A Literature Review and Classification of Relationship Marketing Research

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ABSTRACT

This paper presents a literature review and classification of Relationship Marketing (RM) research. A range of online databases were searched to gain comprehensive knowledge on RM. Several articles were identified and reviewed for their direct relevance to RM, relevant were subsequently selected. Each of these articles has been further reviewed and classified. Papers and research on RM categorized into five broad categories (Relationship Marketing – Understanding, Industry Applications, Market Development, Technological concern and Firm Performance) and further sub-categories. The most popular areas covered by the papers in the sub-category understanding of RM, Market Development; and RM general, concept, and study followed by papers in different areas of management like-retail, banking, construction etc. The bibliography provides an academic database of the literature from various journals. The classification approach provides a means to conceptualize the coverage of relationship marketing and the relative popularity of CRM topic areas. This paper provides a roster of field projects accompanied by a comprehensive bibliography that will be useful to both academics and practitioners for studying existing research as well as for contemplating future research.

Keywords: Classification of RM, Literature Review, Market Development, Relationship Marketing (RM), RM Publications

1. INTRODUCTION

Relationship marketing (RM) is widely acknowledged as a useful tool in gaining customer loyalty in various sectors. In the world of business, the concept of relationship marketing (RM) is widely understood, both academically and professionally. Its goal is to maintain strong relationships and convert indifferent customers into loyal ones (Berry & Parasuraman, 1991).

It involves a process of attracting, maintaining and enhancing relationships with customers and stakeholders (and, when necessary, terminating them) at a profit, so that the objectives of the parties involved are achieved through mutual exchange and the fulfillment of promises (Zineldin & Philipson, 2007; Das, 2009; Adamson et al., 2003; Gronroos, 1994, 2004; Kotler & Armstrong, 1999; Berry, 1995). In business, RM brings stability and decreased uncertainty to a company by acting as a barrier to competitor entry and maintaining a stable and
solid base of customers (Alexander & Colgate, 2000). For customers, RM provides closer and longer-term relationships that yield three types of benefits: 1) social (familiarity, friendship and information-sharing), 2) economic (discounts or other money-saving benefits) and 3) customization (tailor made services/products), as noted by Sheth and Parvatiyar (1995), Berry (1995), Gwinmer et al. (1998), and Peterson (1995). RM is relatively more emotional and behavioural, focusing on concepts such as bonding, empathy, reciprocity and trust (Sin et al., 2005; Yau et al., 2000).

2. RESEARCH METHODOLOGY

In this paper, relationship marketing literature has been classified into five categories based on literature review study available on relationship marketing from various journals and research papers and variable are derived which are most appropriate for understanding RM and its applications. Literature is studied to understand the basics of relationship marketing through the research has been already conducted in this field and to find out gaps, issues which are still uncovered. First part is focusing on understanding of Relationship Marketing which include concepts of RM, Objectives, Definitions & Models related with Relationship Marketing. In second part review in context of industry initiatives to implement relationship marketing programmes, practices adopted by industries and competitive market strategy development through relationship marketing. In third part relationship between relationship marketing and market development reviewed which include customer retention, customer loyalty & increase customer satisfaction, how to increase customer base & market share. Fourth part contains review related to firm performance in terms of B2B exchange, customer-firm affection, corporate brand development is discussed. In last part review related to technology is discussed with development of real time system development, online feedback system and E-CRM concept of relationship marketing. Finally issues in the literature review are identified and discussed.

3. CLASSIFICATION

The classification framework, shown in Figure 1, is based on the literature review and the nature of relationship marketing research, which mean to give an understanding how the subject has evolved and progressing. The articles were classified into five broad categories and each is divided into subcategories (Figure 1).

3.1. Understanding of Relationship Marketing

In this part, we will discuss the emerging concept in marketing i.e., relationship marketing, its evolution, concepts & definitions, model development for relationship marketing. Today’s marketing managers are required to place an increased emphasis on relationship marketing to create new customer as well as retain existing customer through effective relationship. The cost of creating new customer is comparatively lesser than to retain a customer with the product & services with happiness.

3.1.1. Evolution of Relationship Marketing

In 1983 Leonard L. Berry, distinguished professor of Marketing at Texas A&M University, coined the word Relationship Marketing when he presented a paper entitled Relationship Marketing at the American Marketing Association’s Services Marketing Conference. The paper was published in the conference proceedings and for the first time the phrase Relationship Marketing appeared in the Marketing literature. The phenomenon Relationship Marketing was first identified by some of the insightful writers like Berry et al. (1983), Gronroos (1990), and McKenna (1991). Although McKenna has often been credited with the term “relationship marketing”, but it was Berry who first defined and analyzed in scientific literature. However there was also a parallel development in industrial marketing which contributed to the development of RM (Gronroos, 1990). According to Berry et al. (1983) customer relationship can be best established around a core service,
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