Relationship marketing's strategic array

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During the past few years, relationship marketing has received a great deal of attention. The reasons for this, says Day (2000), include evidence that loyal customers enhance profits and that competitors have trouble duplicating or displacing a committed customer's relationship. Gruen (1997) notes that relationship marketing is a strategy that promises "the systematic development of ongoing, collaborative business relationships as a key source of sustainable competitive advantage." Despite such promise, however, many industries experienced declines in customer satisfaction during the 1990s. Are difficulties occurring with relationship marketing?

Customer satisfaction is expected to arise from the value created as marketer and customer work together. Such situations are readily apparent in business-to-business (B2B) marketing, often involving supply chain management, company alliances, or integrated marketing channels. Supplier-customer cooperation is also apparent in service retailing, while other types of retailers increasingly seek to use relationship marketing as well, often drawing on databases to tailor ancillary services to a consumer's merchandise purchases.

Because variations in retailing operations are so extensive, we will focus mainly on B2B marketing; nevertheless, many of the insights apply to retailing, and some of the examples come from there. The implications can, in fact, be generalized to many types of marketing because we address relationship marketing as a strategy without addressing the details of implementation. Certain difficulties of implementation will be noted, but the focus is on the less-studied challenge of selecting other strategies for use with relationship marketing.

Why, then, should the decision to use relationship marketing automatically lead to the consideration of several other strategies? And if the influence flows in the other direction, why should the decision to use certain other strategies lead to the consideration of relationship marketing?

When a company begins to consider relationship marketing as a strategy, it should recognize that poor implemen-
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though it might be used in any of Bensaou’s situations, or tation requiring extensive joint action and cooperation.

In contrast, a different set of difficulties arises when customers seek to avoid close relationships. Should a supplier try to develop a close relationship with a customer when the customer does not want it? If so, how should the approach differ from the approaches for customers who appreciate close relationships?

Difficulties can also arise if marketing planners fail to recognize that (1) implementation may require significant amounts of company resources and (2) the resulting relationships are often difficult to manage. Planners should consider these possibilities and then ensure that strategic marketing plans and allocated resources are adequate for dealing with them. In other words, strategic plans must set effective patterns for relationship marketing because difficulties in implementation can result from inadequate planning.

In Bensaou’s (1999) analysis of automobile manufacturers in the United States and Japan, strategic plans made a significant difference. These companies maintain the following four basic types of interchanges with their suppliers: (1) strategic partnerships; (2) captive buyer; (3) captive supplier; and (4) market-exchange, which occurs when both parties can easily terminate exchanges with low costs and minimal damage. A supplier or customer may engage in these situations based on characteristics of the product, customer, and supplier. However, the degree of management effectiveness causes the performances of different companies to vary in any situation. So Bensaou suggests appropriate management approaches for each situation. For example, strategic partnerships demand high mutual trust and commitment to the relationship, with implementation requiring extensive joint action and cooperation.

Relationship marketing is suited to strategic partnerships, though it might be used in any of Bensaou’s situations, or to induce transitions from one to another. A situation in which most suppliers would seek a transition is that of captive supplier. However, if dependence cannot be avoid-

ed, says Johnson (1999), the supplier might “attempt to optimize the relationship by building it into a strategic asset,” which implies the use of relationship marketing.

Dealing with these situations requires strategic planning that anticipates implementation difficulties. Because strategic plans set the patterns for implementation, this review will focus on the need for marketing planners to consider an array of marketing strategies that can or should be used with relationship marketing (Figure 1). Some of these strategies are usually necessary for achieving the full effectiveness of relationship marketing, so they are called supporting strategies. Several strategies are likely to become more effective through the use of relationship marketing; they are designated as augmented strategies. These supporting and augmented strategies tend to enhance each other, and many are interrelated. They are familiar to marketing planners, and here we expand marketing insight by integrating them with relationship marketing in an array for systematic consideration. Such consideration should start with supporting strategies, which marketing planners should automatically consider for use along with relationship marketing.

Supporting strategies

Relationship marketing differs from the normal set of good relations companies want to maintain with their suppliers, employees, and other stakeholders. It seeks to move a customer—or a number of customers—beyond some customary level of “good relations” into “special relationships.” Is it possible for a supplier to have a special relationship with every customer? Perhaps so, for some. But customers should be evaluated before a supplier commits its resources to developing special relationships.

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