

Het meten en managen van klant-organisatie relaties

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SUMMARY

MEASURING AND MANAGING CUSTOMER ORGANISATION RELATIONSHIPS

Changing market circumstances have led to a situation in which the traditional marketing mix approach is no longer adequate in all cases to achieve a sustained competitive advantage. The efforts of marketing managers can no longer be directed merely at bringing in new customers. They will also have to pay attention to keeping existing customers. This appears to lead to more effective and efficient marketing and communication strategies. Keeping customers implies managing relationships. Relationship management, in turn, requires 'relationship measurement', making the relationship concept measurable and applicable. In order to be able to evaluate the effects of measures that strengthen relationships, it is necessary to measure the strength of relationships (the degree of commitment) between consumers and organisations. The core question, which this study attempts to answer, is therefore:

How can we measure the strength of relationships (the degree of commitment) between consumers and organisations?

To be able to answer the above question, three research questions have been defined:

1. What data provide an indication of the strength of a relationship between (end) user and supplier, and which of these can be used in operational terms to construct an instrument that can measure the strength of the relationship?
2. (How) can the measuring instrument for the strength of relationships be used to segment, describe and monitor relationships? And,
3. What factors play a role in the explanation of the strength of relationships?

This thesis focuses on the development of an instrument that can be used on the one hand to measure the strength of relationships, and on the other hand to make recommendations for the use of this instrument for management purposes (segmentation and control).

Chapters 2 and 3 outline the theoretical framework used for this research project. Chapter 4 approaches the three research questions from a theoretical point of view and presents the research models and hypotheses. The design and implementation of the empirical research are explained in Chapter 5. Chapter 6 contains the analysis of the data set. Chapter 7 gives explicit answers to the three research questions, draws conclusions and discusses the implications and directions for further research.

Chapter 2 deals with the characteristics of transactions and transaction marketing on the one hand, and of relations and relationship marketing on the other.

A pure *transaction* is defined as a one-off exchange of values between two parties, without any previous or subsequent interaction. In reality, pure transactions are rare and therefore abstract. They do, however, constitute the starting point of a continuum for relationships and alliances, and hence create a useful starting point for theoretical analysis. A discrete transaction thus constitutes the basis on which a relationship can be built.

If the marketing activities concentrate on the ad hoc transaction and subsequent exchange of goods or services for money, with generally anonymous customers, we speak of *transaction marketing*.

A *relationship* is defined as an interaction process that is controlled by both economic and non-economic objectives, is direct, integrated, and applies to multiple transactions, taking place between a supplier and a consumer in connection with the purchase and use of household goods and services.

Relationship marketing is defined as an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualised and value-added contacts over a long period of time.

Relationships can be analysed from a *behaviour dimension* and a *perception dimension*. These are centred, respectively, around the factual events and the subjective interpretation of these events. The distinction of a behaviour dimension and a perception dimension will be the primary starting point for research concerning the strength of relationships, because it is considered relevant in consumer markets to describe a relationship in terms of attitudes and behaviour of consumers.

Chapter 3 contains a strategic and instrumental implementation of the concept of relationship marketing.

Direct marketing is defined as a form of marketing, directed at establishing, maintaining, and enhancing direct relationships between a supplier and his customers within one (or more) product market combination(s). The marketing activities are based on knowledge of individual (potential) customers; the marketing instruments can be tailored to individual needs. The most distinctive features are the use of direct communication and/or direct distribution.

The connection between direct marketing and relationship marketing is that both have a similar effect, considering the efforts made to create individual relationships. Relationship marketing then indicates the concept on the basis of which activities are carried out, while direct marketing specifies such activities.

A relationship marketing programme is defined as a structured programme, consisting of a combination of marketing mix instruments, offering different advantages and rewards to (certain) customers in order to create an added value for the product or the service, the main objectives being: keeping customers, developing customers and strengthening relationships.

Customer clubs are a specific category of relationship marketing programmes. A customer club is a fictitious association of purchase decision-makers from a particular target group, organised by one or more suppliers, with memberships being offered to customers with the aim of keeping in regular contact with them and to stimulate them. As a marketing instrument, customer clubs fit both within the framework of the relationship marketing concept and within a direct marketing strategy. This makes them eminently suitable for building up direct relationships with customers. It also renders such programmes eminently suitable for our empirical research aimed at measuring the strength of relationships.

Chapter 4 approaches the three research questions from a theoretical perspective and describes the research models and hypotheses.

The strength of a relationship is defined as the strength of an individual's identification with and involvement in a particular organisation. It was proposed to measure the strength of relationships using the relationship commitment scale, a version of the organisational commitment questionnaire that has been adapted to the marketing context. This is because we believe that the domain of the construct, originating from the organisation literature, can be extended to include external

relationships, such as those between suppliers of fast moving consumer goods and their customers. Applying the RLM model, the strength of relationships can be used to monitor, classify and describe relationships. The RLM model (Relationship perception and Loyalty Matrix) can be compared to the product portfolio. But instead of products, relationships with customers are taken as the unit of analysis in the RLM model. An analysis of the RLM model provides insight in the possibilities of strengthening relationships with customers, influencing their purchasing behaviour, or both.

To give managers and scientists greater insight in the factors that may explain the strength of relationships with customers, a model is proposed. In this model, the strength of a relationship is made dependent on a number of antecedents that have emerged from research as being of fundamental importance for the development of relationships, i.e.: trust, switching costs, and attractiveness.

Chapter 5 explains the design and implementation of the two studies included in this research project. The method of data collection used was a 'multiple study, multiple sample' approach. In practice, this meant that present, former and potential members of the Gulpener Beer Guild were approached in the first study. In the second study, present and former members of the Gall & Gall Wine Pass Holder programme were interviewed. The sample frameworks were created by the NAW data files (containing names, addresses, and ZIP-codes) supplied by the participating organisations. Both studies made use of several independent, random, systematic samples. For each subgroup/set, a (disproportional) nett sample of approximately 250 respondents was taken. In the Gulpener study, 1,180 addresses were approached, yielding 758 respondents (64%). For Gall & Gall, 1,131 individuals were approached, which resulted in 500 respondents (44%).

Chapter 6 presents the results of the empirical study. On the basis of the results of the data analysis, the following can be reported. It appears that the relationship commitment questionnaire (RCQ) can be used as a reliable and valid scale to measure the strength of relationships between suppliers and their end users. It also appeared that the attitude component and the behaviour component represent substantially different dimensions in the relationships studied. Regression analyses yielded positive connections between 'relationship strength' on the one hand and 'attractiveness', 'perceived switching costs' and 'trust' on the other hand. It also appeared that this limited number of independent variables is capable of explaining a large part of the variance in the strength of relationships. The results of the two studies also suggest that a relationship is a dynamic process, although this dynamic process does not follow the same pattern in both studies.

In the Gulpener study, 'trust' and 'attractiveness' constitute the most fundamental explanatory variables, in the sense that these variables make a significant contribution to the explanation of the 'strength of the relationship' in all three subgroups. 'Switching costs' only do so among present and former members. Apart from the fact that 'switching costs' do not make a significant contribution for each subgroup, the relative importance of the other influencing variables 'trust' and 'attractiveness' also differs. For potential members and present members, 'trust' makes the most significant contribution to the explanation of RC, followed by 'attractiveness'. Among former members, the reverse is the case.

In the Gall & Gall study, in which two subgroups were analysed, 'attractiveness', 'switching costs' and 'trust' play a significant role among both present and former members. Among present members, the variance of RC is explained most by 'attractiveness', followed at some distance by

'trust' and 'switching costs', respectively. Among former members, the variable 'attractiveness' also contributes most to the explanation of the variance in RC, but in this case it is followed by the variables 'switching costs' and 'trust', respectively.

A remarkable observation is the fact that among present members of the Gulpener Beer Guild, a certain 'basic' or 'minimum' level for RC may be necessary in order to become or remain a member of the Beer Guild. There is no indication for such a basic level among wine pass holders, which is plausible considering the (difference of the) nature and content of the two programmes.

In **Chapter 7**, we return to the research questions formulated for this study. The main conclusions and implications are given for each question.

The main conclusion is that the RCQ meets a scientific and social need for an instrument that can measure the strength of relationships in a valid and reliable way.

Another conclusion is that customer relationships can be segmented, described and monitored by means of the RLM model. The dimensions of this model are the behaviour component and the attitude component that can be distinguished within a relationship. By operationalising the attitude dimension of this RLM model by means of the RCQ, greater insight is obtained in the composition of the customer base. Using the RLM model, customers can be described on the basis of transaction information on the one hand, and the strength of their relationships with the supplier on the other. Research has shown that the strength of the relationship is positively influenced by such factors as trust, attractiveness and switching costs. By regularly including (a representative sample of) the customer base in an RLM model, it is possible to monitor changes in the strength of relationships (and/or purchasing behaviour) and to analyse and deal with unfavourable developments in the composition of the customer portfolio. Using tailor-made service, communication, up-, cross- and deep-selling, with or without a relationship marketing programme, the strength of relationships and purchasing behaviour can be led in the desired direction.

In addition to these main conclusions, a number of other findings are discussed, including the effects of relationship marketing programmes, with their theoretical and management implications. The chapter ends with a number of recommendations for further research.