

## A Model for Relational Marketing

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### Abstract

*Relational marketing, connects the new type of consumer and society, redefines the meaning of the act of buying by taking into account the needs and expectations of the clients. Relation marketing aims at customer loyalty, becoming more volatile, with higher and more difficult expectations, as well as attracting customers from new markets. Consumer-oriented, relational marketing announces the end of the macro-marketing era and the beginning of the micromarketing era, by replacing macro-segmentation strategies with niche strategies. This article wishes to explore the means by which people can be attracted by a business so that they become buyers and turn into loyal customers, but also those that can be used to render them. There will be a model that includes digital marketing elements that impact on consumers, and they are a key element for any organization.*

**Key words:** relational marketing, client's loyalty, customer retention, customer attraction

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### 1. Introduction

Relational marketing is based on retaining customer loyalty by developing and sustaining relationships generated by interconnected business requirements.

It applies to both the intermediate consumer and the final consumer, and consists of a change of optics in which customer satisfaction becomes a priority and condition the existence of both the manufacturer and the seller, with emphasis on quality and superior service.

The objective of the organization is to target different customer segments, the proper development of distribution channels, and the reduction of intermediate costs in order to optimize financial performance.

Mainly, relational marketing refers to knowing the real economic, emotional and moral demands of clients, and trying to satisfy them in terms of profitability.

Effective marketing activities must have a positive impact on customer relationships. Developing personalized offer strategies creates a customer culture, improved product and service quality and, last but not least, an increase in profitability.

The key to success in any kind of relationship marketing is the customer's psychological sensitivity. While direct marketing focuses on product features and benefits, relational marketing focuses on the emotional rewards that will be acquired by the customer. It refers to the understanding of the client's needs as well as the circumstances that may be associated with products and services capable of being adapted to specific customer situations.

The client becomes a basic piece for companies at the moment, focusing on the individual himself and on meeting his requirements. Thus, this paper aims to determine the means by which a firm can attract new clients to grow on as many plans as possible. Maintaining a close relationship with customers is now a primordial aspect that requires continuous attention from the company.

Another element presented is consumer retention and how it can be achieved. On the basis of attracting and retaining consumers, we propose a marketing model consisting of strategies that aim to loyalty and to strengthen the relationship with customers.

## **2. Current theoretical background**

Luu (2018) has conducted a study to evaluate the link between the marketing programs developed by suppliers on dyadic opinions of relationship value. He reached the conclusion that a high investment in financial programs for long-term relationships is not recommended because these are less viable in expanding creation of relationship value esteem as a relationship ages.

Felix (2017) developed through an approach based on theory, a strategic framework which encapsulates four dimensions of marketing using social media for positioning a company taking into consideration the its targets and aim.

After applying a survey, a conceptual model for social media was designed by Ramanathan (2017) to evoke the fulfilment of retail customer following their reviews.

According to Shin (2017), the impact of corporate sustainable management activities (CSMA) on customer relationship has become an important concern for companies. Therefore, in his paper it is analysed the impact of CSMA on three aspects: the satisfaction of customers (CS), word of mouth intention (WOMI) and repurchase intention (RO), reaching the conclusion that in order to obtain CS which influences WOMI and RI, a company should focus on the environmental and economic CSMA.

Another research to see if marketing strategy has effects on customer loyalty is made by Oly (2007) using a questionnaire which had the aim to test four key elements: trust, commitment, communication, conflict handling and the answers were interpreted by a regression analysis. The four factors have a noteworthy impact and anticipate a decent extent of the change in client devotion.

Ngobo (2017), determines through a series of methods, that customer's loyalty can be classified in no loyalty, latent loyalty and true loyalty. The conclusion outlines that marketing actions combined with other factors impact customer changeover across loyalty conditions.

Client loyalty also represents a concern for Hannan (2017), which has the target to develop a model that connects customer satisfaction, trust, information sharing and loyalty.

The aftereffects of Wiedmann (2018) examination bolster the supposition that multisensory marketing is a critical factor to build up mark encounters after applying an empirical study in a luxury service industry.

The relationship quality it is discussed by Rose (2018) related to state-of-the-art customer relationship research and customer relationship marketing. The centre of his study is on the connexion between buyer and seller marketing elements like types, dimensions and determinants.

Kasemap (2018) debates the importance of customer relationship management (CRM) in order to determine the value of clients and to understand their behaviour, which helps the company to improve its performance and obtain competitive advantage in current business.

## **3. A relational marketing perspective on customer engagement and retention**

Customer loyalty is a basic element of relational marketing. In recent years, customers are seen as "long-term" assets of the business and not just buyers outside the organization. Companies realize that it is much simpler and cheaper to have loyal customers than to attract new ones, so they focus on establishing long-term relationships and discovering which customers are value-added. Customer loyalty is gaining effort, but it can be relatively easy to lose.

An organization cannot maintain in its portfolio absolutely all clients. Some people disappear from the portfolio for reasons such as moving to another area or the death of individuals, bankruptcy of organizations, etc.

Total customer retention is not possible. In fact, it is not profitable either. There are situations where the supplier organization finds that certain clients generate losses, not profits, or situations where maintaining a relationship with an unprofitable customer is not even justified by the achievement of strategic objectives of the provider.

Under these circumstances, it is preferable to give up those clients by resorting to specific strategies.

The table below contains methods to perform these two actions represented by the attraction and retention of the clients.

Table no. 1 Methods to attract and retain customers

Attracting customers	Customer retention
The appearance of the organization on the market and the start of its activity	Rising prices
Achieving offensive targets to substantially increase market share or increase market coverage	The disassembly of supply in constituent parts, which allows the establishment of new price levels
Capitalizing on the opportunities offered by the upward trend in demand for a particular market segment	Redesigning the product to reduce its attractiveness to unprofitable customers
Client's replacement in the portfolio of an organization which is currently losing them	Avoiding marketing campaigns with audience's unprofitable clients
Recovery of the organization after the loss of a large number of clients	The use of telephone or Internet communication channels instead of sales agents or sales consultants moving to the customer and resulting in higher costs
Identifying new major customers, generating an up-to-date return on profits over a longer supplier relationship than associated with current portfolio customers.	Diminishing human, time, material and financial resources, allotted to serve and meet the demands and complaints of unprofitable clients.

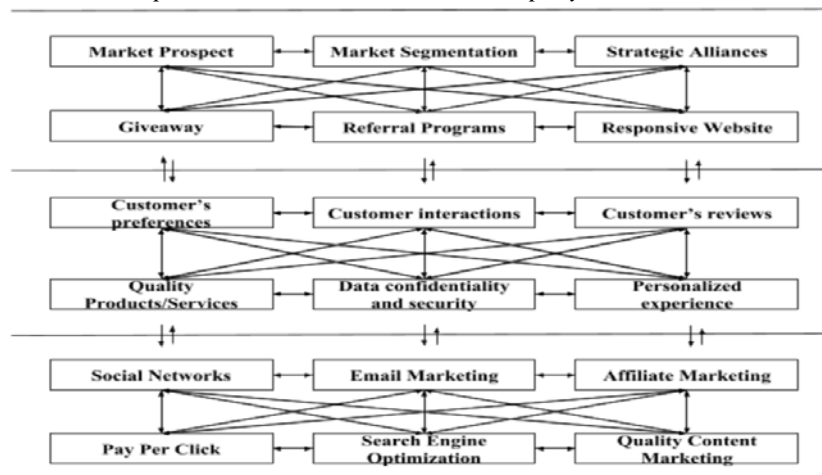
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#### 4. Proposed model for company-client relation

In order to identify potential customers, the organization has to carry out activities that are closely related to the consumer. It is proposed that the next model, which contains linked activities.

The model represented in Fig.1 is built by having the consumer as a central element. To reach them, a company must take into account bills such as the market, consumer requirements, the means of marketing through which customers are priced, the protection and satisfaction of existing customers. By meeting customer expectations and building a long-term relationship with them, a company can turn them into loyal customers and develop their products / services according to the demands received as feedback from consumers.

Figure no. 1. Model to improve the relation between the company and its customers



Market Prospect represents a systematic and thorough examination of a market, using certain investigative methods and techniques, in order to obtain relevant information about the studied market. Market prospecting is the first step in the sales process. For this reason, it is not difficult to understand that the efficiency of future business depends largely on the quality of this first step called market prospecting. Market Review allows to first come in contact with prospects, without which a company could not complete any sales. This is correlated with market segmentation. Rather than trying to compete with a whole market, sometimes against a superior competitor, each company needs to identify market segments that it can best serve and with the highest profit.

A company can attract new customers by developing strategic alliances: niche alliances, aimed at giving partners access to their own customer portfolio. Another method is known under the name of giveaway and consist in a well-organized contest on the company' site. Thus, some of the visitors, in addition to going to the competition and appreciating the work they offer, will also visit other pages and get to know your site better.

By using referral programs, other people can bring customers to an organization, in exchange for a percentage of sales or for an established reward.

In a modern era where, before customers start a collaboration with a company, they search the Internet for as much detail as possible, thus a responsive website becomes essential in attracting new customers and it can be accessed from any type of device that has a network connection.

Today, the client is the central element of any organization. Companies are collecting and interpreting data about customers' past purchases and behaviors is a central part of adapting their experience when they are on site to determine their preferences. Interaction with customers is a key factor for a company to survive because customers want to feel appreciated and respected. In order to meet the expectations and needs of customers, companies need to identify and understand them. The customer opinion is taken into account and they are able to give reviews to products and services. These reviews determine the brand's reputation in the online environment and influence the behavior of consumers towards the company's products and services.

The products or services are the image of the company and, depending on how customers perceive their quality, they make a difference between the suppliers of products / services. Product quality determines the consumer's experience, which in turn influences the company's revenue. Thus, the products and services offered by a company are the main source of income.

The purpose of these security tools is to maintain safety and protect users from unauthorized processing of their data. Privacy is the one that assures users of a platform processing personal data that none of these data will be disclosed to third parties unless they agree. Personal data security refers to the method by which economic operators guarantee and at the same time prove that the data they process will not be accessed by third parties. Confidentiality and security are therefore two concepts that are somewhat of a symbiosis, and they cannot exist without one another.

Introducing customers of the products they want every time they visit the site - as well as offering helpful and targeted suggestions and promotions - will inspire loyalty and assure them a personalized experience.

Social networks have enabled this prosumer not only to produce information but to share it very quickly with a large number of other Internet users. This user-generated information includes, of course, consumer opinions about products and services. We depend on the online environment and we use it more and more, and we cannot work online without at least one email address. Email is not just a tool, it is an important part of our lives, many people check their emails once or more times a day, and with the expansion of smartphones, e-mail has become instant. When people receive an email, they can read it and respond immediately. For marketing this means opportunity. The close relationship that many people have with their inbox is a great asset to marketing as a practice.

Affiliate marketing is a performance-based paid promotion method where the advertiser pays strictly the actions of his clients attracted to his site via an affiliate. This is considered to be one of the most effective ways to increase online sales, but is little known and frustrated in the Romanian online environment. Another method of digital marketing that a company should use to attract customers are represented by Pay Per Click and Search Engine Optimization. Also, the content is very important and must be well composed in order to have quality. All of the above elements, which are gathered in the model proposed are linked between them and together are aiming to

assure a professional relation between a company any clients. Through this model a relational marketing is built in order to improve a company development.

## 5. Conclusion and further research

In conclusion, the relational marketing is growing more and now every company tries to give it a significant importance. The customer has become the centerpiece in building a product / service and in the evolution of a company on the market. A client is an individual entity, not just a turnover, and meeting their requirements and needs requires continuous attention. Marketing departments focus their strategies to succeed in attracting as many consumers as possible and through the information they provide to keep them on the long run. This article discusses two essential elements in relational marketing, namely client attraction and customer retention. A conceptual model has been proposed that includes product development, marketing strategies, consumer interaction as well as the links between them. Each element is related to the others, thus providing an ecosystem of relational marketing. It is desirable in future research to draw up a questionnaire to determine to what extent companies use at least some of the elements of the model and which are the preferred ones. As a result of that statistical analysis, the model will be implemented within a company and its evolution will be monitored through tests to see what percentage it is helping to evolve.

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