing (RM) is a marketing form which focuses on understanding, maintaining and enhancing relationship with the customers for value creation and profit maximization. This involves mutual sharing and relational exchanges (Nagasimha Kanagal. N.d.). This purpose of this report is to explore the benefits which organizations reap from relationship marketing, the opportunity which it offers and the challenges that comes while implementing it. The paper gathers data from different sources and tries to validate the findings of so many research papers which have shown that building profound relationship is one of the most important way of gaining competitive advantage and offering benefits to customers (Kara A. Arnold and Constanza Bianchi , 2013) . The paper offers interesting and useful perspectives for both academicians and managers. It offers academicians theoretical and conceptual understanding of the subject and to managers practical approaches to build effective relationship.

KEYWORDS: Relationship Marketing, Relational Exchanges.

INTRODUCTION

Marketing is shifting its focus from transaction to relationship .Firms have started realizing the importance of long-term, valuable relationship with the customer and they have identified that it's the relationship with the customers that can help them sustain in the long run. Relationship Marketing has been defined by various authors in various ways. A broad definition of Relationship Marketing says that, it refers to all marketing activities directed towards developing, maintaining and establishing successful exchange of relation. Another definition says that Relationship Marketing is an individual relationship of customer and seller so that it creates a mutual benefit for both the parties, it is longitudinal in nature and focuses on creating loyal customer base. American Marketing Association, AMA, defines Relationship Marketing as " Marketing made real by planning and execution of activities to set up, assess , promote and distribute idea, goods and services with the purpose to achieve exchanges meant to meet various individual and organizational goals" .These definitions might differ in their application and scope however their root remains the same. All these definitions focus on involvement of relationship. The partners involved in that could be a consumer or a firm or one firm with another firm. It could involve a relationship between supplier and the firm or channel partner or a firm (Kara A. Arnold and Constanza Bianchi , 2013)

In today's increasingly competitive market, gaining over competition has become much more challenging. The complex nature of the market necessitates the requirement of flexible offerings in order to retain customers and build

loyal customer base. Relationship Marketing is one of the key strategy that can help firm in differentiating themselves from the competitors and can help them in gaining competitive advantage.

OBJECTIVE OF THE STUDY

The study encompasses four interesting objectives:

1. To examine the relevance of Relationship Marketing in recent times
2. To find the hindrances that come while implementing Relationship Marketing leading to its failure and ways to overcome them
3. To give a detailed analysis of the shifts that has led to the growth Relationship Marketing and what future holds for it

To explore the avenues for Relationship Marketing application.

RESEARCH METHODOLOGY

The research is based on secondary research data consisting of Journals, Books, newspaper and online sources. This research is exploratory in nature.

WHAT IS THE RELEVANCE OF RELATIONSHIP MARKETING STRATEGIES IN RECENT TIMES?

Relationship Marketing is a Responsive Communication

Every business wants or rather need s customer consistency to play a lucrative role in the world of Business. Advertisements leads us to give messages straight to the customers but it is always a two way

communication that helps to build relationship with customer, which drives the businesses to the next level and not just websites or blog instead social media to make customer bonds which is again apart of Relationship Marketing.

Days of displaying ads to increase sales strategies led to paradigm shift in recent stages of market development. DVRS have gobbled market of radio and TV ads. Modern consumers like to share every messages of fun and sensibilities to their networks for ages. Relationship marketing also relates in giving good messages to customers .It is always mandatory to have relationship marketing in most of the strategic implementations otherwise futuristic companies will take larger part of market share (Timothy Carter , 2013)

It is mandatory to consider a major tool for relationship marketing strategies to be successful i.e. so called Customer Relationship Management(CRM).Let us find out reality of aforementioned statement.

One to one marketing with CRM base

CRM is an effective tool to have healthy relationships with preferred customers to add values and winning situations to both sides. Customer information management System supports to implement one to one marketing with preferred customers.

New interventions of upgraded technologies

It is always logical to explore new technologies via internet and drastically it has changed the way of communication with customers. Information gathered through these sources provides new ways of approaches to marketers.

Loyalty is royalty in changing market conditions

Relationship marketing has varied understanding from transactional marketing. Relationship marketing strategies are more of commitments, trust and customer driven services. There are three foundational viewpoints.

1. Value propositions
2. Management understanding and expectations
3. Quantitative analysis of customer loyalty ,values and employees loyalty.

Relationship marketing motivates intrinsic and extrinsic

There are evidences to prove that emotion factors also influences marketers as well as employees apart from conventional methods like bonuses and high commissions. Emotion factors like self-esteem and recognitions to employees and customers. Relationship marketing has an edge over transactional marketing: Relationship marketing builds a long term relationships with customers .It will build converters who can play key roles in developing operational strategies. Relationship marketing is not of lip service rather it is more of emotional connect with customers proved by research scholars decades ago. It is must to have organizational culture to reinvent strategies which can strengthen customer bonds. It is also necessary to set up a conversation between management and relationship marketing team to deploy strategies to create values via relationship building (Lluis G. Renart and Carles Cabre , 2005)

Relationship marketing relates to start ups as well

Traditional marketing strategies like ads and common promotions are getting blurred in the eyes of customers to any startups. Relationship marketing is all about communicating with customers through online contents and connecting products and services by social networks like Facebook, Twitters, interest and other social networking sites to create a buzz word in the market to start ups. Many of them believe that they can develop huge relationship network through these social networking sites but in reality only time gives right answers in order to build relationship especially with Start ups.

WHAT ARE THE BARRIERS IN IMPLEMENTING SUCCESSFUL RELATIONSHIP MARKETING STRATEGIES AND WHAT ARE THE WAYS TO OVERCOME THEM?

Relationship Marketing has become a buzz word in recent times and has created a lot of interest in academic and practitioner's fraternity. There are so many successful examples of companies who have implemented this concept and have gained competitive advantages. Despite its well accepted positive outcomes there are companies which fail in implementing the RM strategies successfully.

Treating RM as a Mechanical Task

The first problem surfaces when they the concept of RM is treated as a task which makes the entire process mechanical and not the one which is based on emotion. This mechanical aspect makes companies expect immediate results in just two or three meetings. Building relationship takes time and it requires rigorous involvement. It requires creating visibility and then continuous follow up. This consistence efforts results in expected outcome from

RM. In order to abstain from the mechanical goal it is important that all RM activities should not be offered to customers at one go rather it should begin with most important ones and then gradual or step wise manner (Lluis G. Renart and Carles Cabre , 2005)

Misfit between Business Process and Relationship marketing Strategies

Unresolved conflict is another area of concern which comes as a bottleneck while determining the success of RM strategies, researchers have shown that it is one of the most important factor that can impact the relationship quality leading to break of trust and commitment. The most important reason leading to the conflict is misfit of business process and relationship marketing strategies. To solve this problem it is important that companies align their strategies and business process in tandem and they also develop a culture of addressing customer's issues (Robert W. Palmatier , 2008)

Inappropriate allocation of Investment on RM Programs

When it comes to allocating investment and resources on RM Programs, much importance is given to financial programs rather than on social and structural program. Financial RM programs which focus on discounts, rebate and coupons do not last long. It is shown that a planned investment on social programs like emphasis on frequency and quality of communication and structural programs like

customized packaging can help in getting best results from RM (Robert W. Palmatier, 2008)

Success Rate Depends on Type of Firm

All types of firm cannot reap equal benefits from Relationship Marketing. Business to Business firms and Service Marketing Firms are expected to gain more profit from Relationship Marketing than a fast moving consumer good firm. Firms

which offer complex and range of services are seen to have better and well-suitable relationship marketing strategies (Glenn B. Voss and Zannie Giraud Voss, 1997)

CRM initiative Failure

There are many vendor which offer ready to use CRM applications to organizations through which they overpromise and under deliver. The cost incurred on these software is high and returns do not come as expected. Choosing CRM technology should be a cautious decision by the organizations

Resistance to Behavioral Change

It has been observed that many a times RM initiatives fail because internal customer resists the change that can come because of RM programs. It is important that attitudinal changes that might surface across the hierarchies are addressed properly (D. Ramkumar and S. Saravanan, 2007)

WHAT HAVE BEEN THE MAJOR PARADIGMS THAT HAS HELPED RM EVOLVE AND WHAT IS IT'S FUTURE?

Ever changing needs of customers, ever growing competition and increased focus on services is forcing companies to continuously bring innovation in their strategies. One area where there has been continuous innovation and evolution is relationship marketing.

If we look at the history of Relationship Marketing, its existence can be traced long back to pre-industrial era. However, it was post –industrialization that the concept started gaining momentum. (Christian Gronroos, 1999). Kotler (2007) has also demonstrated the changing trends in Marketing when the concept evolved from production to product to selling to marketing and finally to holistic marketing concept which encompasses relationship marketing as one of the most vital component. The major shifts or changes that has helped RM evolve can be presented through following points:

Shift from Exchange to Co-creation of Values

According to the economic theory of transaction or exchange, the price at which the goods or services are sold can depict the real value and cost of the product or service. The same theory is proven to be invalid and there has been acceptance of co-creation perspective where the value is generated by the way consumer use the product which gives consumer the central role in the entire process. (Dr Stan Maklan Professor Simon Knox, 2008)

Shift from Marketing Mix to Relationship Marketing

it has been around 50 years that the concept of marketing mix has ruled the marketing thought however in recent situation it is getting overpowered by relationship marketing approaches. With increasing globalization and increasing importance of customer loyalty, the mainstream marketing is witnessing a change especially in Service

Marketing and Industrial Marketing. It will not be an overstatement to say that the shift has already happened in many parts of the world and it is underway in other parts (Christian Gronroos, 1994)

Shift from Mainstream Marketing to Direct Marketing

The shift to direct marketing has put an emphasis on creating a direct contact with the customers on individual basis. Direct marketing also favored the growth of relational database adding to the growth of Relationship Marketing. (Ballantyne and Christopher, 2003)

Future of Relationship Marketing

It is a well-accepted fact that Relationship Marketing has been widely used in Industrial goods and service industry, times are not far when RM will see its application in Consumer Goods industry as well. Less attention has been paid towards internationalization of Relationship Marketing, soon the Relationship marketing will spread its wings in International arena also. There is no denying to the fact that technological and information advancement has accelerated the growth of RM, the world would witness a much integrated form of information and communication technology with RM which would help in creating a detailed database of the customer helping companies to ultimate level of catering to individual needs. (Thorsten Hennig-Thurau and Ursula Hansen, 2000).

WHAT ARE THE AVENUES AVAILABLE FOR RELATIONSHIP MARKETING IN CURRENT TIMES?

APPLICATION STRATEGY 1

It can be implemented through CRM tool in web design and development firm”.

Justification: Asahi technologies developed CRM tool along with strategic partnership alliance with Google to provide customer related services to create customer bonds. Asahi is well known for B2B and B2C operations. They have diversified to prude CRM solutions to small to medium enterprises globally .Web based CRM solution is called as Insightly. It helps any businesses to initiate their usage in an innovative way with just a web browser and an email id. Information database in one location and accessibility throughout the globe. Insightly can be utilized through to PCs, Laptops, tablets or smartphone. Insightly helps in to keep track of all customer relationship values even in mobility. It is compatible to small businesses economically along with user friendly interface. It is also integrated with project management for all solutions. Asahi technologies provides free consultations to their clients to create awareness about product portfolio through value addition to relationship.

APPLICATION 2

“Relationship marketing deals with educational institutions to build long lasting relationship with students so called customers in the language of business”.

There are multifarious ways of implementing relationship marketing strategies to retain students in the respective institutions.

- i. Institutions must create opportunities to develop skills apart from knowledge and make them employable so that they get a feel of secured future.
- ii. Institutions customize educational experience and help students to participate in decision making processes so that they get engaged in all relevant activities of institutions.
- iii. Student's surveys and consistent feedback systems to understand their educational experience and maintain relationship after graduation and help in innovative ways for their career growth.
- iv. Provide quality education with reasonable costs so that there will be positive feedback and it leads to long term relationship with students and it will reflect in admission numbers.

APPLICATION 3

"Pharmaceutical industry is not exemption to relationship marketing"

It is crucial to certain industries like Pharmaceutical industry to sustain relationships where there are many participants like suppliers, distributors ,employees and referral sources . It is essential to include GSK(Glaxo Smith Kline) case to their profound implementation of relationship marketing strategies led to lot of tremendous changes in the profit maximization. Research study explored by utilizing primary resources like company staffs and others and secondary sources like stakeholders and customers across value chain. Research study reveals that relationship marketing created new services and development of existing products and services. Managers and stakeholders relationship were optimistic and study also suggested to ensure transparency and elimination of adverse publicity (University of Nairobi, 2013)

APPLICATION 4

"Travel offices unveils values of relationship marketing in Poland through research"

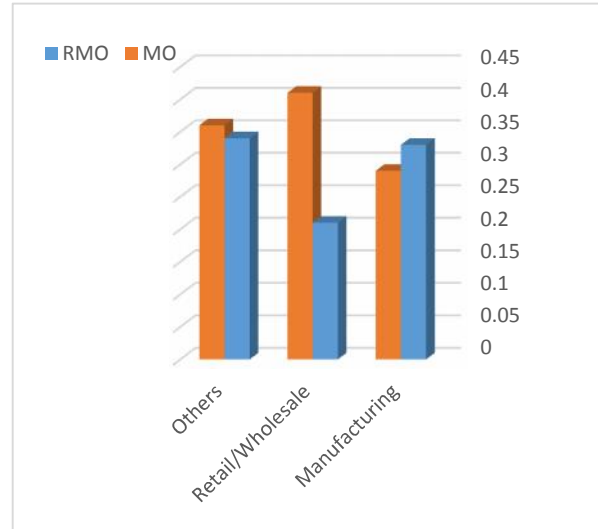
Research proves that to build everlasting relationship with customer of travel offices is to provide high quality services along with professionalism. Information was provided through catalogues to preferred client lists supported in establishing healthy relationships. Internet also played its role of vitality in coordinating with clients of individualistic approach. All aforementioned tools helped many travel offices to create sustainability and loyalty in accordance with research study. Lasting relationships will make clients to cooperate with travel operations as well (Andrez Rapacaz and Izabel Dudek,2008)

APPLICATION 5

"Relationship marketing concepts implemented in financial institutions like banking sector"

Relationship marketing techniques influences 20%-30% of increase in profit share with just 5% in implementing client retention which is a part of relationship marketing studied by Payne and Richard (1993).Relationship marketing strategies are applied along with CRM with quantitative profiles and qualitative profiles to relate with customers and provide appropriate solutions to all their financial needs.There are many CRM applications to

determine clients value,finance potential which will help in client retention rate that leads to long lasting relationship of customers. Romanian banks provides territorial networks like branches and agencies to provide information to customers to take their own decisions. This approach infers freedom to take financial decisions also supports in profound relationships. CRM applications helps to provide behavioral aspects which results in quantitative soft variables(satisfaction, trust ,expectation and quality responses from front office executives) (Catalina Chirica, 2013).



(Source : Oliver H.M. Yau, Peter R. McFetridge, Raymond and P.M. Chow, 1999)

FINDINGS

1. There is always hindrance to changes both from the point of micro environment and Macro environment.
2. Success Rate depends on firms' categories for implementing Relationship Marketing Strategies.
3. New technologies have their foot prints engraved in the platform of Relationship marketing.
4. CRM has a monster role to take part in implementing Relationship Marketing Strategies.
5. New technologies contributes to overall cost effectiveness in relationship bonding still investments necessitates to contemplate on financial constraints.
6. CRM applications over promises and under deliver.
7. Lack of rational investment to develop RM programs.
8. There is no strategic fit between business processes and Relationship Marketing Strategies.
9. Mechanical or stereotype or monotonous ways of approach toward Relationship Marketing Implementations.
10. The pricing strategies unfold those values of goods or services based on sold prices in accordance with exchange theory.
11. Marketing mix administered global markets for several decades.
12. Modern technologies has abstained effectiveness of direct marketing efforts.
13. Relationship Marketing leads to Direct Marketing efforts.

14. Relationship Marketing strategies are remarkably implemented in industrial sectors and service industries.
15. Customer loyalty is the base for futuristic corporate to sustain in competitive, dynamic and vibrant market conditions.
16. Mechanical approach to Relationship Marketing concepts will yield detrimental outcomes.
17. Relationship Marketing influences and changes ways of communication with clients.
18. Relationship Marketing applicable to B2B and B2C structures of businesses.
19. Relationship Marketing also aids content marketing strategies.
20. All relationship marketing concepts and strategies encompass three vitalities', rational time, loyal customer base and trust.

RECOMMENDATION

1. Every change will take its due course of time so it is mandate to impart clarity on reasons for changes and working together for successful change implementations will prove to be effective.
2. Relationship marketing strategies (RMS) have to organized, structured and developed pertaining to a particular firm type to get more success rate of implementing RMS.
3. Modern technologies have to be utilized to maintain customer database and gather information but to build customer relationship, we need emotional interventions and possibilities only with human endeavors.
4. Customer Relationship Management (CRM) has to be with user friendly interface and susceptible to gadgets like tablets, Laptops and Smart phones to keep track of customers even in mobility.
5. Strategic allocation of investments through collective decision making processes across business units will always lead to triumphs of its contributions.
6. Relationship Marketing orientations are focusing on customer centric approaches and it is essential to keep our promises to gain trust and it relates to "over deliver and under promise" mantra for successful relationship bonding.
7. There has to be considerable presentations to the management and related decision makers to give clarity on significance of RM programs and strategies so that firms realization will yield better investment opportunities.
8. Relationship marketing strategies relates to integration of extrinsic factors through intrinsic factors and aligning business processes according to Relationship Marketing strategies.
9. Emotional engagement has proven to get effective results to develop relationship bonds and negate mechanized approaches to live strategies.
10. Co-creation values contribute largely rather than exchange theory and values are generated through usage of consumers.
11. It is justifiable to mean that relationship marketing strategies contributed remarkable results and some parts of the business world has already implemented and yielded results as well.
12. It is direct contact helps to retain customers rather than just using technologies to communicate and integrate with customers like just sending emails and reacting through mobile calls for addressing their crucial requirements. A direct contact always motivated personalized relationship with clients.
13. Relationship marketing encourages direct marketing to understand customer requirements clearly and respond to them accordingly. It is understandable to say customization will be effective only through direct marketing efforts.
14. We need to strive to make relationship marketing programs across verticals in almost all sectors of industries including consumer Goods Industry and also a part of Globalization strategy.
15. Relationship marketing strategies will only build customer loyalty through social networks it is also necessary to comprehend that costumers reckon networks to take buying decisions.
16. Mechanical approach towards structuring an organization with relationship marketing concepts can't add value but emotional involvement will directly influence relationship in the long term perspectives. We need make intrinsic factors involved in decision making processes and relevant training programs and also providing a secured feeling will reflect on bigger results.
17. Traditional marketing efforts are no more valid instead companies must communicate clearly defined objectives to both micro environment and macro environment underlying concept of relationship to be at par with companies looking forward in the market.
18. CRM tools play a significant role to the client base of B2B and B2C market operations to handle information and analysis effectively. Specifically Insightly tool developed by Asahi technologies is an evident factor of CRM tool for all B2B and B2C segments.
19. Relationship marketing strategies should relate with content marketing also due to the fact that customers wants to share cognition of logic with their networks for eons/ages.
20. Relationship marketing strategies surpasses traditional marketing strategies because it strengthens foundational aspects of relationships like trust, loyalty and time through individualistic approaches as well as strategic alliances to satisfy clients and customers respectively. Ultimately everything rely to one and only relationship value creations.

CONCLUSION

- Relationship Marketing strategies can create an urge to surge by in increasing high satisfaction levels of customers.
- For successful implementation of RM strategies. It is also reasonable to understand relationship strategy design which must be aligned in accordance with firm type.

- There is need to develop multifarious tools like CRM tool for successful implementation of Relationship strategies.
- Emotion intelligence concepts outperforms everything else today, so relationship strategies must be implemented along with emotion involvement to yield its results.

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