MAADHYAM 2018

Relationship Marketing in a New Economy
– It’s Time for De-programming

Your customer does not care how much you know until they know how much you care! -Damon Richards

Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and transactional sales.

Technology and accordingly consumer dynamics has changed the entire market structure. The market follows; Darwinism “Survival of the fittest”. Competition has become more intense because products are commoditized and consumer has lost the sense of differentiation. Therefore, marketing function today will have to muster courage to question the rules of the game relevant in the past. Broadly, in the context, the role of marketing effort is now directed to not only expanding the customer base but also nurturing relationship.

A relation is a mind-set; hence, a relationship includes more than mere exchanges. If a trusting relationship exists between two or more parties, transaction will inevitably occur. However, a relationship approach to marketing is also plagued with challenges arising out of dogmatic approach of marketing mix post WW-II era. When marketing is based on relationship and keeping customers is at least equally important as getting customers, new structures for planning, implementing and monitoring marketing and its effect are needed.
In relationship marketing, the firm cannot predetermine a set of marketing variables. Instead, depending upon the stage and nature of the relationship with any given existing or potential customer, it must use all resources and activities that make a desired marketing impact by creating value and enhancing satisfaction. Marketing cannot be organized as a separate organizational unit; rather a marketing consciousness must be developed organization-wide. Relationship marketing cannot be localized in the traditional marketing plans. Instead, a market orientation must be instilled in all plans and integrated through a market-oriented corporate plan as a governing relationship plan. If a firm is to take a relationship marketing approach many existing attitudes, behaviours, and structures will have to be rethought. Choice of customers to serve and decisions about how to serve them must be based on individual customer information files and other types of databases.

The roots of the old paradigm are very deep in the minds of most people, regardless of their positions. Hence, a new philosophical approach in which marketing is practically every employee’s business need to be cultured, and order should be “Relationship marketing is the rebirth of Marketing Paradigm”.
