Relationship marketing: Past, present, and future

Johanna Gummerus, Catharina von Koskull and Christian Kowalkowski

The self-archived postprint version of this journal article is available at Linköping University Institutional Repository (DiVA):
http://urn.kb.se/resolve?urn=urn:nbn:se:liu:diva-142215

N.B.: When citing this work, cite the original publication.

Original publication available at:
https://doi.org/10.1108/JSM-12-2016-0424

Copyright: Emerald
http://www.emeraldinsight.com/
Abstract

Purpose: In a time when relationships have become recognized as an integral part of contemporary marketing theory and practice, what role can the sub-discipline of relationship marketing play? The aim with this special issue is to critically assess the state of relationship marketing and call for new ideas to take the field forward.

Design/methodology/approach: We had an open call for papers with an original perspective and advanced thinking on relationship marketing, resulting in 50 originally submitted manuscripts that were subjected to double-blind review. Of these, this issue presents five articles. In addition, we invited well-renowned thought leaders who have contributed to theory development within relationship marketing. This issue starts with their four thoughtful, forward-orientated contributions.

Findings: Several thought-provoking reflections and research findings are presented that urge relationship marketing researchers to explore novel avenues for the future of this area. A prominent way forward may be looking for a common ground in relationship marketing thinking, assessing the extent to which the different literature streams add to marketing research and when they do not, and testing/deploying the learnings in new settings.

Research limitations/implications: This special issue does not address all areas of relationship marketing research. Potential areas for future relationship marketing research are identified.

Originality/value: To assess existent knowledge of relationship marketing is needed to take the field forward.

Keywords: Relationship marketing, service marketing, services marketing

Paper type: Viewpoint
Introduction

The rise of relationship marketing was closely linked to the growth of the service sector characterized by long-term customer relationships, focus on customer-firm interaction, and customer participation in service outcomes. Consequently, researchers suggested that relationship marketing would represent a paradigm shift in marketing (Berry, 1983; Grönroos 1994; Gummesson, 1997). Also other factors, such as the established linkages between customer loyalty and profitability, as well as the technological improvements in identifying and tracking customers, contributed to the growing interest in relationship marketing (Berry; 1995; Chenet, Dagger, and O'Sullivan, 2010, Palmer, Worthington and Dann, 2013; Sheth, 2002). Thus, relationship marketing represented a shift from transactional exchanges to relational ones (Dwyer et al., 1987; Morgan and Hunt, 1994) and from attracting customers to satisfying and maintaining them (Berry, 1995; Bitner, 1995), and at times, ending relationships (Grönroos, 1994; Halinen and Tähtinen, 2002). Similarly, researchers became increasingly interested not only in those factors that led to exchanges, but also in those that were maintaining relationships, such as relationship benefits (Hennig-Thurau, Gwinner and Gremler, 2002) relationship value (Ravald and Grönroos, 1996), trust, and commitment (Morgan and Hunt, 1994).

An issue perhaps less well acknowledged is the central role that relationship marketing played in paving the way to a networked view of value creation (see Morgan and Hunt, 1994), along with the Industrial Marketing and Purchasing (IMP) group (Håkansson and Snehota, 1989). Today, marketing acknowledges more than ever the existence of multiple relationships and networks of relationships between different actors (Gummesson, 2008; Ford et al., 2011; Lusch and Vargo, 2014; Maglio and Spohrer, 2008). This shift to the networked economy is partially due to new technologies, partially to the broader view on the phenomenon of relationships. Although also previous research has acknowledged the existence of relationships between customers (Baron and Harris, 2010; Martin and Pranter, 1989; Pitta and Fowler, 2005), among multiple stakeholders (Gummesson, 2008; Payne, Ballantyne and Christopher, 2005) and with objects such as brands (Fournier, 1998), technology has brought about new types of relationships that exist between things (e.g. the internet of things), and between humans and digital devices (e.g. cognitive computing such as IBM’s Watson ecosystem).

Similarly, the deeper understanding of the embeddedness of firms in complex (eco)systems, or markets, which has emerged both in marketing (Vargo and Lusch, 2011; Maglio and Spohrer, 2008) and in management literature (Jones, Hesterly, and Borgatti, 1997, see also Granovetter, 1985) has broadened the scope of relationship marketing. At the same time, the relationship marketing research has become fragmented into areas such as relationship communication (e.g. Balaji, Roy and Wei, 2016), relationship dynamics (Harmeling, Palmatier, Houston, Arnold, and Samaha, 2015; Hollman, Jarvis and Bitner, 2015; Zhang Watson, Palmatier, and Dant, 2016), negative aspects of close relationship (Anderson and Jap, 2005) and the role of relationships in relation to other key issues such as service recovery (Hur, Moon and Jun, 2016) and service interactions (Martin, 2016). In conclusion, the relationship marketing research has moved to subareas, whereas many of its baseline ideas, such as inter-dependency between actors, are taken for granted in marketing.
In a time when relationships have become recognized an integral part of contemporary marketing theory and practice, what role can the sub-discipline of relationship marketing play? Has relationship marketing accomplished its goal; can we remove the prefix ‘relationship’ from the concept and infuse it into general marketing? Or is there perhaps a continuous—or even increased—need to conduct novel marketing research with relationship as the central construct and develop theory that in a more fine-grained manner investigates different perspectives, practices, sub-topics, and themes? This special issue is an opening towards that end – to critically assess the state of relationship marketing and call for new ideas to take the field forward.

First, we present the Special Issue and briefly summarize each paper's contribution to present research. Thereafter, we will aim at synthesizing the results, and offer some suggestions for further research.

**Contributions in this special issue**

As guest editors, we invited articles with an original perspective and advanced thinking on relationship marketing. To present leading thought and practices on the topic, this special issue features five articles of the more than 50 originally submitted manuscripts. In addition, we invited well-renowned thought leaders who had contributed immensely to theory building and development within relationship marketing. This issue starts with their four thoughtful, forward-orientated contributions. While the discipline has become fragmented over the years, these relationship marketing scholars urge a new generation of marketing researchers to step forward and synthesize the divergent views and practices into an exhaustive theory of marketing.

In the first contribution, “Revitalizing relationship marketing”, Jagdish Sheth offers a personal reflection on the past, present, and future of relationship marketing. He reviews the forces that led to the remarkable growth of the discipline, which eventually changed the marketing paradigm—from a transactional to a relational perspective, and from a market share to a “share of wallet” purpose in marketing. Once becoming a global phenomenon, however, relationship marketing began to diverge rather than converge. To many, it became synonymous with CRM and database marketing. Despite various attempts, it did not evolve into a ‘mature’ theory (e.g., theory containing precise models that capture hypotheses generated by the same theory). To overcome the ‘identity crisis’ and revitalize the discipline, he suggests a path forward. Essentially, he proposes a shift on two dimensions: from “share of wallet” to “share of heart” as the objective and from “managing relationships” with customers to contractual or virtual “joint venturing” with customers as the process of relationship marketing. For each of the two shifts, he suggests three new areas of research and practice.

Next, Adrian Payne and Pennie Frow review the development of relationship marketing and identify three critical priorities for future research in their paper “Relationship marketing: looking backwards towards the future.” They briefly review the three broad approaches to relationship marketing (the Anglo-Australian, the Nordic School, and the North American approach) and distinguish between the concepts of relationship marketing, CRM, and customer management before highlighting key research priorities. First, they urge scholars to
broaden the role of relationship marketing to consider ecosystems. Ecosystem is a useful construct to make relationship marketing interdependencies more explicit. Second, they underline the need for firms to shift from a ‘value-in-exchange’ to a ‘value-in-use’ perspective when addressing customer relationships. While the latter perspective is becoming increasingly acknowledged among scholars and practitioners, we still lack understanding about how to create ongoing value-in-use in a ‘joint sphere of responsibility’ between stakeholders. Finally, more research should address the ‘dark side’ behaviour and dysfunctional process in relationship marketing, both from a service provider and customer perspective. Not only does this area need urgent attention by researchers; it also needs action by policymakers, regulators, industry bodies, and the companies themselves.

“From relationship marketing to total relationship marketing and beyond” by Evert Gummesson constitutes the third contribution. He provides a thought-provoking piece by emphasizing the need for more abstract, ‘grand’ theory in marketing by synthesizing relationship marketing and other disciplines, and by addressing complexity. Rather than focusing on (fragmented) quantitative survey research and hypothesis testing, which reduces rather than condensates reality, future focus should be on theory generation and complexity through rich case studies. He urges researchers to replace the positivist paradigm by the complexity paradigm from which mid-range theory (checklists, heuristics, etc.) can be derived and guide practical action. In an era with emphasis on stakeholder centricity, many-to-many networks, and systems theory, relationship marketing should not be treated as a special case of marketing but rather as a cornerstone of grand theory.

Following the call for mid-range theorizing, Rod Brodie explores how relationship marketing can become rejuvenated as a key domain for academic research. In his paper “Enhancing theory development in the domain of relationship marketing: how to avoid the danger of getting stuck in the middle”, Brodie provides new thinking about the application of mid-range theorizing processes to avoid ‘getting stuck in the middle’; that is, neither obtaining an adequate level of abstraction, nor being sufficiently based in real world context. He shows not only how a broader “transcending” network perspective can inform empirical research, but also how marketing practice can inform empirical research and theoretical knowledge. To overcome the danger of academia to be (even more) detached from and unable to keep pace with the fast-changing world of market and marketing practice, researchers need to draw on managers’ ‘theories in use.’ Practitioners and other stakeholders can play a vital role as collaborators in research processes and thus in theory development. If relationship marketing is to sustain its position within academic research, we need to theorize with them and not only about them.

The five competitive papers represent different areas of interest within relationship marketing. First of all, we will be zooming in on the customers. The paper by Mickelsson, "Running Is My Boyfriend": Consumers’ Relationships with Activities” offers a new way of understanding consumer behaviour. Whereas traditionally, service and relationship marketing has investigated how customers relate to providers or other customers, Mickelsson proposes that the consumers’ relations to their own recurring activities offer useful insights into consumer behaviour. Hence, consumers may relate to activities in the same manner as they do to brands, providers, other customers, or possessions, and accordingly, activities become
relatable objects. Understanding consumer-activity relations helps marketers reply to the question “how to help people cultivate their relationships with desired activities”, and hence, offer new ways to communicate with customers, innovate services and/or products, and strengthen relationships.

In “Examining the antecedents and consequences of gratitude”, Mortimer, Fazal-E-Hasan, Lings, and Neale study the interplay between perceived relationship investments, gratitude, cynicism and overall satisfaction. According to them, consumer gratitude is the main driver of satisfaction, and may hence indirectly explain relationship longevity. Furthermore, gratitude is positively influenced by reciprocity and perceived firm relationship investments and negatively by customer cynicism. Since gratitude mediates the effects of relationship investments, cynicism and reciprocity on satisfaction, it seems that customers need to feel grateful towards the firm to become satisfied, i.e. attribute positive emotional reactions to the benefits received from the relationship. By shedding light on the positive (gratitude, reciprocity, satisfaction) and negative (cynicism) emotional responses of customers towards firms, this paper offers a more fine-grained view on the interdependencies between emotions at different levels.

The study by Yiping Shuai, Chen and Xia, presented in the article “Why Are Customers Loyal in Sharing-Economy Services? A Relational Benefits Perspective” offers initial insight into why customers stay in peer-to-peer relationships in the sharing economy. Drawing on the relationship benefit perspective, the authors find that customers’ commitment in the sharing economy is driven by a somewhat different mix of relational benefits (in comparison to traditional firm-customer relationships), and to enhance customers’ commitment, peer service providers must focus on providing confidence benefits, social benefits, and safety benefits. Specifically, the study suggests that the new type of safety benefits plays a central role and has the largest effect on commitment. One of the reasons for the central role of safety, according to the authors, could be that service providers in the sharing economy lack the legitimization that a service provider in the traditional service industry has. Thus, peer service providers must ensure that customers do not worry about issues such as threat of danger, harm, or loss in the service relationship.

In the article entitled “The importance of CSR in forming customer-company identification and long term loyalty”, Huang, Cheng and Chen examine customer-company identification and how this phenomenon relates to customer loyalty in a business-to-customer context. In particular, they look into how service quality and customer perception of CSR influence customer-company identification (CCI) over time. Interestingly, their longitudinal study of restaurant customers reveals that, in the long-term, customer perception of CSR has a stronger effect on CCI than service quality. Perhaps then, service quality has become a hygiene factor and companies who want to keep their customers need to focus on other factors than providing good or even excellent service quality. In this regard, Huang, Cheng and Chen contribute with the insight that CSR can be an effective means to build customer-company relationships via enhancing customer company identification.

In the final contribution of this special issue, “Human’s relationship to nature: framing sustainable marketing”, Löbler broadens the scope of relationships and services by arguing
that service is not only a man-made phenomenon; it also exists in the natural world. Based on Hill’s (1977) definition of service, he extended the concept to other entities in nature and defines it as an ongoing process of exchange (transfer) and change (transformation) of resources to reduce or limit rising entropy of a transforming entity. Essentially, service is understood as an ongoing process of exchange and change—a form of coexistence—and sustainability is the ability to continue a defined behavior or process indefinitely. Furthermore, Löbber identifies four joint denominators of natural and man-made service. Linked to the concept of circular economy, he also discusses opportunities for sustainable marketing by shifting relationship focus from actors in business exchanges towards the flows of resources these actors handle as part of the ongoing service. These “resource journeys” may create new relationships between economic and social actors.

Future research

The path forward for relationship marketing is, according to the contributions from our experts, twofold: On the one hand, this path can take us towards a more holistic approach to relationship marketing, establishing a grand theory of relationship marketing or inspecting it on the market or ecosystem level. The current belief of firm-stakeholder relationships extends beyond dyadic relationships to market actors or institutions – hence, firms are linked to their environments, not only being dependent on them but also actively shaping them. On the other hand, the path could likewise involve us extending the limits of relationship marketing: inspecting relationships in evolving contexts, such as digital relations, or special and temporal objects, but also with more multifaceted research methods, in particular qualitative ones, or through the practitioner theories in use, practices, or capabilities needed for successful relationship marketing. Hence, a prominent way forward may be looking for a common ground in relationship marketing thinking, assessing the extent to which the different literature streams add to marketing research and when they do not, and testing/deploying the learnings in new settings.

Relationship marketing literature has predominantly focused on relationship maintenance, with less attention given to initiation and ending of the relationship (notably, much of literature does focus on how to sell more in the short term). Deeper investigations of whether differences in the initiation of relationships may effect their development and eventual process of defection are needed (Hollmann et al. 2015). For instance, would further knowledge about the parties’ initial expectations on the relationship provide predictive insights as to its development and eventual ending? While prior research has investigated the effects of negative incidents on relationships (Edvardsson et al., 2014; Roos and Gustafsson, 2011) we need more research on the long-term impact of positive and negative events on the affected relationship, and their interplay. It may also be of interest to study relationships that have gone bad: what are the commonalities in those across business areas, activities, and relationship types? In practice, many firms still seem to be much more interested in acquiring new customers than in maintaining them, giving preferential treatment to new customers, or for premium customers at the best, and building exit barriers. Hence, successful relationship nurturing strategies would be needed, in particular in network settings, where multiple parties
often influence customer relationships, but the customer only interacts with the end provider, or may end up being shuffled from one party to another. Unfortunately, many firms seem to fail in network management – the sharing responsibilities, roles, and remunerations across the network of actors.

For a long time, relationship marketing was relying on the thinking that relationships always include a win-win situation: For example, the definition of Grönroos (1994), which was by Harker (1999) promoted as the most befitting one, states that "relationship marketing is to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfilment of promises". However, relationships are not always characterized by harmony– as relationship marketing literature has acknowledged, power struggles and trust influence relationship outcomes (Morgan and Hunt, 1994), but this is not acknowledged by newer theoretical perspectives such as S-D logic (Lusch and Vargo, 2014), which highlights value co-creation (see Echeverri and Skålén, 2011 for a critical discussion). Surely, we need a conceptualization of relationships that entails also those cases where the parties may not benefit, and understanding the contingencies for this, beyond purely dyadic factors such as power or deception.

Furthermore, relationships have become an asset that can be evaluated indirectly through company stock values, or directly as sellable customer information or contact points. For example, about two-thirds of today's new cars have sensors and communications systems that send and receive data, offering potential for carmakers to find out more about how drivers use their vehicles (Sharman, 2015). Such data collection system can also lead to the creation of vast aggregations of data of customer behaviour that could be sold further. For example, Ian Robertson, board member of BMW, pointed out that advertisers would be interested in information generated automatically by the car, were they able to see "from the navigation system, they're about to pass a McDonald's, the car's been running for three hours and the child's probably hungry" (Sharman, 2015). This raises concerns about privacy, control, and the extent to which primary relationships can and should be capitalized on.

Finally, another area, or more specifically, type of relationships that would be interesting to learn more about, is the relationship between the researcher and those researched. To increase the societal impact of academic research, researchers need to engage directly with relevant stakeholders (see also Brodie, this issue). This engagement could take place both within the research process in the sense that new knowledge is co-created with relevant stakeholders, but also during the dissemination, utilization and validation of research results. However, at the same time, researchers need to keep a critical eye to this type of relationships and be aware of the ethical dilemmas this type of engagement can produce and how these dilemmas influence the research analysis and final results.
Acknowledgements

We first thank all authors for contributing their fine work to this special section. We also extend our warmest thanks to our skilled reviewer panel; without their assistance, we would not have been able to complete this special issue. Finally, we are grateful to the Editors of Journal of Services Marketing, Steve Baron and Rebekah Russell-Bennett, for supporting us and our special issue, “Relationship marketing in services: past or future?”.

References


