

## Customer Relationship Management

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### Current Issues in Relationship Marketing

- Self-service technologies / service separation.
- Service branding & building customer relationships.
- Impact of free-trade agreements [FTAs].
- The role of business-to-business [B2B] branding.
- Value co-creation & services.
- Customer experience (CX).
- All things digital & social media.
- Multi / Omni channel retailing.
- Retaining quality service employees.

### Building Customer Relationships

- Is a philosophy of doing business (Webster, 1992).
- Represents a strategic orientation that focuses on keeping current customers and improving relationships with them.
- Does not necessarily emphasize acquiring new customers.
- Is usually cheaper (for the firm) to keep existing customers rather than attracting new customers. This means:
- the focus should not be just on customer attraction but also on retention and enhancement of customer relationships.

Thus, defined a the process of **“attracting, maintaining, and enhancing customer relationships”** (Berry, 1983, p.54).

### Key Models Related to RM [examples]

- Shifting ‘axioms’ of marketing (Sheth & Parvatiyar, 1995).
- Transactional verses Relational Customers (Egan, 2011).
- Relational Continuum Model (Webster, 1992).
- Relationship Development Model (Zeithaml et al., 2013).
- Relationship Stages Model (Wilson, 1995).
- Expanding Relationship Model (Dwywr, Schurr & Oh, 1987).
- Trust-Commitment KMV Model (Morgan & Hunt, 1994).

### Nature of Quality Customer Relationships

#### TWO QUESTIONS ARISE FOR MARKETING PROFESSIONALS:

(1) Are quality relationships important?

- Yes, most definitely!!!

(2) What is a good quality customer relationship?

- Elevated customer satisfaction, trust & commitment.

Since customers need to be satisfied, have trust & commitment in the provider, these underpin much RM research.

### Relationship Challenges

- The customer is NOT always right.
- Not all customers are good relationship customers:
  - x wrong segment
  - x not profitable in the long term
  - x difficult customers
- Should firms consider getting rid of some customers?
- What about the changing firm-customer “interface” due to technology and self-service technologies (SSTs). Does that have consequences?