Abstract: Relationship marketing represents the recent stage in the development of marketing science. The term was first mentioned by Berry in 1983 and the origins of relationship marketing approach are considered to be in the business to business and services industries due to the special characteristics of these areas and the need for closer buyer-seller relationships. At the centre of the relationship marketing perspective is the idea that customers have continuing value over the period they stay in business with a specific company. The focus is, therefore, on the relationships rather than transactions. The development of the relationship marketing theory and practice can be examined from a number of different perspectives, which is highlighted by the existence of three schools of thought: The Nordic School, The Industrial Marketing and Purchasing Group (IMP Group) and The Anglo-Australian approach (The Cranfield School). Additional, in the relationship marketing literature can be also found several mid-range perspectives which suggest that a company should manage a portfolio of transactional and relational strategies depending on the customer-supplier relationship and the level of customer commitment and profitability for the company.

Key words: relationship marketing, transactional marketing, buyer-seller interaction, cross-functional process, schools of thought.

In the last twenty years the concept of relationship marketing has been a major theme of discussion in the marketing theory and practice. This is the reason why prestigious economic journals (e.g. Journal of Marketing, Journal of Business and Industrial Marketing, Journal of the Academy of Marketing Science, International Journal of Bank Marketing, Journal of Strategic Marketing) and international conferences have regularly presented the benefits of this new business perspective. The appearance and rapid growth of interest for relationship marketing were due to the many changes which have occurred in the international business environment from the beginning of the 1970’s until the present period of time. These changes known also as key drivers in the development of the relationship marketing concept can be resumed as: the maturing of many markets, especially in the United States, European Union countries and other advanced economies, the decrease in population growth rate, a greater consumer power and sophistication in the decision buying process, the technological developments and the increased competition in many business areas. Therefore, a great number of markets were saturated which means that consumers, faced with a surplus of products were becoming more demanding and less easily persuaded by seller’s promotional messages. This has affected brands positioning leading to a decline in market share and implicitly in the manufacturers’ economic profitability, because consumers perceived little difference between competitors’ goods and services. In this new business context, marketers realised that the methods, techniques and instruments of traditional marketing (named also classic or transactional marketing) were no longer adequate for helping companies to plan their activities and predict their future market position.

The starting point of relationship marketing is considered to be a new stage in the development of marketing theory, as it is shown in figure 1. According to Christopher et. al. (1991, pp. 8-9) during the 20th century there had been a number of major developments that can be associated with differences in research emphasis. From the beginning the marketing science was dominated by the consumer’s goods area. During the development of business to business and services marketing, there have been identified many and significant differences between these economic sectors and consumers marketing, which generate the need to find new strategically and tactically methods for adapting to this specific environment. The main particularities were referring to the nature of the product offered, the consumers’ buying behaviour and the type of business relationships established between the manufacturer or the services supplier and its customers.
In the initial development of business to business marketing (named in the first phase industrial marketing) the emphasis was on defining and classifying industrial goods, the mechanism of price setting and rational buying models where marketing played only a marginal role. However, this approach wasn’t appropriate for revealing the complexity of how industrial markets operated; fact which resulted from the work of Industrial Marketing and Purchasing Group (IMP). The empirical research realised by these specialists had led to the conclusion that many inter-firm transactions are conducted within enduring business relationships where mutual trust and adaptation are essential for both partners. In the same time it appears that business to business marketing involved not just managing exchanges between organizations but much more complex human interactions. On the basis of IMP’s research activity it was developed the theory of network interaction marketing defined by Christopher as all activities undertaken by the firm to build, maintain and develop customer relations (in Egan, J., 2004, pp. 14).

The services marketing literature, was similar to the business to business sector, one of the first areas for the development of relationship marketing research. The spectacular growth of the services economy in many countries of the world (which accounts, in present, 56.6 percent of worldwide gross national product and, in the same time, it absorbs a large part of the labour force shed by traditional industries) has favourable influenced the review of some marketing instruments in domains like: banks, assurance, tourism. These main differences that can be identified between goods and services are: the intangible elements that dominate value creation, the fact that service product cannot be inventoried, the variability in the operational inputs or outputs and the inseparability of services consumption from the contact personnel, which means that customers may be involved in the production process. Services characteristics and typology determines a specific way in which the marketing-mix tools will be defined and there become a favourite domain for the applicability of relationship marketing theory. This is the reason why many researchers (Berry, 1983; Grönroos, 1991; Gummesson, 1987) sustain the point of view that in services marketing, buyer-seller interaction must be considered as part of marketing’s task.

Consequently, the origins of relationship marketing approach are in the business to business and services industries. Although RM had been a subject of great interest in recent years and there is a wide agreement that...
relationship marketing is different from traditional approaches to managing exchanges, there is no “general theory” in this sense (in the relationship marketing literature there have been mentioned more than fifty definition of the term). Besides, other terms have been frequently used either as substitutes for relationship marketing, or to describe similar concepts; these include: customer relationship management, database marketing, loyalty-based marketing, integrated marketing, direct marketing, frequency marketing and dialogue marketing.

The concept of relationship marketing was first mentioned by Berry (1983), in a conference paper on service marketing, as “attracting, maintaining and, in multi-service organizations, enhancing customer relationships”. While recognizing that customer acquisition was and would remain part of marketer’s responsibilities, this viewpoint emphasized that a relationship view of marketing implied that retention and development were of equal or even greater importance to the organization in the long term, than customer acquisition. After a period of time, the same author (Berry, 1995, p. 236) described relationship marketing as a “new-old concept” continuing that “the idea of a business earning the customers’ favour and loyalty by satisfying their wants and needs was not unknown to the earliest of merchant”. At the centre of the relationship marketing perspective is the idea that customers have continuing value over the period they stay in business with a specific company. The focus is, therefore, on the relationships rather than transactions. The duration of the exchange is a core element in distinguishing the two terms. A transactional exchange involves a single, short time exchange with a distinct beginning and ending. In contrast a relational exchange involves multiple linked exchanges extending over time and usually involves both economic and social bonds. Another definition of relationship marketing was proposed by Grönroos (1990, pp. 5), who affirms that: “The role of relationship marketing is to identify, establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all other parties involved are met; and that this is done by a mutual exchange and fulfillment of promises”. Gummesson (1996, pp. 6) defines relationship marketing as “marketing seen as interactions, relationships and networks”. As most definitions imply, relationship marketing is first and foremost a process. Thus, the relationship marketing approach is multifunctional and integrative because it “views marketing as an integrative activity involving functions across the organization, with emphasis and facilitating, building and maintaining relationship over time” (Coviello et. al., 1997, p. 23). Relationship marketing has developed even more; at a micro level, the concept is concerned with the nature of the relationship between the firm and customers that emphasizes a long-term relationship that takes into account the customer’s needs and value. At a macro level, the term describes the relationship within which the organization engages with all stakeholders, thus the strategic issue is to establish the mix or portfolio of the relationship that is essential for the firm (Stewart and Durkin, 1999 mentioned in Rao and Perry, 2002, pp. 599).

Several authors have declared relationship marketing a paradigm change for marketing theory. Although the concept has become largely accepted in the marketing science, Backhaus (mentioned in Hennig-Thurau, T., Hansen, U., 2000, pp. 6) has formulated two indispensable conditions which must hold as a new concept to be considered a new paradigm shift in marketing theory: first, a new paradigm must cover all issues and facts in the field and the second, new methods and tools for theoretical analysis must be provided. Relationship marketing is not relevant in certain market exchange (e.g. consumer fast goods markets when transactional strategies are more appropriately) and it draws on pre-existing constructs and solutions (customer satisfaction, trust, commitment, service quality), rather than creating new ones. In conclusion relationship marketing does not represent a paradigm shift for marketing science, but due to the great importance of relationships and customer loyalty for companies’ long term profitability it is treated like the recent stage in the modern marketing evolution.

The development of the relationship marketing theory and practice can be examined from a number of different perspectives, which is highlighted by the existence of three schools of thought (Palmer, Lindgreen, Vanhamme, 2005, pp. 313): The Nordic School, The Industrial Marketing and Purchasing Group (IMP Group) and The Anglo-Australian approach (The Cranfield School).

The Nordic School was originally conceived for services marketing research in the early 1980s and was characterized by a shift in focus from those ideas associated with traditional marketing concepts. These included (Egan, 2004, pp. 6-7): stressing the importance and relevance of services marketing and industrial marketing more than customers goods marketing; a gradual shift away from an emphasis on goods and services to an emphasis on customer value; the integration of the marketing department function with other organizational functions and with general management and less emphasis on quantitative research than qualitative research. According to the Nordic School approach, managing services was at the core of relationship building and maintenance although also supported by other factors such as the building of networks, the establishment of strategic alliances, the development of customer database and the management of relationship-oriented marketing communications. The Nordic Schools identifies three core processes: the interaction process, the dialogue process and the value process.

The IMP Group approach is referring to the business to business markets context, stressing the specificity of this sector and the necessity for new marketing and management tools development. In such markets transactions are not isolated, but occur as part of a continuing stream of interaction between organizations. The interaction between companies and many individuals between companies constitutes the relationships and the multiple relationships between buyers, suppliers and other firms aggregate into network (Palmer, Lindgreen, Vanhamme, 2005, pp. 320). Competitive advantage can be gained from an adequate selection process and management of networks partners.
The Anglo-Australian approach is based on the work of Christopher, Payne and Ballantyne and emphasizes the integration of quality management, services marketing concepts and customer relationships economics. From this perspective, relationship marketing embodies the following elements (Christopher et. al., 2002, pp. 4): emphasises a relationship, rather than a transactional, approach to marketing; understands the economic of customer retention and thus ensures the right amount of money and other resources are appropriately allocated between the two tasks of retaining and attracting customers; highlights the critical role of internal marketing in achieving external marketing success; extends the principles of relationship marketing to a range of diverse markets domains (customer markets, internal markets, supplier/alliance markets, recruitment markets, influence markets and referral markets); illustrates how the traditional marketing mix concept (the 4P’s: product, price, place and promotion) does not adequately capture all the key elements which must be addressed in building and sustaining relationships with markets; ensure that marketing is considered a cross-functional process.

Additional to the ideas promoted by the three schools of thought mentioned above, in the relationship marketing literature can be also found several mid-range perspectives. This is the case of the Nord American researchers who are active in both the industrial and service markets. A middle perspective highlights that a company should manage a portfolio of transactional and relational strategies which has to be aggregate in a hybrid model. Different types of customers may have different profitability levels for an organization; thus, there may be a number of alternative marketing styles, any of which, depending on the customer-supplier relationship, may be more applicable. As a conclusion, rather than suggesting that relationship marketing is a new paradigm, it may be more beneficial to accept it as a part of marketing’s arsenal (Egan, J., 2004, pp. 92). Therefore, the relationship marketing approach is an appropriate strategy especially for the best customers, who are committed, loyal and profitable for the organization.

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