RELATIONSHIP MARKETING MANAGEMENT:
THE INTERNAL AND EXTERNAL MARKET DIMENSIONS
IN MARKETING PLANNING

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BIOGRAPHY

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KEY WORDS

Value exchange, exchange relationships, strategy formation, internal marketing, supply chain.
ABSTRACT

Relationship Marketing is an emergent disciplinary framework for creating, developing and sustaining exchanges of value, between the parties involved, whereby exchange relationships evolve to provide continuous and stable links in the supply chain. This paper highlights the role of internal marketing and the complexity of the web of social interaction that is directed towards successful external economic exchanges. Further, it argues for a shift in market planning orientation away from financial resource decisions (the traditional marketing "mix"). This involves designing a way forward which seeks collaborative and competitive advantage in managing the dynamic tension between value propositions (benefits) offered, building trust and reducing costs.
Introduction

Relationship Marketing is a field of practice with as yet many emergent forms. In many ways, what Relationship Marketing offers is not "new" theoretical forms, but a broader synthesis of key ideas in marketing and management, a new robust "design" for the turbulent 1990s.

The author has defined Relationship Marketing as an "emergent disciplinary framework for creating, developing and sustaining exchanges of value, between the parties involved, whereby exchange relationships evolve to provide continuous and stable links in the supply chain (Ballantyne 1994).

This paper explores the difficulty of moving from concept to managerial practice and marketing planning, by highlighting the complexity of the web of social interaction that is directed towards successful economic exchanges. Further, it argues for a shift in the primary strategic orientation away from short term resource allocations (the traditional marketing "mix"). This in turn involves designing a way forward which seeks advantage in reconciling the parallel possibilities of improving the value propositions (benefits) offered, building mutual trust and reducing shared costs between a firm and its exchange partners and other key external parties. Finally, it introduces the concept of the "relationship rubric" as an heuristic device (an attention directing framework) for achieving this strategic synthesis.
Parallel Possibilities

De Bono (1994) has used the phrase "designing a way forward from a field of parallel possibilities" to indicate a solution seeking approach to problems where new collaborative thinking is required. The aim is to reconcile underlying value-based contradictions and to design a way forward rather than stay fixed on one possible action to the detriment of all others. Parallel possibilities compete only when their underlying value-bases are seen as absolute ways to go instead of as relative "possibilities" for achieving a common purpose. The idea proposed in this paper, is not to find a new theory for marketing but to try to reconcile some of the parallel possibilities in marketing planning and so enhance the practice of Relationship Marketing.

No socio-economic theory of marketing can easily exclude the possibility of alternative points of view. Certainly, in marketing, exchange theory dominates the literature (see among others, Alderson 1957; Bagozzi 1975, 1979; Kotler 1984). However, as Houston and Gassenheimer point out (1987, p.3):

We have yet to decide whether marketing theory and exchange theory are synonymous, or if marketing theory is a subset of exchange theory, or if exchange theory is the pattern for a parallel but distinct conceptualisation.
Many alternatives are possible, but following Weber, they are of use only if they contribute methodologically to "laying bare and solving substantive problems" (Weber, 1949, p. 116). The belief that we have a discipline at all called "marketing" is sustained not by the evidence of its subject matter but by its usefulness. In a similar vein, Popper (1962, p.67) has said that:

We are not students of subject matter but students of problems. And problems may cut right across the borders of any subject matter or discipline.

If marketing is primarily the discipline of value exchange behaviour, then the point of view adopted here is that it must be located within a broader web of social interactions, otherwise the social and economic aspects of exchange become distorted, and the value of the one will not be seen as contributing to the other. Coughlin has referred to this socio-economic divide in the context of a study of human motives as "the problem of missing variables" (Coughlin 1991, pp. 36-37).

There is a tendency in mainstream marketing literature to separate social and economic behaviours as binary opposites, as though they were disconnected. Relationship Marketing, as an emerging discipline and practice needs to stay alert to this great and difficult divide. For this reason systems theory is (re) affirmed, as a meta-theoretical framework for marketing, explicitly for the socio-economic insights it can offer to Relationship Marketing.

Systems Theory Revisited
Systems Theory is concerned with relationships, structure and interdependence, when applied to the understanding of any total entity (organism, or organisation by extension). The idea is that the whole entity is recognised as something more than the sum of its parts, in the sense that the properties and relations of the parts are determined by the whole. Systems thinking has recently been "re-discovered" and applied to managerial problem solving by Peter Senge in his book, *The Fifth Discipline* (Senge 1990). However, its roots may be found in pre-Platonic philosophical discourse.

In the modern sense, General Systems Theory has provided a system of empirical enquiry in quite diverse disciplines from biology (von Bertalanffy 1950) to gestalt psychology (Koffka 1935) and from organisational theory (Emery and Trist 1965, Katz and Kahn 1966) to organisational learning (Argyris and Schon 1978). It has also been applied before to marketing (Fisk 1967) but this seems to have been overlooked today in mainstream marketing. Also, there have been close but seldom explicit parallels between general systems concepts and the basic frames of reference applied in network/interaction marketing, the ongoing research agenda of the Industrial Marketing and Purchasing Group (see for example, Ford 1990).

The first key concept in organisational systems thinking (see for example, Katz and Kahn 1966) is *boundaries*, which set limits to the differentiation of the system and prescribe the conditions for organisational exchanges. What is outside the borders is outside the
organisational domain. However, organisational systems may be relatively "closed" or "open". Closed systems have impenetrable boundaries. Nothing much comes in or goes out, creating organisational "black holes"! Such systems direct their energies inward and move to disorder and eventually achieve failure (entropy). Open systems, in contrast, exchange inputs for outputs beyond their permeable boundaries, and receive information (feedback) which reactivates the cycle. Open systems tend to move to greater differentiation of outputs.

Open boundaries pull and push marketing management towards extremes. On the one hand, there is the possible risk of implosion of the marketing function, where energies and expertise in advertising and research become valued above all else (see for example, Bennett and Cooper 1981, pp. 51-61). In deregulated, global market conditions this is a retreat behind the walls. This brings with it the risk of loss of market (entropy) or at best, a partial closure to a "focus" positioning (an adaptive response).

On the other hand, technology deployment, quality management and product development may promise a way to high rewards in open markets but not without risks. In this context, establishing deeper relationships with key customers and suppliers can be understood as risk minimising strategies, strategies for staying alive by staying "open". In this sense, exchange relationships are living systems.

What is not well understood is that open systems create higher levels of organisational complexity within boundaries. This immediately points up inadequacies in the traditional
marketing tool box and the need for new and more diversified marketing skills, particularly in
the border zones where buyer behaviour and organisational behaviour meet. It is at the
borders, both internal and external, where marketing can most legitimately operate. This
point shall be taken up again later.

The second key concept is hierarchy, which means that any organisational system may
logically be analysed into sub-systems which differentiate its internal activities into vertically
structured patterns. Also, an organisation is always part of a larger external system (the most
general representation of which is the "environment"). It should not be assumed that this
means there will be one best way for the alignment of an organisation's departmental
structures. When organisational boundaries are permeable, there are a number of possibilities
for extending the structural configuration between the internal and the external environments.

Organisation is a matter of hierarchical (structural) choices (Williamson 1975). Exchange
relationships start with individuals within and across sub-systems, extending between
organisations as dyads of buyers and suppliers, and at the meta-system level, as strategic
alliances and network organisations (Webster 1992, pp. 1-17). This continuum of "ideal
typical" hierarchical possibilities, if pushed to vertical limits, subsumes organisations in
vertical integration (see figure 1). At the other end of the continuum, every single open
market transaction is also an exchange relationship, obviously of a very short term kind
(Webster 1992, p.6). In marketing terms, no matter what hierarchical (structural) position
applies, relationships are created, sustained or lost by the value exchanged between the parties and by the accompanying degree of commitment between the parties.

The third key concept in systems thinking is equifinality. When applied to marketing, this suggests that the goals desired by an organisation might be reached flexibly and by a variety of paths. However, in an open system this means that the structures that support the causal links between inputs, processes and outputs are likely to need correction more or less continuously. It follows that marketing action plans need to be driven cross-functionally by whatever leadership strengths and adaptive processes exist, in response to emerging possibilities, as much as by top-down "logical rational" strategic agendas derived from conventional marketing planning (Piercy and Giles 1990, pp. 27-37). This is no more than what is recognised in practice but less clearly legitimised in strategic planning theory (Mintzberg 1994, pp. 25-27).

**Functional Silos**

Given a systemic view of organisation, it cannot be presumed that a functional independence between various internal parts of the organisation is sustainable, or even desirable. This is especially important when marketing, of necessity, must attempt to create new border crossing path-to-goal solutions to external problems.
If emergent opportunities arising from open market conditions are not to be overlooked or stifled, and if plans are not to be blocked internally, then marketing management must legitimise a direct role for itself in facilitating exchange relationships at the borders, adopting a consultative role inside the organisation and breaking open the "functional silos", with the aim of integrating rival market logics. From this border perspective it may begin again to design a way forward, acting as a bridge between an organisation's outer and inner worlds. McKenna, for example (1991, p.68), foreshadows the development of a kind of marketing,

that finds a way to integrate the customer into the company...not to manipulate (but) ...as a participant in the development and adaptation of goods and services.

It might at this point be argued that marketing exchanges are economic in purpose and so any relational elements, however keenly felt, are outside its domain. This would be an extreme neo-classical position and an inversion of marketing realities. As Haire, Bradmore and Chan have said, "marketing is a system of social exchanges with economic consequences" (1994).

In neo-classical economic theory, which resonates through much of mainstream marketing, the social/economic actors are connected to each other only through monetary exchanges in the market. Add to this the idea that perfect knowledge is positively presumed and it follows that the role of legitimate power and influence in organisations is overlooked or ignored. Likewise, trust and social bonds between trading partners are ignored. Thus the neo-classical
market, at its most simplistic level, is analysed independently of social exchanges, guided by Adam Smith's "invisible hand" of rational competition. Perhaps this might be tenable as a base line for marketing if economic institutions, beliefs and social values were stable, but they are clearly not in the 1990s.

Pervasive neo-classical thinking, transported to the marketing environment, has influenced the growth of a strong prescription orientation in marketing literature. The presumption of perfect knowledge has also tended to legitimise the internal gap between marketing philosophy and marketing as a function, with ill effects. For example, in executive decision making, it becomes entirely "rational" to consider the whole organisation to be no more than the sum of its parts, each part contributing to the whole. Whether this orientation is likely to be effective in turbulent markets is entirely another matter. As Piercy has commented in relation to "rational" management decision making (1990, p.24),

this approach is characterised by the existence of a number of discrete decision areas, defined by formalised frameworks, using information collected and analysed through a set of accepted scientific techniques.

We return to the problem of perfect knowledge later in reference to strategy and marketing planning. Of course, power and influence are not overlooked in marketing literature (ibid, pp. 24-42, for example). Marketing is nothing if not a synthetic theory, but is the whole to be considered no more than the sum of its parts?
Spaces between Places

Marketing has reached an impasse. There is a renewed debate about past and future directions (Baker 1993, pp. 215-216) and the connection between the role of marketing and strategic management in the modern organisation (Lynch 1994, pp. 527-542). All the signposts indicate a need for an affirmation of direction.

Is the way forward for marketing as an all embracing philosophy of action or as a specialist organising function? The first emphasises the marketing concept by which market orientation is said to be translated into action. The second emphasises those organisational activities which are legitimately controlled by marketing as a function. The first is necessarily multi-functional in scope and the second is not (Hooley, Lynch and Shepherd 1990, pp. 7-23).

This is an issue made critical by the times. In global, turbulent, economically rationalised markets, the functional rigidity of traditional legal/rational organisational structures works against the success of the former and ensures the impotency of the latter. To re-interpret McKenna (1991, pp. 65-79), marketing is not everything (not everything is or should be functional marketing activity) but everything is marketing (because outcomes are designed for and delivered to the markets).
There is at least one other way forward and that is to re-affirm and legitimise a cross-functional responsibility for marketing. This is not an opportunity to seize command but a collaborative relationship-based responsibility for translating market orientation into action across functional borders.

Any new collaborative role for marketing gives support and legitimacy to the growing body of literature on internal marketing. There has been a movement forward from formulations emphasising internal communications and the need for customer conscious employees (Gronroos 1981, p. 237), to considering employees as internal customers and jobs as internal products (Berry 1981), to developing a new corporate culture (Gummesson 1987, pp. 23-28). More recently, attempts to operationalise the concept have been reported, by setting up a management process for creating and maintaining a service orientation among employees (Gronroos 1990, pp. 221-239), applying external marketing principles to internal markets (Piercy and Morgan 1991, pp. 82-93) and the concept has been defined more broadly "as any form of marketing within an organisation which focuses attention on the internal activities that need to be changed in order that marketing plans may be implemented" (Christopher, Payne and Ballantyne 1991, p. 79). This broadened concept includes "code breaking", "border crossing" and "energising" activities (Ballantyne 1993).

Stir-fry Marketing
However, a new cross-functional responsibility for marketing does not fit well with marketing's almost obsessive and continuing commitment to the 4Ps as an organising principle (compare for example, McCarthy 1960; McCarthy and Perreault 1990). This modern marketing abstraction of Borden's original formulation of marketing mix elements (1965, pp. 386-397) has been criticised on the grounds of being too narrow a framework for services marketing (Booms and Bitner 1981), conceptually simplistic (Kent 1986, pp. 145-154), a production-oriented definition of marketing (Gronroos 1993), problematic in its implementation as a framework for competitive advantage (Robins 1994, pp. 10-15), and much too convenient as a pedagogical teaching tool which is essentially flawed (Haire, Bradmore and Chan 1994).

In essence, the 4Ps is an organising principle for decisions concerning financial resources. In practice, the range of resource decisions is limited by the scope of the marketing budget which in turn is the province of the marketing function. This encourages an over emphasis on those kinds of decisions concerning discrete marketing services activities like advertising and research which can be funded without the collaboration and commitment of people outside the marketing function. Marketing's 4Ps is a "stir-fry" recipe for making do with readily available budgets.

Cross-functional resource allocation decisions, to be fair, are far from simple. Here marketing finds itself in the domain of many-sided complexity, competing with the legitimate demands of other organisational actors. As marketing cannot control everything, decisions concerning
the allocation of marketing resources will be skewed to those activities that it can control. Thus, other market impacting decisions may be taken, in other functional domains, according to their budgetary criteria and departmental priorities.

Under these common organisational conditions, there is great difficulty moving from marketing strategy formulation to strategy implementation (Bonoma 1984, pp. 69-76). Certainly, the getting of customers may be enabled by decisions concerning the allocation of resources for buyer behaviour research, media communications, promotions, packaging, etc, but keeping customers involves delivering value which is largely outside the limited scope of marketing resources decisions.

Hence there is a broad general agreement in the emergent Relationship Marketing paradigm that keeping customers is as important as getting them in the first place. Given the choice, it is usually better to invest resources in the keeping rather than the getting (Payne and Rickard 1993). However, this presents a significant intellectual and political challenge, as the quality of the relationships outside the organisation are largely dependent on the relationships within it.

The Anglo-Australian Perspective

While there is at the present time a diversity of approaches to Relationship Marketing, one perspective, the Anglo-Australian, will now be examined. Other approaches include the
Nordic Services School (see for example Gronroos 1990, pp. 125-153), the Competing Through Quality services orientation (Berry and Parasuraman 1991, pp. 132-150), the Industrial Marketing and Purchasing Group (IMP) (see for example, Ford 1990 for an editorial review of the literature), a range of functional and structural business to business research orientations in the United States, as well as the traditional Chinese business practices embedded in personal "Guanxi" relationships.

In the Anglo-Australian perspective, turning transaction-based marketing into relationship-based marketing signals a radical shift in marketing practice involving firstly, a broader view of external markets and secondly, collaboration within internal (cross-functional) markets (Christopher, Payne and Ballantyne 1991, p. vii). For Christopher, Payne and Ballantyne, Relationship Marketing must work to bring customer service, quality management and marketing closer together in order to achieve total customer satisfaction and build long term relationships.

They argue that marketing should be concerned with building and sustaining exchange relationships between the focal organisation and its customers (and other external constituents such as suppliers, new employees, as well as sources of influence and referral such as government agencies and loyal customers). This they illustrate with their six markets model (ibid. pp. 20-30). Quality improvement and customer service are key linkages in achieving consistency and sustaining these relationships. They advocate strengthening these links by improving the internal capability and competency of systems and staff. Thus, a systemic
relationship is recognised between internal and external markets (ibid, pp. 118-119). The strategic intent is to provide unique value in chosen markets, sustainable over time (ibid, p. 4).

The gaps that emerge between marketing theory and its operationalisation are significant (see Figure 2). Furthermore, while quality improvement processes and customer improvement programs are now part of management orthodoxy, they seldom run parallel to the marketing function in strategic intent (Witcher 1990).

Under these conditions of misaligned effort, top management is often caught saying one thing and apparently doing another. Staff may well read such "mixed messages" (the dissonance between actions and words) as evidence that the organisation has no central guiding strategies, when this may be far from the truth. Organisational defensive routines thrive in conditions of uncertainty and may cause a serious block in communications because any such ambiguities that are present are effectively "undiscussable" (Argyris 1986, pp. 541-555). Sometimes, even the "undiscussability" is undiscussable! Why these organisational effects should occur is part of the internal behavioural dynamics but an a priori cause can be located in the marketing philosophy-marketing function divide, mentioned earlier.

**Marketing's "Lost Clusters"**

It has been argued that mainstream marketing is concerned with exchange transactions and that customer service and quality are key linkages in extending this concept to exchange
relationships. The challenge to the organisation is to bring these two managerial "lost clusters" into closer alignment with marketing.

**Customer service** has often been seen as "customer care", particularly in the UK. This is a limited and partial perspective. Following Gronroos, there are functional (interactive) aspects of service as well as technical outcomes which contribute to overall service quality and satisfaction (Gronroos 1984, pp. 38-40). Also, marketers often ignore the "part-time marketers" working at the boundaries whose job is to provide service to customers (Gummesson 1991).

The relationship between marketing and logistics management is fractured in most organisations. Marketers often distance themselves from logistical methodologies which contribute to customer service an information driven approach to getting the right product to the right place at the right time. Mainstream marketing gives lip-service to the broader concept of supply chain management. And yet, there is much to be gained from a discipline which is based on systems-wide concepts that link the focal organisation with the end consumer market on the one hand and "upstream" manufacturers and suppliers on the other (Christopher 1993).

The opportunities for realignment between marketing and logistics management centre on customer service on the one hand and cross-functional process management on the other, using new information systems technologies (Watson & Pitt 1992, pp. 10-17). Companies
can choose to merely respond to logistics requests of customers or seek out competitive advantages by individualising services for specific customer needs (Voorhees & Coppett, 1986, pp. 33-38).

The relevance of quality in marketing, as well as of customer service, also requires review. The traditional production concept of "conformance to specifications", has given way to a customer orientation of quality, that is, perceived quality. However, the goals of quality management (for example, TQM) imply an alignment of quality thinking across all functions. This focuses the scope of management on the total relationship between the firm and its customers, suppliers and other key markets, on an on-going basis. Marketing has been slow to recognise the significance of this.

As Hooley points out (1993, p. 317), the evolution of thought and practice in quality has come primarily from the manufacturing and operations functions. Certainly the gurus of quality have come from the production and operations disciplines (Crosby, 1979; Deming, 1982; Imai, 1986; Juran, 1989; and Oakland, 1989.)

The discipline of quality management is not surprisingly biased towards systems and processes and their performance improvement. While the over-arching goal is to consistently meet customer requirements, this process orientation is often very tenuously linked to customer expectation and strategies for building a loyal customer base. In most organisations, quality has come to be viewed by marketers as primarily a manufacturing or engineering
responsibility (Morgan and Piercy 1992, p. 113), without the active involvement of marketing managers or rigorous market research (Witcher 1990, pp. 1-6). The opportunity for the improvement of both quality and marketing is in the collaboration between the two functions, building upon a shared market orientation (Ballantyne, Christopher & Payne 1995, 7-24).

In essence, quality, customer service and marketing are relationship building activities that must be brought into closer alignment. Mainstream marketing is unaware of the possibilities. These are indeed marketing's "lost clusters". Decisions taken within the "functional silos" are unlikely to produce such an alignment unless there are structures in place to support emerging plans so that they form part of a unified marketing strategy.

**Strategy Formation and Implementation**

The sub-text of the argument so far has been concerned with marketing's role, indeed marketing's future, in turbulent open system conditions. Marketing could, for example, retreat to the safety of providing specialist consulting services to management, as mentioned earlier. Relationship Marketing on the other hand is a role challenge within organisations and to the available data-base technologies which are needed to support the shift in activity from managing short term transactions to long term relationships.

If, as it seems, marketing is a synthetic theory, then designing a way forward is a matter of being aware of marketing's underlying theoretical bases and the particular perspective that is
being brought to bear in the particular situation and context. Much emphasis has been given to open systems thinking in the marketing context because it explains the relevance of boundaries, hierarchies and possible multiple paths for any given goal in organisational life in a way that connects with marketing as a function and as a philosophy. In essence, the theoretical first principles argued here for Relationship Marketing are grounded in socio-economic exchange, within an open systems context.

To retain the advantage of this broadened perspective and yet give direction to marketing planning requires a frame of reference which aims at synthesis in its strict sense. This does not seem to exist in the strategic planning or marketing literature, which gives emphasis to analysis, and sub-analysis of analysis! As a result, in much of the popular practitioner oriented literature, "Relationship Marketing" is presented as a sub-set of traditional marketing which manifests itself as loyalty programs, incentive marketing programs, taking clients to lunch, and more significantly but still inappropriately, as data base or direct response marketing (Rapp 1993).

Relationship Marketing, defined and described in this paper as a meta concept, forces us to turn again to ask what is the "proper" way of going about making strategy, with all the inherent risks of overly prescriptive models on the one hand and non-actionable descriptive formulations on the other (Mintzberg 1990). Mintzberg has also pointed out that the literature of strategic planning has tended to confuse decision making with strategy making by assuming that the latter must involve the selection of a single course of action at one point in
time (Mintzberg 1994, p.12). The discussion earlier in this paper concerning marketing's use of the 4Ps as a decision making framework is thus part of the strategy setting problem.

In Relationship Marketing, what is needed is an iterative process for strategy formation and implementation, rather than discontinuous planning at various points in time. So long as the intended focus is towards adding value for both parties in exchange, then the creation of those strategies is unlikely to be wholly contained within the usual episodically planned review. This is because recognition must be given to the problem of imperfect information and to opportunities that emerge from the relationship itself. These Mintzberg would call emergent strategies. In the context of Relational Marketing, emergent strategies should not be de-valued or deflected away from the formal "rational" planning processes, as they may represent the best opportunities for bilateral value development available to the partners.

Formal rational planning approaches by definition tend to separate the formulation of strategy from its implementation. There is a strong possibility that emergent strategies, fuzzy possibilities and opportunities which arise out of the relationship itself, may not be captured by the analytical techniques of formal planning. Therefore, an attention directing framework, to use a de Bono term (1994, p. 89), is proposed for introduction into the strategy formation process to encourage, firstly, a more developmental approach and, secondly, the synthesis of a broader range of possibilities emerging from business actions and events.

The Relationship Rubric
The pattern breaking framework which is proposed is referred to as a relationship rubric. It has three developmental bases (see Figure 3). Within this rubric there is a tension of apparently opposing priorities but it is by creating a framework for focussing discussion and collaboration that exchange relationships can be progressed. The aim is to achieve and improve exchange value in terms of

- reciprocal benefits,
- mutual trust, and
- shared costs,

in any given structural context.

These developmental bases offer broad guidelines for strategy development without impinging on the planning process itself. Strategies may be planned but they may also emerge. Both are acceptable. The relationship rubric does not restrict the form of strategy development this sense.

Simply, what is formed within the rubric as the strategic intent of an exchange relationship is an increase in mutual trust, an increase in delivered benefits and a reduction in shared costs, given a particular relational structure (for structural types, derived from Webster (1992, pp.1-17), see Figure 1).
The rubric permits a variety of strategic choices but it is the attempt to build value exchanges by focusing on all three developmental priorities together that creates a dynamic tension of new possibilities and a suitable climate for recognising the worth of emergent strategies. In the final analysis, achieving synergy between many choices leads to sustainable competitive advantage. Many organisations sporadically improve benefits, reduce costs and improve trust between customers and themselves, but designing a way forward on all three bases is the essence of synergy and unique value.

It could be argued that the relationship rubric will achieve prescriptive planning, has insufficient empirical backing, and ultimately limits flexibility of action. However, each developmental base is an abstracted value from the literature that permits operationalisation with a variety of related definitions, policies and actions. This lack of rubric specificity can work to the advantage of marketers. The issue is not, for example, whether "commitment" would be a more appropriate term than "trust", a very subjective variable, but whether the overall strategic positioning and policies in action are appropriately connected. The principle of equifinality (many paths), discussed earlier, applies here.

If the relationship rubric is useful as an heuristic instrument then it is validated in its use. Its usefulness is related to context. Context in the relational rubric is recognised as supply/channel structure (see Figure 3). This means a range of structural possibilities as to
buyer/supply relationships, including network organisations and strategic alliances, as discussed earlier in this paper.

The relational rubric focuses marketing planning attention on the socio-economic issues that are both the cause of an exchange relationship and its outcomes, and provides space in the formal planning process for the synthesis of useful insights concerning the direction and alignment of thinking about planned and emergent strategies, their likely effectiveness, efficiency and overall coherence.

Conclusions

Exchange relations must be built on the consideration of future value. This requires a value judgement from the parties involved concerning the expected symmetry of the benefits exchanged, an expansion of the basket of "goods" to include the emotional "good" of mutual trust, and investments toward reducing exchange costs.

This strategic orientation for Relationship Marketing demands a reconsideration of the marketing philosophy- marketing function divide. In arguing for this orientation, marketing will need to behave more cross-functionally, and more politically in the common interests of customers, staff and shareholders. This is an approach where internal marketing and other legitimate functional management interests must meet.
A relationship rubric is provided as an open framework for thinking out, describing and assessing the commonality of purpose and value of Relationship Marketing strategies. Its most formal use is as a focus for synthesis in the marketing planning process, and as developmental guide for building business in an environment which more and more has the characteristics of an open system.

Any interpretive ambiguities in the use of the model need not be seen as methodological problems but as an opportunity for the interplay of analysis and synthesis, with the aim of reducing shared costs, improving mutual trust and ensuring reciprocal exchange benefits for relationship partners.

In this matter, the author follows the guidance of Max Weber, who, always in his scientific work, took the view that concepts in the social sciences would never stand as final, exhaustive, or definitive accounts of complex reality but as logical simplifications, to be used as heuristic devices against which reality might be compared and measured (Jary and Jary 1991, p. 550).

In designing a way forward for Relationship Marketing, the relational rubric acts as an attention directing framework, as a cognitive pause in the strategic planning process for the alignment and synthesis of divergent and emergent plans, and as a space for reiteration and review of what has gone before and still might be.
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Figure 1: Relationship Marketing Continuum

<table>
<thead>
<tr>
<th>TRANSACTION FOCUS</th>
<th>RELATIONSHIPS FOCUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• orientation to single sales</td>
<td>• orientation to customer retention</td>
</tr>
<tr>
<td>• discontinuous customer contact</td>
<td>• continuous customer contact</td>
</tr>
<tr>
<td>• short time scale</td>
<td>• long time scale</td>
</tr>
<tr>
<td>• focus on exchange features</td>
<td>• focus on exchange benefits</td>
</tr>
<tr>
<td>• limited commitment to meeting customer expectations</td>
<td>• high commitment to meeting customer expectations</td>
</tr>
<tr>
<td>• little emphasis on customer service</td>
<td>• high customer service emphasis</td>
</tr>
<tr>
<td>• quality is the concern of production staff</td>
<td>• quality is the concern of all staff</td>
</tr>
</tbody>
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Figure 3: A Rubric for Relationship Marketing

Social Bonds

TRUST

Supply/Channel Structure

BENEFITS

Value Propositions

COSTS

Structural Bonds

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