Review

A critical review of relationship marketing: Strategies to include community into marketing in development contexts

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Accepted 17 November, 2011

An argument for relationship marketing strategies from a community organization approach in a development context is presented in this paper. Emphasis is on the conflict among interests of organizations and interests of individuals, as well as on existent differences with transactional and prescriptive-pecuniary individualistic approach. Because of this, it is proposed that different forms of community organization, through using coalitions, grassroots organization, community leadership, empowerment and other forms of development and community building, must be integrated into relationship marketing. This sets a relationship of organizations with individuals embedded in community.

Key words: Relationship marketing, community organization, transaction, functional relationship.

INTRODUCTION

Relationship marketing is characterized by attraction, construction, maintenance and improvement activities of relationship with customers (Berry, 2002; Payne and Frow, 2006), having been originated in the industrial and service sectors (Dibb and Meadows, 2001). In the service sector, there is an intensive marketing (Misra, 2010) in various developed and developing countries (Ahmad and Ilyas, 2011; Berenice and Nieto, 2011; Berry, 1995; Bonet, 2007; Chang-zheng, 2010; Coviello et al., 2006; Egwakhe and Osabuohien, 2009; Fernandes, 2009; Francois and Hoekman, 2010; Hay and Wizarat, 2001; Jagadish and Nilesh, 2011; Joshi, 2010; Micucci and Di Giacinto, 2009; Mundhra, 2010; Rahman et al., 2011). Relational aspects are integrated into the marketing in this sector (Sanchez-Hernandez et al., 2009), based on the human dimension, to persuade customers (Constantinides, 2006). The service sector uses highly dynamic strategies of transition and competitive planning, with a strong orientation to increase or retain market share (Gallaher and Petrusa, 2006). However, the expansion of the concept of marketing has made it useful in all sectors (Rodriguez et al., 2004).

Satisfaction and customer retention depend on marketing effectiveness, which is based on the philosophy of client (the most important), marketing information, operational effectiveness, strategic orientation and integrated marketing organization (Appiah-Adu, 1999). Interaction with client creates value to the product (Payne and Frow, 2006) and comprise positive attitude, common vision, dreams and a sense of camaraderie, mutual influence, satisfaction, flexibility, achievement of goals, loyalty (Tzokas et al., 2001), trust, commitment and communication (Theron and Terblanche, 2010). Besides, relationship ties, trust, and service quality lead to dependency relationships (Venetis and Ghauri, 2004).

According to this, many concepts are intertwined in relationship marketing activities, and, due to the difficulty of translating them into appropriate actions, these concepts might sometimes be operationalized within a transactional strategy, while performing some market segmentations that break up community, forgetting its needs as a community and leading to a relationship with a mediated and decontextualized client. All of this points out that customer philosophy should result not only in the satisfaction of the client by a priori defined product functionality, market segmentation and use that individual consumer gives to the product, but to an approach of community, in which customer is inserted. Thus, relationship marketing has difficult issues to handle (Grayson and Ambler, 1999), related to combine organizational...
interests with the very meaning of a relationship.

Moreover, in relationship marketing, it is not possible to merge personal interests with organizational aspects. Emotional commitment is the extent to which a customer wants to keep a relationship with supplier, while calculated commitment means that no better option is available at that time (de Ruyter et al., 2001). In the absence of a reciprocal interaction of friendship, respect and trust between the company and the customer (Fournier et al., 1998), clients turn out to be the most vulnerable. Those responsible for marketing will focus on needs or the act of short-term buying, namely, calculated commitment, and the companies will be forced to confront not only the product quality and customer satisfaction problems, but the relationship quality and the associated customer satisfaction. Yet, it is a transaction-like relationship with an appearance of affective commitment.

Thus, it seems that, through relationship marketing, rather than overcome certain problems, organizations have to face new conflicts.

CONFLICTS IN RELATIONSHIP MARKETING

Customers expect a caring service, concerned about them (Parasuraman and Berry, 1991), and this leads organizations to a conflict, because they must sell, but within a climate of friendship, trust and sincere interest to the customer. However, this does not mean replacing the "closing of sale" with a relationship, because the transition between sales and relationship promotes dissonance in marketing managers, who must base the relationship on a proactive acting, detecting and responding to needs in a climate of honesty and trust, along the continuum of this relationship.

Nevertheless, trade relations pursue different purposes than those of friendship, and this conflict can reduce business outcomes (Grayson, 2007). Marketing cannot be based on the belief that business relationships can be transformed into social relationships, simply by a terms substitution and some linked prescriptive behaviors. Also, if service quality determines relationship sustainability (Venetis and Ghauri, 2004), then relationship marketing would not be required, as quality service is meant to produce effects. This shows how difficult it is to incorporate strategies that go beyond the transactional or functional view, into a relationship marketing approach.

Incorporating social scientists and an interest in quality of life of customers (Fournier et al., 1998), otherwise intrusive in regarding the lives of potential clients, do not overcome these problems, since this interest is based on a corporate, business criterion. Therefore, the concept of relationship is trivialized. As organizations are unable to change their goals, all that remains is to have a better understanding of clients, to change them. Despite this, employees need balancing marketing institutionalization of a friendly relationship with the customer, with the momentum, authenticity and spontaneity in the same (Tzokas et al., 2001). This can only be achieved when professional role can be combined with that of a citizen immersed in the community, not through a relational-emotional prescription or a fantasy about the expressiveness of the role, fed by the role itself.

In the maintenance of these errors, the technological development helps. Technological elements can reach a large number of customers (Payne and Frow, 2006), facilitating the buying behavior and the psychological bond characteristic of loyalty to the firm (Nijssen and van Herk, 2009). However, all of this creates an illusion of dyadic interaction. Despite the speed with which both research and technological innovation are incorporated in some sectors (Gallaher and Petrusa, 2006), in the models proposed by these authors, the technological activity is focused on knowledge, entrepreneurship and marketing in relation only to the idea of innovation, neglecting the relational aspects.

Other related problems are that technological turbulence produces deficiencies in the relationship between marketing orientation and performance (Subramanian and Gopalakrishna, 2001) and that consumers overwhelmed by the immensity of new developments, originate strategies to defend themselves against them (Fournier et al., 1998), without producing purchase expectations, but feelings of threats related to privacy and freedom in decision-making. Customers receive an offensive marketing, with increased advertising and promotional factors (Appiah-Adu, 1999).

Innovation has not taken into account the importance of the community but the value of dyadic interaction. However, this interaction does not occur with an individual out of context and cultural values, so that marketing should be directed to a certain stage of the customer community. In this way, different patterns of technological innovation, which are beginning to be taken into account (Camacho and Rodríguez, 2008), must be coupled with an increased awareness of community reality and its degree of organization, without using them to feed a superficial and transactional relationship, based on a disadvantage in the use of the media.

PROBLEMS IN MARKETING STRATEGIES

Some used strategies in relationship marketing are central service, clientelization of relationship, increase in demand, price adjustment to the relationship and internal marketing (Berry, 2002). Still, these strategies can result in a pecuniary and prescriptive relationship with client (see Bolton, 2005), acquiring a regulatory nature. Emotions of the employees become normatively positive, without building relationships based on trust (Sánchez-Hernández et al., 2009), because the behaviors and attitudes of salespeople are based on their perception of
the marketing orientation of the firm (Jones et al., 2003), which influences vendors causing them to undertake certain roles grounded on the perception of such guidance.

On the other hand, although some classifications take into account relationship marketing styles of basic, reactive, proactive, accounting and partnership (Kotler, 1992), it might be necessary to integrate them all, not to provide a fragmented relationship.

All these risks are crucial in development contexts, where there is a need to address the potential exploitation of vulnerable markets and a conflict between consumer protection and proper use of the language of marketing to target minorities (Sautter and Oretskin, 1997). Such use of language is sometimes reductive, as when it equates satisfaction with the transactional dimension of marketing, confidence in the firm with the social aspect, economic value with the guise of trade and customer loyalty with motivation to maintain relationship (Nijssen and van Herk, 2009). Although it creates the illusion of integrity, by using certain words, it is an extension of transactional marketing, based on the concepts of buying and mutual benefit.

Furthermore, it undermines the concept of a client, who is considered an economically motivated person relating to others by exchange. The distortion of this concept is evident, considering the terms afore-stated, such as loyalty, or behavioral intention as evidence of the existence of a relationship. Using behavioral intentions as a measure of customer retention involves a transactional perspective, but the mere presence of transactions does not mean that a relationship is created, what is best characterized by the reasons behind it (Venetis and Ghauri, 2004).

Moreover, the insistence on the functional strategy of need satisfaction is a conceptual trap, especially in development contexts, as it gives the feeling that existent needs are those that shape the market and are met by companies. In this sense, it is true that market orientation to meet the needs, based on wide-ranging action, innovation and organizational learning, produce an outstanding performance of companies over several years (Hult and Ketchen, 2001), customer loyalty, innovation and employee satisfaction (Sanzo et al., 2003). All of this no doubt originates learning which results in a marketing strategy integrated into organizational design, as an element of outstanding effectiveness. However, like the inclusion of the perceptions of employees and customers within a general theory of marketing orientation (Jones et al., 2003), they all seem to be little more than a perspective of expanding the market share through a direct increase in sales, by satisfying needs.

In this way, it is difficult to combine business objectives with the individual attention that seems to characterize relationship marketing. This problem is not due to the misconceptions of the organizations, but to the difficulty of the implementation of relationship marketing in some contexts, such as development contexts. It is also necessary to point out that it is virtually impossible to sustain a strategy of one to one; you cannot build trust and commitment by corporate-client dyadic interactions (Fournier et al., 1998), falling in undifferentiated automatisms and creating a stereotyped and decontextualized client. Even in the marketing between organizations, the emphasis is on the interaction between individuals, as a determinant of the relationship, and not on the interaction between organizations (Venetis and Ghauri, 2004). This influences the oblivion of the group and community.

The importance of the context in marketing is clear (Egan, 2003; Fournier et al., 1998), but the context is not just a static and descriptive display, but includes the forces that, at any given time, make some factors to acquire relevancy and in another moment to lose it. Furthermore, the lack of understanding about the conditions of community is the leading cause of failure to develop programs of social services (Whitcombe, 2009) and, since these programs are a prototype of service closely related to community, marketing associated with them is a paradigm of relationship between service provider and client.

Because of this, a community concept must be included into relationship marketing strategies. In development contexts, the growing potential of community and sense making of it, must be taken into account. It is a complex process, but this complexity is also present in the use of multiple channels (Corstjens and Doyle, 1979), accounting to make decisions (Cardinaels et al., 2004), the analysis of financial statements (Juárez, 2010a, b, 2011a) or the heterogeneity and self-organization, in complex marketing systems (Habel and Goodman, 2008).

**IDENTIFICATION OF TYPES AND COMMUNITY ACTIONS IN RELATIONSHIP MARKETING: INCLUDING COMMUNITY IN MARKETING**

The inclusion of community adds support for the community to achieve its goals and empowerment to encourage organization (Minkler et al., 2008). In relationship marketing, this is not restricted to an act of mutual benefit, nor is it an instrumental feature, as in functional marketing, based on a network or group of systems with an operating profit, according to (Smalley and Fraedrich, 1995), but with a restricted understanding of group, individuals and empowerment, not related to the concept of community.

Moreover, in uncertain environments, relationship marketing can produce better results, as an environment-dependent strategy and not an absolute one, while transactional marketing is more effective for some service organizations (Sin et al., 2005). Effectiveness of the marketing, based on client philosophy, take into account their viewpoints on business, regarding quality and innovation, company is perceived as a good neighbor,
having benefits, whereas it keeps its name all along (Appiah-Adu, 1999). However, it must not only meet needs through exchange, but also to react to contingencies of life, making a suitable prediction of where community will go, and providing an adequate support. That is what a lovely neighbor would be; therefore, environment and community organization are relevant to strategy implementation.

In order to be in a community, there should be a community concept, as well as developing community and of service to the community. The concept of community is not foreign to marketing strategies, as it has been at the heart of the concept of internet (Chaston and Mangles, 2001) and in many of the strategies that relationship marketing use in such media, where it still has to play a vital role, moving away from transactional marketing operationalized in the sending of e-mails. Marketing needs to be community based. Issues such as local development, social action, social planning, collaborative empowerment, community building and coalitions (Minkler et al., 2008), are tools that contributes to the individual change of organizations and community and to their development.

However, for a correct interpretation of this, it is necessary to overcome cultural and psychic distance, which is recognized when attempting to penetrate foreign markets (Evans and Mavondo, 2002; Evans et al., 2008), but not in small ecological contexts. In similar communities, but in different countries, there are differences in achievement orientation, aggression, optimism, action orientation, belief in hard work, attitudes toward authority and government, competitiveness, risk appetite, masculinity, uncertainty avoidance, individualism or collectivism, power distance, the commitment to win mastery over the environment, care and attitudes toward equity (O’Grady and Lane, 1996).

However, when familiarity with market exists, critical issues go unnoticed and penetrating the market is more likely to fail, due to the assumptions made about the same (Evans et al., 2008); within a country, regional aspects, as well as cultural, structural, individual differences and experiences are ignored (O’Grady and Lane, 1996). In developing communities, differences among market segments, based on diversity of conditions, are emphasized, offering opportunities for greater product differentiation and less direct competition. This is especially true when considering distances in terms of community organization and opportunities for a growing market.

Beliefs about what determines culture and behavior are usually wrong and customer perceptions about the familiarity of the organization (Dixon-Ogbechi et al., 2010) are relevant. This familiarity is related to the community; it is not the result of a dyadic interaction. The culture, organization and community, should be included into marketing, along with the social and demographic implications that these dimensions entail, but not confine to them. Lack of experiential knowledge of other markets is the main barrier to enter them, although psychic distance is a moderator of market size (Ellis, 2008). It is not surprising that differences exist not only between regions but communities with different psycho-cultural characteristics. As a result of these differences, some markets are alien to organizations and darkening with the emphasis on dyadic interactions; it is necessary to evaluate and interpret from a different perspective and another frame of reference.

Market segmentation on the geographical, demographic, psychographic and behavioral dimensions, has broken into customer segmentation, which refers to the trust, commitment, relationship and ongoing relationship over time (Hultén, 2007), fitting to relationship marketing orientation. But the community action requires including the concept of community, forces that affect it and social systems that integrate or surround it. In a context of extreme vulnerability and poverty, identifying characteristics of communities and the complexity of its processes of change have been pointed out (Juárez, 2011b). Concepts like social capital, community capacity, selection of subjects or participation (Minkler et al., 2008), originate new perspectives, promoting different ways to incorporate the activity of the organization into the community. Quality would have a dynamic character, including evaluation of long-term service (Palaima and Banytė, 2006), but within a community perspective. In addition, organization type must be consistent with marketing in use, for what it is possible to draw on the theory of configuration, which seeks functional alignment (Vorhies and Morgan, 2003).

Community organization includes items such as history, identity, community development, planning, action and awareness, among others (Minkler et al., 2008). Thus, construction of community organization promotes a strong network where community history and its projection are linked to the development and sustainability of an organization. Types of community organization are based on the needs and strengths of community and are geared toward the empowerment or social action (Minkler et al., 2008).

According to these authors, strategies derived from these organizations are grassroots organizations, coalitions, spontaneous associations, leadership development, critical awareness and reflection, building community identity, political and legislative actions and culturally relevant practice. Through these types of organizations, communities regain mastery over their lives, awareness of changes to make and promote interaction among its members, originating forms of social capital and identifying problems.

Grassroots organizations can be topic-oriented, idealistic, rural, urban, etc. (Gundelach, 1982), and foster alternative ways of coping and organizing networks. Likewise, spontaneous associations of neighbors, colleagues, or groups are interested in some themes and issues. Coalitions have been directed at enhancing the social activity and fighting chronic conditions (Butterfoss
et al., 1993), promoting the proper development of individuals and community and helping to build community and a lasting relationship based in real links. Coalitions are led toward a goal; they are based on problem solution. In this way, they promote the integration of organizations into community, minimizing efforts in a scale economy (Butterfoss et al., 1993). Coalitions grounded on spontaneous union, joining organizations or community-based (Feighery and Rogers, 1989), offer opportunities for enhancing the relationship with community focusing on problems, to which organizations can help to give an answer.

Leadership in communities can be incorporated depending on organization type. While sometimes this community leadership, in its different forms, have had a sense of claim (Negrete, 2008), it is a catalyst that encourages movement and actions of significant impact, so it is worth to understand it.

Empowerment and critical reflection encourage organization and community development. Without some minimum conditions of life, it is difficult to create expectations in the medium or long term. Economic inequality, discrimination and social status, not only originate differential health status (Pearlin et al., 2005) but they also provide different development possibilities.

Research on quality of life issues, such as deplorable living conditions, low incomes and reduced physical health, as well as symptoms and social relations, provides comprehensive models (Yanos et al., 2001) that allow helping the community by creating durable relational links that contribute to the development and sustainability of organizations.

All of these means focusing on projects, as it is the project that leads to the creation of coalitions, partnerships, empowerment, etc. Its magnitude and duration depend on the interests and vision of organizations, in conjunction with community. The standard of living, culture, history, institutions, built environment, political structures, economic systems and technology are resources that society can use under certain circumstances or problems (Anderson et al., 2003). Still, they are also available to increase the quality of life through community action in procurement of goods and services. On the other hand, marketing is characterized by short runs, with different models, frequent changes, customization, and a tight quality control (Calantone et al., 2002), which is not inconsistent with what was previously proposed.

Sometimes, the network-based marketing has been considered the least used in professional firms providing services (McColl-Kennedy et al., 2008). However, the network comprises multiple forces that mobilize and create synergies based on certain community organization and if the organizations are designed to favor the community, then community involvement is necessary. Such participation makes people get involved in what they believe will favor them (Schwab and Syme, 1997).

CONCLUSION

To conclude, the intention of the customer to maintain relationship, perceived value of the firm, product brand and dealer, high profit, low selling cost, great word of mouth promotion, advertising and profitability, can be related to the effective strategy of relationship marketing (Kumara et al., 2003). However, to be truly effective, the organization must be a neighbor, a neighbor immersed in the community.

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