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RELATIONSHIP MARKETING IN BUSINESS

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Business or entrepreneurship depends on marketing activities to ensure their business is sustained and lasting. Marketing activities such as buying and selling required the buyer and seller to have a relationship. Relationships between buyers and sellers have existed since humans began trading goods and services (Wilson, 1995). Parvatiyar and Sheth (2000) observe that relationship marketing roots were in the pre-industrial age. Over the years, it has developed to be one of the most discussed marketing issues in today's competitive business world (Egan & Harker, 2005). Berry (1983) is the first author who proposed relationship marketing in the professional context. He defines it as attracting, maintaining and enhancing customer relationships in multi-service organizations. Copulsky and Wolf (1990) define relationship marketing as a construct that combines elements of general advertising, sales promotion and direct marketing in order to create more effective and efficient ways of reaching customers.

Grönroos (1990) defines relationship marketing as established, maintained, enhanced and commercialized relationships with customers and other partners, able to generate profit while meeting the objectives of the involved parties. Later in 1994, Grönroos introduced another definition which states relationship marketing is "the process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met. This is done by mutual giving and fulfilment of promises," (Grönroos, 1994). Interestingly, both definitions show that the key factor in assessing the potential relationship is the degree of personal interaction between buyer and seller / service provider based on a mutual exchange fulfillment of promises.

The growth of relationship marketing is based on the belief that relationship marketing efforts can build stronger customer relationships that will eventually lead to improvement in seller performance outcomes (Kim & Cha, 2002). Therefore, relationship marketing has been adopted in various disciplines and contexts. For each discipline and context, it carries different definitions. For example: Evans and Laskin (1994) regard relationship marketing as long-term alliances whereas Palmer and Bejou (1994) and Copulsky and Wolf (1990) treat it as focus ways to reach customers. Berry (1983) describes the term relationship marketing in service marketing as attracting, maintaining and enhancing customer relationships in multi-service organizations. According to Morgan and Hunt (1994) relationship marketing is the medium responsible for establishing, developing and maintaining successful relational exchanges. In fact, the work by Morgan and Hunt (1994) constitutes a major shift in marketing theory and practice. They developed a model of relationship marketing that conceptualized trust and relationship commitment as the key mediating variables to the development of long-term relationships.

Researchers on relationship marketing have addressed various topics such as how customers can benefit from building long-term relationships (Parasuraman et al., 1991); customer motivations for maintaining relationships (Sheth & Parvatiyar, 1995) and the role of relational bonds in the development of consumer relationships (Gwinner et al., 1998). In doing so, the concept of customer loyalty has always been the central intention of their analyses. As a result, much effort has been expended into trying to identify the antecedents of this loyalty (Hennig-Thurau et al., 2001).

The concept has also been adopted in many studies in various industries (for example banking (Liang & Wang, 2007), hospitality (Kim & Cha, 2002)), and many scholars have proposed several definitions to capture the nature of relationship marketing (Grönroos, 1995; Sheth & Parvatiyar, 1995). However, the best working definition for this study is the one presented by Grönroos (1994). Grönroos (1994) sees relationship marketing as " ..to identify and establish, maintain and enhance and when necessary, also to terminate relationships with customers and other shareholders, at a profit, so that the objectives of all parties involved are met, and this is done by a mutual exchange and fulfilment of promises." This definition has become very popular among researchers in the field, not only for its recognition of the need for the relationship to be rewarding to exchange parties, but also the life cycle of such a relationship. Certain relationships may be terminated if necessary.

As a conclusion, relationship marketing is important in maintaining the buyer seller relationship and when entrepreneurs equipped themselves with the knowledge of relationship marketing it can help the entrepreneurs in making their business prosper.

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