

## NEW PERSPECTIVES IN RELATIONSHIP MARKETING CONCEPTUALIZATION

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### Abstract

*Relationship marketing represents a concept that has been disputed in the last 15 years as being a true paradigm of marketing thinking, or just a new method to apply marketing techniques to the new requirements and transformations into the socio-economic field of contemporary economy. Developing the conceptualization of relationship marketing has involved a wide area of research both in the theoretical and practical background. But despite many controversies about how to apply relationship marketing, at a profound level, the openness to new modalities for managing relationships with consumers, in the context of developing a new type of consumer – the postmodern consumer – is one of the undeniable strengths of relationship marketing.*

*The present article is trying to capture some of the possible directions of development of relationship marketing techniques considered by the author as being a kind of future trends of this complex scientific approach. In a brief we consider as appropriate for companies in the consumer markets to develop relationship marketing strategies around the concept of “consumer personal brands basket”. Considering this, every company should try to put together strategic resources and develop common activities with other producers from the brands basket for a certain consumer. Due to the technological development and diminishing costs for management of large and complex consumer databases, developing such a strategic orientation could be not only an illusion but a simple solution for consumers and tomorrow’s competitive environment.*

**Keywords:** *relationship marketing, postmodern consumer, strategic partnerships, consumer brands basket*

**JEL classification:** D11, M31

### Introduction

Our century has been a period characterized by a multitude of theories and controversial attempts to deepen, and sometimes change very broad concepts that define the science of marketing. Among these tryouts, a special place is held by marketing theory regarding relationship marketing. Despite different opinions

regarding the role of relationship marketing, its valences in relation to marketing in general, we consider this concept far from reaching its full potential. The technological advances in IT industry and telecommunications industry boost the continuous process of evolving techniques applied in the field of relationship marketing, in the same time the initial concepts and their practical application have been refined and enriched with new valences adapted to the more demanding marketing environment of the companies.

In the next pages we will study these particularities of marketing environment especially from the point of view of consumer markets and by extension we will take a closer look at the relationship marketing techniques and related concepts that help specialists to deal with these changes.

### **Literature review**

As we regard the scientific literature concerning relationship marketing, it becomes visible a certain evolution at the level of relationships and general overview conceptualization.

In the early years of evolving theory in the field of relationship marketing, the main theme was that relationship marketing is concerning only the “supplier – customer dyad” (Berry, 1983, p. 25) being defined as developing, attracting and maintaining customer relationship. Thus, only the relationship between buyer and seller was in the foreground.

Latter, authors like Buttle and Gummensson considered that the scope of relationship marketing is not limited to the above “dyad” but has to be extended to all relationships, network and interactions that may appear in the commercial activity of the organizations (Buttle, 1996; Gummensson, 1999). Thus, the conceptualization of relationship marketing was near to a more current one – “all marketing activities directed towards establishing, developing and maintaining successful relational exchanges” (Hunt S.D., Morgan R.M., 1994).

Gradually, conception of relationship marketing become clearer oriented toward the idea that beside a focus on customer, a company should take into account a diverse range of relations with suppliers, institutions, internal customers, intermediaries, etc.

A wide range of authors, naming a few like Christopher, Kotler, Millman, Doyle, Peck, and others, consider that a company has to develop long-term relationship with all stakeholders’ categories. The relation with the suppliers only is important in the context but it is not the only single element that should be taken into account strategically. It was also at this level that the approach specific to relationship marketing is different to that of traditional marketing – relationship marketing has the capability to deal with a multiplicity of markets. However, despite of this evolution regarding the different views embracing relationship marketing concept, beginning with year 2000, there is a tendency among marketing academicians to divide into two different camps. One of them rely on a broad definition of relationship marketing with a narrow area of application and the other

camp considering relationship marketing from a narrower point of view but with a broader application area (Egan, 2004, p. 251).

Thus renowned specialists such as Parvatiyar and Sheth are considering that relationship marketing refers only to developing activities and programs only in cooperation with immediate and end-user customers, not with a broad area of stakeholders. They put the emphasis on focusing on customer relationships and the process of making them loyal (Parvatiyar, A., Sheth, J.N., 2000).

On the other hand, there are also specialists that consider as a vital condition, the management of relationships with relevant stakeholders in order for the organizations to optimize relationships with customers (Payne et al, 2005; Maxim, 2009).

An interesting point of view is presented by Christian Grönroos, in his book *Service Management and Marketing* (Grönroos, 2007), who believes that customers may have different degrees of transactional or relational approach – namely: transactional mode, active relational mode and passive relational mode. According to these guidelines, customers will have only a transactional behavior, focusing on individualized transaction in time and space, or a relational-like behavior, either active or passive. In our opinion we presume that the mechanism could manifest in two different ways at the level of business customers and individual consumers.

Thereby for business type customers the different approach could be related with a number of factors including: the strategic importance of the buying, the frequency associated with the consumption occasion, the seller relations history, etc. At the level of individual type customers we presume that the above orientations are possible in the context of brands that are not included in the usually customer's evoked set of brands.

Taking into consideration the above Grönroos vision is possible that a certain company has a transactional approach adapted for certain segments of consumers and a relational approach adapted for other segments that require special relational strategies in order to ensure long-term efficiency for the organization.

Therefore, even if there are still controversies about the specific relations between relationship marketing and classical marketing, we may say that the watchword in contemporary marketing approach should be flexibility... and more flexibility.

### **The main assumptions**

Despite the contradictory evolution of the theory regarding relationship marketing approach, marketing techniques based upon the concepts revealed by this evolution are more suited in the present for dealing with postmodern consumers.

The nowadays consumers have been characterized by many specialists from different backgrounds – sociologists, psychologists, economists, philosophers, and off course marketers being a “postmodern consumer”, a kind of consumer personality different in a tremendous manner from earlier consumer generations.

All the rapid changing factors concerning the economic and social environment from the last twenty years have aggregated in the present time a major shift at the very core of social-inter human relations and of course – consumption patterns.

The postmodernism concept refers to an esthetic movement, like a cultural revolution following naturally to the modern period – up in the early '80. Similar to this concept with antecedents in the cultural space, it has been developed another one referring to post-modernity, linked to the substantial changes in the economic field like globalization and development of multinationals, new models of consumption and production.

Being integrated into such a universe, the postmodern consumer represents also an ever-changing reality, connected to all these processes into the economic, social, cultural, technological, ideological field.

In the era of postmodernism, the watchwords have become: individuality, instability and fluidity. Post-modernity represents not rules but choices, different styles, the process that presumes consuming any product from anywhere by any consumer, anytime.

Thus, many authors considered the postmodern period, a period of reevaluation for marketing theory and practice. Firat A.F. and Venkatesh A. proposed a series of characteristics for postmodern marketing, as: hyper-reality, fragmentation, inversed production and consumption, decentralized subjects and juxtaposition of opposites (Firat A.F., Venkatesh A., 2005).

Starting from these elements, we may consider that the portrait for postmodern consumer can be synthesized based on the following considerations:

A. The consumers are connected to a hyper-reality, which presumes an extension for classical services and products in a virtual space. From this point of view – the consumption itself of the “virtual” products presumes different reports at the level of consumer psychic from classical products, the entire consumption act being modeled differently

B. Postmodern consumer is characterized by an exaggerated dynamic of shifting from one consumption experience to another. The changing speed of consumption sources is also determined by different lifestyles, by behaviors corresponding to “social roles” which the current consumer takes them frantically. Each consumer represents in the same time a collection of selves – each of him or her with his/her own preferred brands range. More than that, these social roles are interchangeable and are assumed sequentially by the consumers without a predetermined model.

C. The postmodern consumer is not loyal anymore to the brands of products and services, but rather he is loyal to the images and symbols, and more than that – to those symbols which themselves they create in relationships with brands in question. So, the consumers loyalty is changing at the same time with the symbols change and their interpretation.

D. Unlike the modern consumer, which it was a precisely defined consumer by variables like: occupation, social class, postal code, personality, etc., the postmodern consumer “escapes” all attempts of categorization because of its

characteristics listed above. The postmodern consumer holds a diverse range of purchasing behaviors that perpetual change, also he becomes a marketing mini-specialist, learning to use in his own interest, promotional mechanisms and diverse marketing levers.

E. The postmodern consumer may answer positively to marketing approaches exceeding the old classical orientation based on targeting and positioning. These steps will be based on unconventional methods that leave space for the consumer's creativity, subtle promotional techniques which don't emphasize obvious messages anymore. Unexpected associations between extremes, surprising combinations are elements that are part of everyday cultural language of postmodern consumer.

In a synthetic way, specialists speak of a true "post-shopper" (Baker, 2003, p. 28), this sophisticated buyer with a purchasing behavior characterized by anxiety and multiple roles.

In this context, the characteristics of postmodern consumer make him a difficult target for classical marketing techniques, and it becomes obvious that if we try to make a parallel between the postmodern consumer and the requirements for an effective marketing system, the discussion should start with some of the latest findings regarding efficiency of marketing techniques being integrated into a relationship marketing orientation and aimed to develop and maintain customer loyalty through managing long-term relationships.

As a base for our future below considerations, we find appropriate to start with the techniques related to the concept of one-to-one marketing. One-to-one marketing refers to marketing strategies applied directly to a specific consumer. The specific preferences for a consumer allow companies to develop an entire process for creating products or services with a high degree of customization. The process of implementing a marketing strategy related with the one-to-one approach should have four steps taking into account the opinion of specialists (Peppers, Rogers, Dorf, 1999): identify the customers, differentiate, interacting and customize.

First step, identifying the company's customers consists in contacting a large part of the customers and building a database created taking into account as much information as possible related to the buying and consumption habits, preferences and needs.

The second step concerns the differentiation among customers, having as principles criteria the level of customer value and type of needs.

Thirdly the company should interact with customers using the most efficient channels from the perspective of costs and time consuming activities. Also an important characteristic is related to the constancy of interactions, and developing a sense of continuity for the customer. Every effort of interaction should continue naturally the communication point established earlier.

The last step is considered the customization, involving the mass customization for a manufactured product or personalization of some services around the particular product. This final step is directly correlated with the three steps ahead, because the efficiency of a truly customized offer depends on the

information about customers, the differentiation criteria and the constant interaction.

Although the one-to-one marketing seems to be impossible to implement at the level of some companies, the integration of its principles, at least at a minor level – sale force department, call center, etc., can be very effective in terms of benefits. One-to-one approach raises the problem of strategic resources allocation. What is the business unit that is “in touch” with the customers and is more likely to have results after implementing a one-to-one program? Despite this we may presume that, as other authors conclude, one-to-one marketing based on behavior is more profitable in marketing campaigns (Rodriguez et al, 2012). This means in simple terms that a campaign built on one-to-one marketing principles can be more effective than a classical approach. The promotional objectives, whatever their complexity, can be more reachable if messages are personalized, channels and continuity of marketing communication is taking account of the value of customers, their capacity for response and involvement.

Related with the concept of one-to-one marketing, and other relevant marketing approaches tributaries of relationship marketing, the segmentation of customers can become more efficient when marketers are using the value-based system that is defining for the customer’s lifestyle and conceptions. This system is better to be described using ontologies.

The term ontology, which can be considered as being a taxonomy of terms hierarchically organized having in the same time transversal relations among them, is suited for analyzing the complex range of dynamic elements which reflects the constellation of customer’s personality.

Having a development for web semantic and complex methods of segmentation also conduct to the conclusion that “with the growth of marketing databases and the Internet, the ability to reach customers individually became a viable strategy for a wide range of firms including consumer products companies” (Sorce, P., 2002).

In the present there are companies that take a step further in adapting information technology and internet capabilities in order to provide services related with personalized relationship marketing strategies.

Such companies believe that they can make the relationship marketing approach more effective by incorporating real time personalization (RTP) in organization communications so that there is a much higher degree of relevance and customization based on the customers history and preferences.

In this way, relationship marketing becomes a continuous process that is based on ongoing analysis to determine customer feedback levels, identify trends and create communications, offer opportunities in real time.

For achieving such goals, there are available technology based relationship marketing instruments like: cross media capabilities, personal URL’s, landing webpages, personalized email engines, personalized sms/mms.

Using a cross media campaign, a company has the capability to obtain and integrate data about customers and develop and implement a kind of direct

marketing campaign which is synchronized across multiple communication channels.

Our generic investigation about the present relationship marketing capabilities and concrete evolution show in a clear manner that the concept is far from losing its capacity to deal with nowadays marketing environment requirements. Thus the technological evolution and IT instruments briefly described above in conjunction with the development of social networks are only at the beginning of their full potential development.

Our assumption is that relationship marketing techniques are on the verge to suffer a qualitative jump, and maybe even the relationship marketing paradigm is about to change.

The pressure of postmodern consumer characteristics, the more and more dynamic evolution of world global economy, even the crisis phenomenon, may be the “catalyst” needed for such an evolutionary change.

We propose only at the level of theoretical suppositions a scenario for the next big “change” in relationship marketing conceptualization. Thus, it may be possible soon for different companies that are in forefront of relationship programmers to take a step further and research for the consumers’ usual brands basket. The brands basket we may take into consideration as being represented by the main brands that a particular consumer is loyal to, and take part in his usual buying decision process for a particular long period of time. A company that has the logistics and the motivation to take a step further in its own relationship marketing strategy could investigate this brand basket for the most valuable customers and develop a particular type of relationships with the other brands from the consumer basket. The company may initiate a specific dialog with the potential partners and motivate them to put together strategic resources such as – selling personnel, databases, marketing communication logistics, etc. in order to create a kind of common relationship strategy for the entire consumer brands basket.

The goal should be defining more deeply the consumer personality, the complex relationships that can be established between different consuming acts corresponding to different products and/or services. We consider that the postmodern consumer, the consumer of today and tomorrow is indeed a person with many self-assuming roles and a complex interaction with others’ consuming behavior. Developing such a relationship strategy that offers for the consumer the possibility to know himself better and to interact at an unprecedented level until now with other similar “personalities” could be the peak of marketing driven business philosophy.

## **Conclusions**

Analyzing the very evolution of relationship marketing conceptualization, and even the stages of marketing as a body of knowledge, we have identified a series of characteristics and trends. Taking into account the growth of internet, the structural changes at the level of internet usability and conceptualization degree of the online mass communication paradigm (evolution briefly suggested by the

phrases: web 1.0 – web 2.0 – web 3.0), also the evolution of mobile platforms, the nature of relationships that are the core of relationship marketing has a continuous evolution and dynamic. Thus it becomes a reality and at the same time a necessity, managing relationships with customers that goes beyond simple collection of demographic and customer service data.

The level of technology capabilities and their level of acceptance by the consumers has led to a solid ground for mass customization and synergy of different producers catalyzed by consumer personality.

The concept of consumer brands basket proposed above tries to capture the possibility to define a new level of strategic partnership between brands which apparently have nothing in common, but the value and the meaning that consumers themselves give them.

The complexity of such a demarche is obvious even for larger companies like Apple, or Dell, and so on, companies well-known for their innovative marketing techniques.

Also the implications at the business units and decisional structures represent a large field of investigation.

Future research from different perspectives (managerial one, operational one, customer one, etc.) may polish up and crystallize better the scenario of relationship marketing techniques conceptualization portrayed in the present article. The author expresses his reservations about the development and its application in the absence of adequate cross-section research.

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