

A STUDY FINDING APPLICABILITY OF ONLINE MEDIA IN RELATIONSHIP MARKETING AMONG SERVICE PROVIDERS

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ABSTRACT

The concept of relationship marketing was formally introduced in early 1990s into the field of service marketing. Since then it has taken many shapes. Present study tries to find out the use of electronic media in the field of relationship making in service sector. It was found that personalised e-mails pay back more efficiently among other electronic media. The study also resulted in placing the customer orientation as the core value of the organization. Suggestions for improving the quality of relationship marketing are also enlisted.

INTRODUCTION

Relationship marketing in recent days has become a buzz word among marketers. Be it an online retailer, a mall owner or simply an educational institute, relationship marketing has become a must for every type of organisation. A decade ago only small retailers and kirana shop owners use to maintain personal relations by offering personalised services to their customer, but in changing times, it has become the need of the hour and from coca cola the beverage giant to road side pan walas are busy maintaining personal relationships with their customers.

In service industry relationship marketing is even more important take an example of a teacher for whom, students are the customer who decides the value of his/her service. In such a case relationship marketing could work wonders. I have a colleague Mr. Kishore Bajaj, a management faculty who recently joined the profession after passing from an institute of repute. And mind well this guy is inexperience and novice in the field. But his relationship with the students is such that students are ready to do anything on his one signal. So what this person must have done, black magic? No its pure relationship marketing in its true sense. He talk about their personal problems, spend time solving their personal issues (No doubt he is an excellent teacher). What else he unofficially help students for competitive exams, plan unofficial tours with the students. And the result is the great relationship among them which pay forever to both the beneficiaries.

There is no concise view upon the definition of relationship marketing. For the purpose of the study the one given by Parvatiyar and Sheth is adopted, in their words.

“Relationship marketing is the ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic value, at reduced cost.”

There are two things which are worth mentioning in this definition: enhancing mutual economic value and reduced cost. Thus the growth of relationship between retailer and customer must be profitable for both the parties that too with minimum expenditure. In my opinion the benefit derived from genuinely maintained customer relationship is much more than the expenditure incurred.

The concept of relationship marketing was formally introduced in the early 1990s into the field of service marketing. As the concept of relationship marketing has emerged the focus has been shifted from transaction marketing to relationship marketing in the service sector as under

- Limited customer orientation - High customer orientation
- Moderate customer contact - High customer contact
- Moderate Quality concern - High Quality concern for all.
- Only production – Total Quality Management.

OBJECTIVES

1. To find out the most preferred electronic media technique of relationship marketing among service companies
2. To find out the exact position of relationship marketing in the value system of service organisations
3. To come up with a working model of core and peripheral values of organization
4. To list out the benefits of relationship marketing

METHODOLOGY: For the purpose of the study an online survey of 50 service providing companies from different fields such as banking and insurance, airlines, cellular service providers was conducted. Companies were asked to place relationship marketing in their value system and were also asked about the media planning for relationship marketing.

Companies were asked to place relationship with their employees and customers in their value system

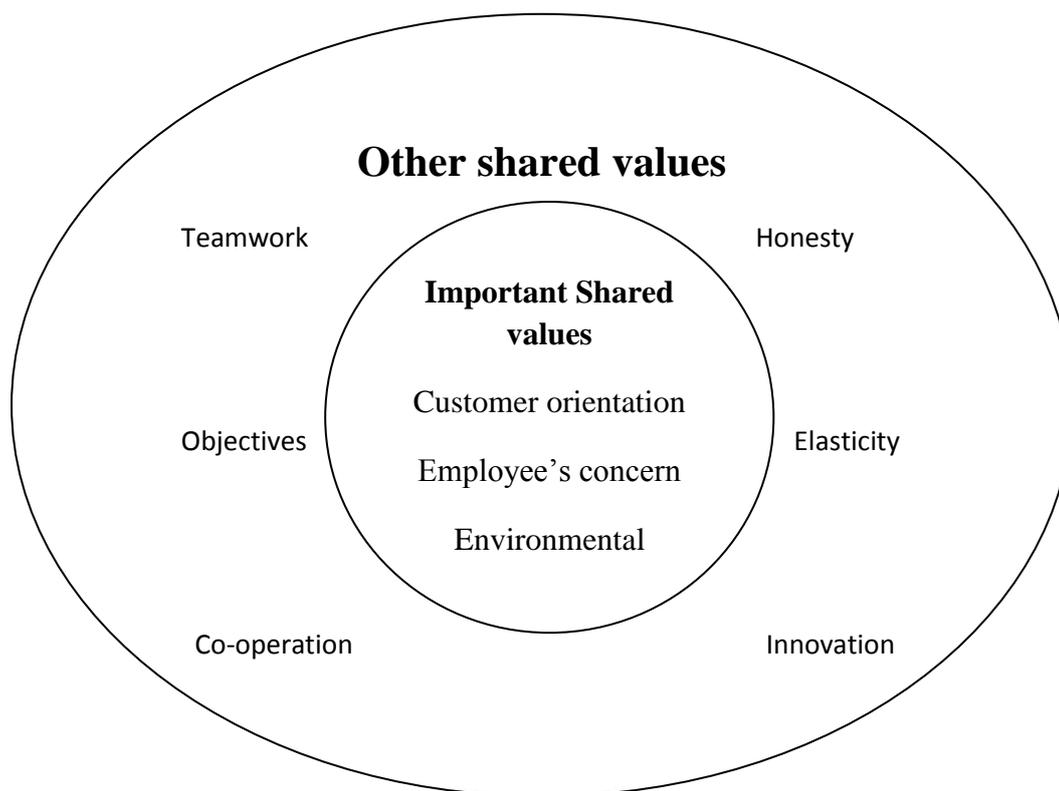


FIGURE 1: ORGANISATIONAL VALUES

INTERPRETATION

Results indicated that 100% of the companies approached put relationship in the important shared value area among others.

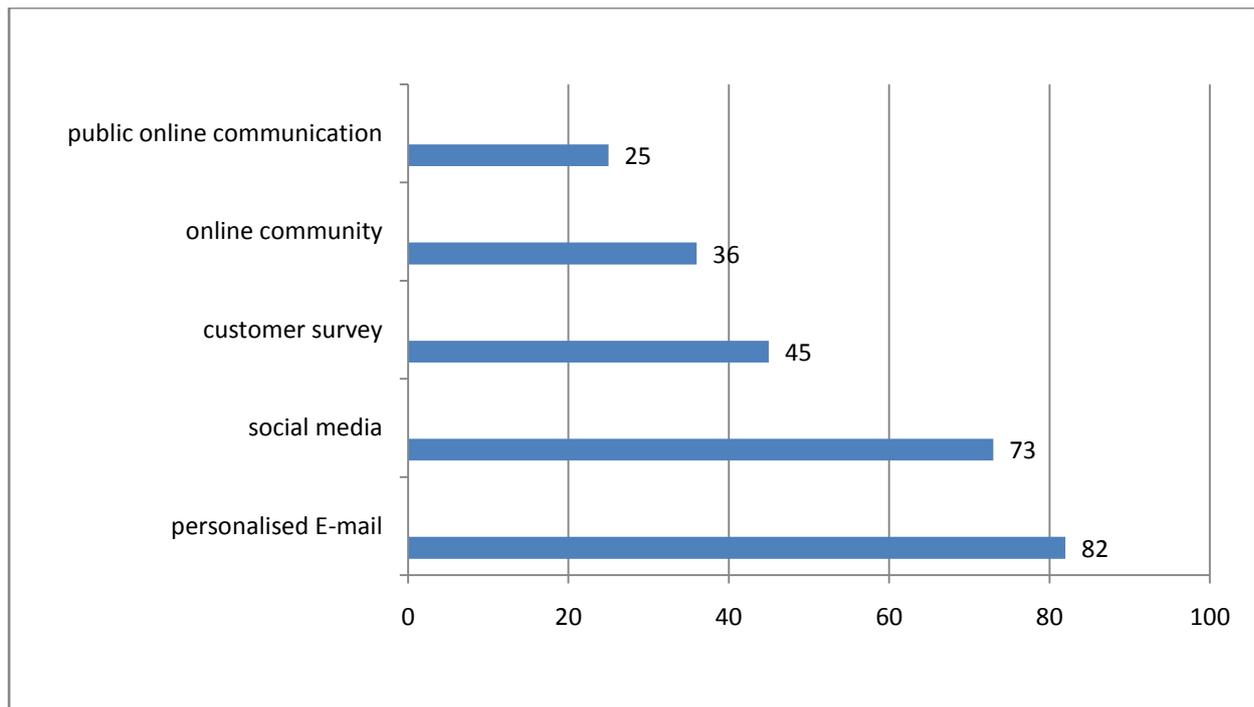
IMPLICATION: In the overall organizational value consortium Customer orientation holds the most crucial position. Customer orientation, which refers to maintaining and sustaining relationship with customers, is of immense importance among other core values. Any organisation needs to add new customers to its list but more important is to maintain and sustain relationship with the existing ones. Sustainable relationship here stands for long term cordial relation with the customer. Similarly employees counted as the asset of the organization thus they are also equally important and hence represent the important shared values of the organization.

The study resulted in designing of the organizational value model (Figure1). The model clearly indicates that honesty, teamwork, co-operation, innovativeness of the organization and employees are important but are just peripheral to the ultimate aim of the organization. The model keeps even organizational objectives in the outer circle of the value system.

The triple bottom line that is welfare of employees, benefit of customer and protection of environment is the heart and soul of any organization. If these valued passions are properly nurtured the organization can face any hardship.

Although relationship marketing is relatively new to Indian market and will take a few years to go. The study taking sample of 50 companies tries to find out the level of utilisation of modern relationship marketing techniques at its benefit

Which channels do the most valuable customers embrace?



Use of modern relationship management techniques adopted by sample companies (All figures are in percentage)

IMPLICATION

Results indicate, companies believe more in sending personalized e-mails to its customers because it gives more personal touch to the client. (Remember the greetings u received from ICICI on your birthday) instead of utilizing public online communication system. Similarly social media gained preference over online community talks. Clearly people love to listen from their peer's mouth about themselves rather than listening from stranger's part. Customer survey holds the mediocre position with 45% respondents companies accepted that they believe in customer surveys for maintaining customer relationship

FOLLOWING ARE THE MAJOR BENEFITS OF RELATIONSHIP MARKETING AS PER THE RESPONDENT'S OPINION

1. 78% of the total respondents approved that soon after inculcating relationship marketing in the marketing agenda their customer base has been enhanced.

2. It's an inexpensive way of establishing relationship with the stakeholders expressing the personal benefits to the stake holders.
3. Relationship has paid many organisations in a long run not only in sales but also in other management activities.
4. Due to good relationship management the service provider gets committed and loyal customers, thus increasing the purchases, which in turn increase the profits of the company.
5. Lower cost retaining the current customers cost much lower than making new customers as new customers attract advertising cost and other promotional costs, operating costs of setting up accounts and systems and cost of getting to know the customers.
6. Free advertising through word of mouth.
7. It is easier for the firm to retain the employees when the company has stable base of satisfied customers.

CONCLUSION

The domain of relationship marketing extends into many areas of marketing and strategic decisions. Its recent prominence is facilitated by the convergence of several other paradigms of marketing and by corporate initiatives that are developed around the theme of cooperation and collaboration of organizational units and its stakeholders, including customers. Relationship marketing refers to a conceptually narrow phenomenon of marketing; however if the phenomenon of cooperation and collaboration with customers become the dominant paradigm of marketing practice and research, relationship marketing has the potential to emerge as the predominant perspective of marketing.

SUGGESTIONS: Following are a few suggestions which are a must adopt for the companies which believe in relationship marketing.

1. **PARTYING OUT:** Consumers want to see the people that are behind the brand, this helps them to associate the brand with a personality. Such networking parties can give customer a face to connect to their lovable brand.
2. **STAFF INVOLVEMENT:** It's always beneficial to make staff/employees as the face of the company. As features represented by staff have an upper hand on what a company claims and a happy employee and bring happy customer. Moreover good word of mouth outreaches a great crowd. But there always exists a risk of headhunting by a competitor.
3. **QUICK AND QUALITY SERVICE:** Answer customer query and complains as early as possible because a long waiting time may result in distrust in brand and even extended to negative publicity of the company. The ideal time for replying an e-mail is within 24 hours, especially if they contact the company during business hours.
4. **BE ACCESSIBLE:** Make sure that it's easy for consumers to find a way to reach company. The telephone number and email addresses should have a prominent space on website and should be updated from time to time. In the electronic world, it personal touch is still valued.

5. **CONDENSATE WITH CUSTOMERS:** Blogging is about creating a conversation with consumers. Consumers love to read material produced by experts. Blogging allows companies to establish itself as an industrial expert. Also, be open to allowing consumers to post feedback and questions this will encourage interaction and strengthen the human element of your business.
6. **IMPROVING MANAGEMENT INFORMATION SYSTEM:** to use data as business intelligence there a very efficient MIS is needed.
7. **ENHANCING CROSS SELLING:** 20% customer's gives 80% of the sales for further enhancement of sales it's better to tap the existing customer for cross selling.
8. **DEVELOPING SERVICE CULTURE:** Service culture is to be developed among the staff. Human Resource Development standards should be maintained in the recruitments at all levels.

Living in a digital world and adopting the new channels of marketing is no excuse to abandon the personality and the human element of your brand and business. By doing so one will turn off many consumers. Incorporate the steps above and you will be well on your way to building those important relationships with consumers and in return making them customers.

REFERENCE

Sheth Jagdish N. and Parvatiyar Atul, Eds. Handbook of Relationship Marketing, Sage Publications, Thousand Oaks, CA, 1999.

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