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## RELATIONSHIP MARKETING – THE KEY OF THE SUCCESS IN BUSINESS

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### Abstract

*The sincere and open orientation towards solving the customer's problem is the key the manager uses to open the door to success. In business there are only two ways to create and maintain a long term superior performance: an exceptional customer care and a constant innovation.*

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The relationship marketing means the attraction, development and maintenance of relationship with the customer, placing the customer in the center of attention as an individual person. Finding new customers and retaining them are activities that lead to profit because the clients are continuously extending the shopping area transmitting fortunate information about the company.

The relationship marketing appeared in the context of capitalist economy evolution, when some marketing concepts became inoperative and it was felt that a renew of the consumer's contact methods was needed.

After the second world war, the oriented to production economy developed and it was characterized by an increase of demand over supply; in consequence, everything that had been produced was purchased no matter the products quality or quantity.

In 60's when the economy was aiming towards distribution, the demand equals supply and the production was pointed to what can be sold. By the "push" marketing techniques (bringing the products to consumer) will also appear the "pull" marketing techniques (attracting consumer to product).

In 70's the market economy appears as a consequence of the increase of supply over demand and in the same time the marketing oriented to creating markets dedicated to each product is developed. Now multiple forms of publicity appear and sustain the retail chain performance. The purchasing power raises regularly, high price is synonym to quality and the brand guarantees the social status.

In the middle of 1980 the tendencies are inverted and the organizations start to adopt the marketing oriented to promotion: sell more at the same price.

The characteristics of oriented to promotion marketing are: increase significance concept of the quality – price relation, the factories brands are losing the monopoly; the distribution brands and the "no name" products emerge; the services businesses start to develop their own marketing.

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At the end of 80's starts the environment economy in an ecological sense that manifests on social, political, ethnic and religious plan. Within this economy the traditional marketing becomes inoperative, the purchase power clogs, the importance of environment factors rises and the relationship marketing appears.

According to experts, the relationship marketing is a process with which the retailer and buyer establish a long term profitable, personal, professional and bilateral relation.

In this way, the relationship marketing leads to the creation of a stable partnership between customers and providers, beneficial for both sides, to relationship personalization between parts and to beneficial results from a pecuniary and functional point of view.

The concept of relationship marketing is based on three approaches theoretical distinct but under interdependence:

➤ A first approach is realized in terms of behavioral expectations . It is based on a change of attitude of the trader ties with its suppliers of resources (human, material, financial), with the recipients of its benefits (clients, customers) and with its own personnel. Behavioral dimensions of these partners are judged to a lesser extent in terms of reaction time, and increasingly by the duration of their effect, materialized in trust, satisfaction, loyalty to the company and its services. Customer satisfaction occurs when expectations were met. If the maximum level of satisfaction is reached, that leads to an increased customer enthusiasm. The process of developing endearment for a company / product / brand is lasting and involves several stages that follow each other sequentially, starting from loyalty and even reaching exclusiveness in exchange relations between market players.

➤ A second approach is realized in terms of networks theory. The network company's links with its providers and beneficiaries focus on the interactive nature of the relations developed in relationship marketing from an organizational point of view. The company's organization chart will include staff positions involved in collecting, processing and systematic analysis of information regarding the types of partners. Companies no longer remain like separated players on the scene called market, but become components in more systems (research, production, distribution, services, etc) with multiple sides, complex and long term, called networks of relationships. In the same time clients do not remain passive recipients of the company's benefits but are in many cases directly involved in its concept and creation process.

➤ The third approach is based on management, causing changes in human relations management plan within the company, but also in relation to third parties. The central role in this approach is played by the internal marketing. This is defined as a systemic optimization of the company's internal processes with the help of marketing tools and human resources management to impose marketing as an internal way of thinking in a consistent orientation towards the customers.

Synthesizing the three approaches we can say that relationship marketing is a concept with multifunctional and integrative valences. Relationship marketing creates premises for the development of interactive marketing.

One of the defining characteristics of the customer relationship in relationship marketing is the latter's involvement in meeting its own needs. Technical support is provided by what Philip Kilter called digital revolution.

The relational marketing opens fields for some applications of more tinted classical marketing activities, representing in essence, a continuity of the latter but conferring new chances of success in the way in which the supply meets individualized requirements of demand.

Relationship marketing induces new elements in a business success. They relate to:

- Increasing the training capacity of all market players in a series of long term relationship interrelated in a systemic manner.
- participative involvement next to producer of the bearer of demand in the planning of goods and services intended to meet their needs.

The company that adopts the concept of relational marketing aims to:

- identify and know as good as possible, its own clients
- continuous monitoring of the customers' satisfaction degree
- act in the direction of risk reduction and uncertainty perceived by the customer regarding his choice.
- undertake the necessary for cultivating customer loyalty for long term
- ensure a complex satisfaction of demand considering the client's present and future benefits
- militate in favor of the client endearment process related to the company's performance and to conduct him to exclusivity in the buying and consuming behavior.

Nowadays, the relational marketing represents a real business philosophy, a strategic guidance to focus on preserving and improving relationship with the current customers rather than attracting some new customers.

Consumers become partners and the company must make long term commitments to keep the relationship through quality, services and innovation. The forms of expression in service quality, relevant for the construction of a preferential relations are:

- a) Fairness - is the provider's propensity to listen to problems, customer's objections and submission of complete information about the services offered
- b) Marketing from person to person - refers to actions taken by the provider, where every customer is treated as an important segment of the market, assuming communication in both directions in order to evaluate the correct perception of the service, changing consumer desires, and applying an efficient management based on new ideas and personnel motivation.
- c) Continuous improvement of the services - refers to the completion of services with other supplementary services in order to increase the offer's attractiveness, which all together must be financially feasible, to have value for customers and to be difficult to imitate by competitors.

In the table below I have summarized some differences between traditional marketing (also called transactional marketing) and relationship marketing:

<b>Transactional Marketing</b>	<b>Relationship Marketing</b>	<b>Mentions, arguments, observations</b>
The disappearance after the business	Negotiations to obtain a win-win type of sale and monitor the transaction as a source for better results	Adopting the win-win type of sale the company has the chance to extend the partnership after the business
“Push” type of price	Promoting the value	
Short term action and reflection	Long term action and reflection	
Rising of business through transactions	Rising the business through relations	By addressing a business through the interpersonal relations point of view it is far more likely to strengthen the business
Attracting new customers	Retention of existing customers	
The absence of a structure for further business	Creating the structure in order to strengthen the relations of partnership; the creation of clubs or groups of members for regular buyers	Creating member clubs for regular buyers, the company aims to build a loyal client relationship with impact on business consolidation and security
Focus on sale	Partnership oriented on results	
Short term empathy	Long term relations and empathy	
Encouragement on business achievement	Encouraging revenue and long-term relationship	
The result of sale is the most important	Fast, safe and sustainable Results leading to build relations	
Post sale services and support seen as cost generators.	Post-sale services and support, seen as an investment in relations	Investing in relationships the service provider also invests in the company’s future.
Focus on product/service	Focus on expectations /awareness of customers	

Encourage rewarding for the end of business	Encouraging the rewards to maintain and strengthen relations	
The end of business means the search for a new one.	A sale means a beginning, the target is long term results and business	

The orientation of some organizations to relationship marketing brought to the forefront the concepts of loyalty and regaining lost customers.

Customer fidelization is a strategy that identifies, maintains and enhances the efficiency of the best clients through a value-added, interactive and focused on the long term relationship.

We can say that acquiring loyal clients is the most remarkable advantage of relationship marketing.

Not incidental the marketing services and the interorganizational marketing domain (business to business marketing) have provided favorable conditions for developing the concept of relational marketing. By their nature and characteristics the services require a longer duration of contact between supplier and buyer, allowing the creation and the strengthening of long term relationships, with beneficial effects for both sides. On the other hand, the object of the interorganizational trades has an average degree of complexity, higher compared to those made on the consumer goods market. This increased complexity requires engagement of a greater number of partners in exchange operations, which allows the creation of networks using these links.

Also, on the Romanian services market, especially in areas where competition is strong, such as banking, telecommunications, healthcare, tourism, etc. the companies are concerned about the migration of customers and how it can be stopped through customer loyalty.

In banking for example, the chief economist at Erste BCR, the leader of the banking sector in terms of assets believes that customers migration is a normal trend in Europe: "Studies conducted in Europe show that all bank customers are becoming increasingly less loyal. That's why banks will have to put more emphasis on loyalty programs, shifting from an extensive to an intensive development. "

The President of the Romanian Association of Financial Banking Analysts considers customers infidelity as a motivating factor for any credit institution, a booster of the competition.

A strength loyalty product of the BCR is the services package that includes a current account, a debit or credit card and the option of accessing a bank overdraft. The package also contains money transfer services to the savings account, phone banking services, e-banking, bank statements and cashless payments.

Other Austrians, the Raiffeisen people, have speculated on a method first used in the U.S. but also in EU member states : reward customers with good payment behavior.

Raiffeisen is approving pre-approved loans to this type of customers so they can get additional funds paying the same monthly rate. "The best and most loyal of customers will be able to obtain larger bank, faster and easier," said bank vice president at the launch of these facilities.

The Raiffeisen Housing Bank took as well into account the customer loyalty. RHB president, said that although the specifics of the institution he leads is one of the niche, keeping the customers is not omissible. One method to acquire loyal clients is through loyalty-related services, the bank trying to meet the needs of individual customers through a direct approach, the aim being the efficient bidirectional communication (specialized call center, direct mail, website updates, newsletter).

Currently RHB has also other customer loyalty tools such as development of services range, (products addressed to specific category of clients: taxi drivers, people with income earned abroad, notaries, doctors) rewarding the customers who recommend other clients, providing complete information. Moreover, to promote some facilities, the bank already has partnerships with the National Union of Real Estate Agencies and National Housing Agency.

The people at Uni Credit Tiriac were also interested in customer migration. Bank's portfolio contains products that bring together a number of current accounts, Visa or MasterCard, partner cards, online banking and support services designed to meet a higher level of satisfaction for a potential customer.

Those who buy these package of products get a lower price benefit (the costs can be two / three times lower) than if they opted for separate purchase of products and services.

Other methods used to build a loyal client relationship are:

➤ Creating clubs with access only to customers who can demonstrate loyalty to the organization (for example the pharmaceutical company Walmark that opened Health Club Walmark which allows its members on a membership card basis to receive promotional materials and gifts, to receive discounts, to launch online ordering. The members of the health club can also use a free phone number for any information and can receive responses from a medical consultant).

➤ Awarding points or winning bonuses to customers who shop frequently, aiming the growth of sales (e.g. Vodafone company, through the program "Vodafone for you", Sensiblu pharmacies, Cora hypermarket etc.)

## **Conclusion**

A company must know how consumers perceive quality and what they expect to receive. In these circumstances the company should try to offer more in terms of quality than its competitors.

The objective of a successful company must exceed the customer satisfaction. Companies need to delight consumers. A happy customer is the most effective promotional tool.

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That is why it is necessary to understand the consumer, because a relationship involves not only a part and you can not require friendship, loyalty and respect without having to return them.

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