
RESEARCH PAPER TOPIC-LINKAGE OF RELATIONSHIP MARKETING WITH COMMUNICATION

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ABSTRACT

The satisfaction of customer's can be taken as a key value for the corporate success. To survive in the competitive world, the organization adopted various approaches. Relationship marketing and the communication mode are viewed as a central determinant of customer satisfaction. However, some investigations in the area indicates a direct association between these constructs. The overall objective behind this research paper is to develop a conceptual foundation to study the impact of communication on relationship marketing. With the emerging trends of the relationship marketing the communication gained a lot of necessity in the process of Customer Relationship Management. Hence just to convey the idea behind the communication terminology the present study focused on the relationship approach with that of the communication effects. The study involves the examination of the various applications of the communication mode and the tools established by the corporates in relationship building. In this paper, the main effort is to study and understand the relevance of various communication modes and the concept of relationship marketing. Highlighting the important means of communication can helped the organization to understand the relevance of communication and implementing two way communication. Hence association of communication with the relationship marketing can be considered as an essential tool for the organization success.

Keywords-Relationship Marketing, Communication. Customer Relationship Management, Corporate Success,

Introduction

The study gained its relevance in marketing theory and has become an essential part of research. Berry, 1995 propounded that using the life cycle theory, the concept of relationship marketing is approaching in its maturity stage. The main aim of relationship marketing theory is the identification

of the drivers that influence about the outcomes for the organization and a better understanding of the relationship between these drivers and outcomes. In the existing literature of marketing, several approaches have been used to find the variables and to study about their impact on relational outcomes. Mostly approaches focused on a single predictor variable (e.g., customer satisfaction) and investigate its linkage with relational outcomes, rather than developing multivariate models and theories. However in view of the existing work on the determinants of relationship marketing outcomes reveals some conceptual models that might covers the significant amount of the success (or failure) of relationships between service providers and the service users.

Two most promising conceptual approaches are the relational benefits approach (Bendapudi and Berry 1997; Gwinner, Gremler, and Bitner 1998; Reynolds and Beatty 1999a) and the relationship quality approach (Crosby 1991; Crosby, Evans, and Cowles 1990; Dorsch, Swanson, and Kelley 1998; Smith 1998). The relational benefits approach pointed about the categories of the relationship-oriented customer benefits and the fulfillment which can point out the future development of existing relationships. The relationship quality approach signified about the assumption that customer loyalty is determined by a definite number of factors which reflects “the degree of appropriateness in a relationship” (Hennig-Thurau and Klee,1997).Although, the relationship quality mainly portrays on the relationship while the relational benefits points out on the utilitarian-oriented benefits. Both the concepts viewed it as the fulfillment of the prospect needs which is the main theme of the relationship success.

The purpose of the research paper is to integrate the research on the relational benefits and relationship quality. Considering these two major approaches the study lights a model in which relationship quality are considered as the dependent variable and the independent variable are the communication measures initiated by the automobile organizations.

The next section comprises of the literature review which gives the theoretical background of the study. Secondly, the research methodology is being discussed which covers all the aspects regarding the research. Data analyses with the use of appropriate tools were discussed followed by the results and conclusions. Finally, the analyses results are reported with their practical relevance is discussed, and recommendations are derived for future research

Objectives of the study-

The paper empirically throws light on the concept of the relationship in the automobile industry and the impact of relationship on the communication. The study also highlights the relevance of these factors associated with the concept.

Literature review

Relationship marketing

In the services marketing, Berry (1983) coined the term relationship marketing. Relationship marketing was defined as measure of an attracting, maintaining, and enhancing customer relationships in the organizations. The main theme factor in assessing the potential for retailing relationship was the amount of personal interaction, communication service, and selling which

involved the organizations about the customer encounter or moment of truth (Berry and Gresham, 1986). Gronroos (1990) described that the relationship marketing is established, maintained and enhanced with customers and other partners, at a profit, so that the objectives of the parties involved were met. It can only be accomplished by a mutual exchange and fulfillment of the promises and he proposed that the marketing strategies lay a continuum ranging from transactional to relational marketing. Evans and Laskin (1994) stated that the relationship marketing is the process whereby an enterprise builds alliances of long-term with both prospective and current customers as both the seller and buyer aims to work on the common set of goals. According to Palmer (1994), relationship marketing strategies highlights on the value of buyer-seller relationships over certain point of time. Morgan and Hunt (1994) highlighted on the broadened definition of relationship marketing as all the activities of marketing are directed toward establishing, developing, and maintaining the successful relational exchange.

It constituted a paradigm shift in the theory of marketing. Copulsky and Wolf (1990) mentioned the concept of relationship marketing as the combining elements of advertising, sales promotion and direct marketing which create effective and efficient ways to reach consumers. Kotler et al. (1996) defined the concept of the relationship marketing as creating, maintaining, and enhancing the strong bonding with customers and other stakeholders. Definition of 'relationship' included a terminology which represents the logical affiliation, association between the two entities that has a mutual benefit approach. Dwyer et al. (1987) developed the theoretical framework of buyer-seller life-cycle model. Relationships concept basically evolved through five general phase's which are being identified as awareness, exploration, expansion, commitment, and dissolution; while Heide (1994) identified certain set of generic relationship processes, which snapshots the relationship initiation, maintenance and termination processes. Based on these multiple definitions, we can define the concept of relationship marketing in the automobile industry as a set of certain marketing activities which considers to attract, maintain, and enhance the customer relationships. This approach signifies the mutual benefit of both parties emphasizing on retaining existing customers and attracting new prospect. Morgan and Hunt (1994) described a relationship model of marketing which conceptualized trust and relationship commitment are the key variables to the development of long-term relationships. With the increase in the interest in the concept, it led to the multiple attempts to measure the relationship quality. Crosby et al. (1990) mentioned in his study that a relationship quality model examined the consequences, elements and antecedents of relationship quality which has been perceived by the customer. The model was checked in this context of the agent and the policyholder relationship which has involved the life insurance suggesting that future opportunity for sales depend mostly on the relationship quality, whereas to convert these opportunities into sales considered more on the conventional source which has the features of similarity and expertise.

The approach of Relational selling behaviors generally developed a strong buyer-seller bond. Bowen and Shoemaker (1998) proposed the model of service relationship (MSR) which was based in part on Morgan and Hunt (1994). The empirical findings of the model suggested that the merits and trust were the key antecedents to customer's commitment. The relationship marketing benefits derived from the continuous series of committed customers who were not sensitive about the price over time, which can led to the diminish in the marketing costs and improvement in the overall profitability. (Bowen and Shoemaker, 1998). Kim et al. (2001) empirically discussed the cause and

effect model. They mentioned three activities of relationship marketing which are customer's confidence, customers contact, and communication, which impacted the relationship quality. Customer's commitment was described as an intervening variable between relationship quality and outcomes. It measured the repeat purchase and word of mouth communication. Crosby et al., 1990 suggested that the Relational management is the degree to which the parties have the behavioral tendency to actively maintain and cultivate the close working relationships. It is a construct of higher-order which represents the multiple approaches of behaviors and styles. These were used to handle and manage the relationships. J. C. Anderson & Narus, 1990; E. Anderson & Weitz, 1989; Wilson, 1995 propounded that the facets of the relationship management have received attention as the determinants of effective work relationships.

Mummalaneni & Wilson, 1991 stated that the resources, effort, and attention worked as the investments to a relationship that has no outside value. Open communication is the degree to which buyers and sellers have the communication in an open way with the customers. This can be either formally or informally (E. Anderson & Weitz, 1989; Crosby & Stephens, 1987). (Noordewier, John & Nevin, 1990) stated that the Relationalism is the degree which actively relates and purposefully manage the relationship and promote the behaviors to improve the relationship. The relevance of relational management is well documented by Crosby et al. (1990), which points that selling behavior to be an asset determinant of relationship quality with life insurance customers. J. C. Anderson & Narus, 1990; E. Anderson & Weitz, 1989 stated that the buyer-seller and channel relationship studies have associate trust, satisfaction and commitment to open communication investments.

Communication

Whiteley 1991; Day 1992; Parvatiyar and Sheth 1994; Webster 1992, 1994; Cross and Smith 1995; Payne 1995; Stewart 1995; Reichheld 1996; emphasized that with the increasing competition there is a need to manage the relationship building which has brought a variety of marketing approaches. These approaches are customer-focused and market-driven, relationship marketing and integrated marketing communications. Duncan and Moriarty 1997; McKenna 1991; Peppers and Rogers 1993; Schultz et al. 1993; Zinkhane t al. 1996 described the relevance of the communication is demonstrated by its ability to differentiate the approaches of marketing from traditional ones in marketing. Every approach emphasizes on the two-way communication which brings out the better listening to customers and interactivity. Zinkhan and colleagues 1996 described that communication is the central integrative process of marketing and is demonstrated in the evolving theories of the integrated and the relationship marketing.

In Emory University's, 1996 in a relationship marketing conference, there was a special session on IMC and relationship marketing which argued that these two elements are complementary. Griffin and Hauser; 1996 propounded that the research in a variety of disciplines brings the relevance of the frequent communication. But the emerging evidence suggests that there are some other facets of communication which could be equally important in the task. Wheelwright and Clark (1992) mentioned that the bidirectional communication is the critical in development of the new product contexts, and a larger body of distribution channels. Frazier and Summers (1984) focused on the degree of attachment of communication. Griffin and Hauser 1996; Maltz and Kohli 1996; Workman

1993 stated that the research emphasized about the fundamental role of communication between marketing and engineering-based functions.

Souder (1988) mentioned that the Interfunctional communication linked to a variety of positive outcomes which include the better understanding and harmony between functions. Gupta, Raj, and Wilemon,(1985) emphasized on the inter functional integration for stronger market orientation. Kohli and Jaworski (1990) stated about an increased ability to cope up with the complex dynamic systems. Huber 1982, stressed on the communication necessity with the new product success. Cooper 1984; Dougherty 1987 stated on the communication measure in terms of its frequency. The frequency of Communication is defined as the total times the information is shared between the functional areas over a particular duration. Van de Ven and Ferry (1980) however examined the number of times the communication encounters between the marketing and engineering-based activities.

Dougherty, 1992; Gupta, Raj, and Wile Mon ,1986; propounded about the well-stated differences in the "world views" of marketing and the engineering-based functions on the product development. Recent research evidence points out that too much communication also degrades the information quality of exchange in the marketing. (Maltz and Kohli 1996). Nevin 1990 ,Mohr, Fisher, and Nevin 1996; emphasized that the Communication frequency is therefore an essential and a vital ,condition for increasing inter functional integration. Addition of the bi directionality influenced the attempts to provide a thorough understanding of the inter functional communication behaviors. Bi-directionality is known as the two way approach of communication in the organization.

Misunderstandings due to the mother tongue or the cultural differences could be impaired with the communication, even when frequency is large. Fisher (1978) suggested that the means to improve the understanding is to generate flows of bidirectional (i.e., feedback) in the process of communication.

Hypothesis Development

Our objective, therefore, is to provide the in-depth understanding of the theory of communication, so that the organization can identify and can manage better their communication policy. In the present study, the marketing is best explained and understood with a communication model of relationship marketing. Basically there are common roots of communication and marketing theory which are parallel with each other. Secondly our objective is to test the impact of communication policy on the relationship outcomes of an organization. Nevertheless, no prior research was conducted which explains the inter functional relationships.

We begin by describing the relationship marketing with some of its aspects loyalty and cooperation. Next, we integrate research on the communication practices used by the automobile industry which consists of varied means. The relevance of communication has been in sighted in the literature which highlights on the communication relevance with respect to the relationship building.

Hence the development of hypothesis for the present study is stated as under-

H01 : Relationship marketing has no effect on the communication policy of the organization.

RESEARCH METHODOLOGY

To enquire about the search of any information is the research. The methodology consists of the schematic representation of the sequential procedure adopted in the study.

The sample selected for the study consisted of 50 middle to senior executives of the automobile dealers of two wheelers. The age calculated on average basis while collecting the data was 32 years, and they had associated with the dealers for an average of five years. The respondents were asked to submit their responses by filling the questionnaire which are close ended and constitutes the parameter of relationship and the communication. The responses of the items are in the 5 and 7 point Likert scale which have the options from strongly disagree to disagree.

Relationship quality were measured with 7-point Likert-type items, adapted in this context from published scales. The facets of relationship quality accounts for the study are loyalty and cooperation constituting items adapted from Crosby et al. (1990), Swan, Trawick, Rink, and Roberts (1988); Smith and Barclay (1997) and Westbrook and Oliver (1981). The communication was measured with three items adapted from Mummalaneni and Wilson (1991), four items adapted from E. Anderson and Weitz (1989), and two items adapted from Heide and John (1992). The questionnaire also constitutes the demographic information of the respondents.

The study was conducted by the simple random sampling and convenient sampling and the responses are collected from the region national capital region. To test the hypothesis the correlation and regression tools are used by the SPSS version 19.

ANALYSIS AND RESULTS

After collection of the data, sixteen cases were removed from analysis due to missing values and incomplete information. The demographic analyses represents 60 % respondents are male while 40% are females. The reliability was checked by Cronbach Alpha value which is found to reliable as 0.76 as it is greater than 0.7. The items tapping the loyalty and cooperation were found to have reliabilities of 0.77 and 0.72 respectively. Items tapping relationship investments, open communication, and rationalism had reliabilities of 0.72, communication have the reliability 0.81 and the validity has been checked by the principal component method by varimax method .since the questionnaire consists of 22 items. It was found in the factor analyses that the factor loading of two items are less than 0.3, which results in the excluding of those items in the final analyses.

Correlation was found to be significant and a high degree of positive correlation was found which shows a value of 0.7

Regression analyses shows the value of 0.49 which represents the regression line accounts for 49 % also the change in one unit of communication can bring a change in relationship by 81 units. Hence the result is significant at $p=.000$. The hypothesis stands rejected.

DISCUSSION

The results provide a clear indication of the rejection of hypothesis. The rejection of the hypothesis clearly indicates about the presence of positive relationship between the variables relationship and the communication. With the analyses results it was justified that the presence of the variable communication makes the effect of relationship quite impressive and effective. Hence for the marketing, the results proved the empirical evidence between the two variables. For an automobile dealers communication is the important factor which is an important factor considered while studying the literature. The application of communication not only builds a loyalty and cooperation but also helps in effective functioning of the organization. It brings out a positive word of mouth among the consumers which automatically helps in achieving the organizational goal. These results are consistent with the studies that have linked communication, relationship investments to a variety of positive relational outcomes (e.g., J. C. Anderson & Narus, 1990; E. Anderson & Weitz, 1989; Noordewier et al., 1990).

The study also contributes for the further insight, by identifying effects for both relationship investment and communication. It is interesting to know the effects of relationship on the factor communication but had a unique contribution in developing loyalty to the relationship. These results reinforce the marketing thought on the necessities of communication for developing quality working relationships. From the management perspective, these results proved that the training can also be given to the staff which helps the dealers in reducing complaints and grievances among the customer. The reduction of the complaint automatically generates the loyalty and a positive word of mouth. This can lead to increase in trust and satisfaction. Most probably we can say that the communication has however, have an indirect effect through relationship management. This is consistent with Crosby et al. (1990), who found that communication had an impact on relationship. This is consistent with work on the effects of attitude similarity on group processes by Baskett, 1973 which however showed similarity in attitudes was found to be important for active relationship management. This has been studied from the (e.g., Vroom, 1964) which showed that work attitude similarity had a direct effect on relationship commitment. Hence the organizations should invest in the resources. From a management perspective, it suggests that sales professionals should invest time in communicating and understanding work attitudes and in understanding the expectations of customer for the relationship. Tavris, 1992 described about the different communication styles. The results also indicated about the specialized training may be required to help salesperson which help them to recognize and overcome barriers for effective relationships.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

The contribution in many researchers over the past decades has witnessed about the importance of relationships in marketing. However, defining what managers regards for a good relationship is not a concern that has been studied in this study. We believe our paper to be a start in developing our understanding of this important issue.

The results of the study shows that there are different opinions of what determines a good relationship and managers need to consider this in planning the mode and means of communication

strategy. Although the sample size is very small it appears about what determines the relationship on wider contextual factors.

In the study, the communication factor helps in increasing the level of loyalty and cooperation among the customers. And hence it seemed to be the most essential attributes of relationship quality. Further research should also be suggested to shed light on the different independent variables which might influence on the relationship in some other way. With the informal discussions with the managers involved, it could be suggested that a number of factors exists which influences the way in which relationships vary and managers need to identify all these constrained variables. However, we would suggest that there are also, possibly, potentially more specific relationship variables which concern on the companies involved, and also which determine the quality of the relationship. Managers should also consider the influence of the relationship by age, whereby "mature" or "young" relationships within the industry.

The key players involved in the relationship have an influence in assessing the overall relationship quality. Future study should also therefore needs to snapshot not only on the demographic factors that influence the managers but also on the variable ones.

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