

Concept of Relationship Marketing from Trio Perspective

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Abstract

Relationship marketing (RM) is one of the marketing concepts that connects between internal and external marketing with the aim of strengthening the relationships among employees and retaining customers. RM has been discussed in various perspective, and one of the perspectives is culture. However, the discussion on the culture has lacked in some perspectives covered specifically from an Islamic perspective. In fact, the RM concept implemented in Islamic business organizations. Therefore, this paper intends to identify the concept of RM from cultural perspectives namely Western, Oriental, and Islamic perspective and analyze the concept embedded in the three perspectives. The data collected in this study using document research with qualitative content analysis. The findings of the study indicated that the concept of relationship marketers varied from the three perspectives. Western and Oriental have similarity in the concept of RM while the Islamic perspective seems to have different in the concept.

Keywords: Relationship Marketing, Relationship Concept, Islamic Perspective, Western perspective, Oriental Perspective

1.0 Introduction

Business and marketing is connected to each other. The concept of marketing change according to trend depending on business types. One of the concept of marketing that has prominently implemented in business organizations is RM. RM (also known as concept of marketing in relationship approach) is one of the trending approaches that playing its roles in different context and conceptualizations. Begin in 1980s, the term of RM is introduced by Leonard L. Berry in the context of services organization. In reality, concept of RM is varied according to context and industry.

The pivotal keyword in RM is the word relationship. Relationships play important roles in the present marketing era. Regardless of creativity in marketing approach, the marketing plan for the company is still affected by relationships in three ways. First, it affects internal relationship when it influences how marketing personnel works with each other and with

other departments. Second, it affects external relationships when it influences how the company works with suppliers, distributors, and partners to achieve the objectives as planned. Third, it also affects external relationships when it influences the company's dealings with other stakeholders, including government regulators, the media, and the community as a whole (Kotler & Keller, 2012).

RM in the marketing discipline is recognized by academicians as well as marketing practitioners. For academic researchers, RM contributes in two ways. First, RM provides high potential of research with multidisciplinary nature of issues and it addresses a wide range of studies on services, distribution channels, brand management, quality, and customer loyalty. Another way is the research also involves other areas that are not the specific field of marketing because of the growing importance of information and communication technologies. Meanwhile for marketing practitioners, there are three ways of RM can contribute to development of the company. First, the process of benchmarking can be used in their business practice since there are number of RM research is based on case studies. Second, the multiple channels of interaction with customer have contributed to remarkable RM. Third, there are fields in RM that have become relevant for those who manage the relationship with customer and other stakeholders such as one-to-one marketing, viral marketing, social networks marketing, tribal marketing, sense marketing, and experiential marketing (Brito, 2011).

Numerous studies have been conducted to examine RM from various perspective. One of the perspectives is cultural which has received high attention of academic scholars. Thus, this paper intends to identify the concept of RM from cultural perspectives namely Western, Oriental, and Islamic perspective and analyze the concept embedded in the three perspectives. The methods used is document research and analyzed by using qualitative content analysis. Therefore, this paper is organized in three main sections namely concept of RM, discussion on RM in trio perspective and conclusion.

2.0 RM in Trio Perspective

In this part, RM is presented in trio (three) perspectives namely Western, Oriental, and Islamic perspective. Each of the perspectives focuses on the concept of marketing in relationship approach.

2.1 Western Perspective

The origin concept of RM is established by Western marketing scholars in focusing on the relationship approach in marketing. In the concept of marketing in business, most of the Western marketing scholars tend to believe that any marketing activity is only limited for human relationships in generating business income. RM approach is said to be a process of developing and retaining or maintaining relationships with the customers with aiming the profitability as the outcome in the relationships (Gronroos, 1990; Webster, 1992; Evans & Laskins, 1994; Takala & Uusitalo, 1996; Ravald & Gronroos, 1996; Hennig-Thurau, Gwinner, & Gremler, 2002; Kotler & Armstrong, 2004).

Based on literatures, there are differences of concept in RM and Transactional marketing (TM) that have been highlighted by previous scholars. The elements in the concept that have been differentiated are primary focus, basic orientation, term planning, intensity of contact, and

quality of production (Hennig-Thurau & Hansen, 2000; Gronroos, 1991; Christopher, Payne & Ballantyne, 1991; Payne, 1994; Walsh, Gilmore, & Carson, 2004). For primary focus, RM has prioritized on post-sales decisions and action. The intensity of contact is high, the basic orientation is generally takes a long-term perspective, and the quality of production concerns all aspects and the production focuses on mass customization. RM has more strength compared to TM on its concept as mentioned above.

Hence, RM is nurtured to develop and maintain the human relationships for business productivity and performance for the achievement of material goals.

2.1 Oriental Perspective

The emergence of Oriental business practices has received increasing attention regardless from academicians or business practitioners. In Oriental perspective, a concept called '*guanxi*' is the underlying concept in conducting business for Chinese society. The concept of '*guanxi*' or personal relationship has been long recognized as one of the major dynamics in Chinese society and also takes place in a legal and regulatory environment in China that allows for impersonal business dealings (Yau, Lee, Chow, Sin, & Tse, 2000).

A number of studies have agreed with the element of '*guanxi*' in RM approach (Davies, Leung, Luk, & Wong, 1995; Arias, 1998; Yau, Lee, Chow, Sin, & Tse, 2000; Gilbert & Tsao, 2000; Zolkiewski & Feng, 2011). RM has its root in North American and European cultures, however, several scholars stated that RM is more appropriate within China's cultural context, as for Chinese, they tend to prefer long-term personalized and mutual cooperation as the basis for most of their business dealings (Yau, Lee, Chow, Sin, & Tse, 2000). That is the reason doing business in China tend to be more difficult as there are studies reported that foreign companies commonly experience apprehension and discouragement while conducting business with their Chinese counterparts (Davies, Leung, Luk, & Wong, 1995).

In the concept of marketing in business, '*guanxi*' in RM tend to depend on relationships heavily. '*Guanxi*' is crucial in playing its roles by personal friendships between key contacts in the sellers and buyers.

2.3 Islamic Perspective

As stated by Gilbert & Tsao (2000), relationship is interpreted and valued differently by each culture and it may also influence the process, quality, and sustainability of relationship building. The origin of RM approach in Western cultures may not appropriate to be applied across other cultures due to some of the culture have different aim with RM. The prescription of Western RM that based on Western norms and behaviors may fail when it transplanted into different market with different culture values (Palmer, 1996).

In the context of marketing in business, Islam does not against profit making in business. However, the concept of profit maximization in business is perceived differently in Islam (Hassan, 1992) while Khalifa (2001) viewed the profit maximization as inconsistent with the concept of *Rizq*. Hassan (1992) affirmed that the aim of profit maximization in Islam is subject to the Islamic norms and behavior which consist of the Islamic view of business as *Fardhu Kifayah*, the consumer protection from exploitation, and the profit-sharing factor. Meanwhile, Khalifa (2001) has proposed the concept of '*Rizq Enlargement*' to be applied in

Islamic business as he argued that using the profit maximization, in effect, people tends to exceed all limits of ethics in business activities.

In Islam, doing business is highly encouraged in generating income as long as it is done by mutual consent and fairness. The following Quranic verse has described the importance of business:

"O you who have believed, do not consume one another's wealth unjustly but only (in lawful) business by mutual consent. Moreover, do not kill yourselves (or one another). Indeed, Allah is to you ever Merciful".

(An-Nisa' (4):

29)

As addressed by Nik Yusoff (2002), there are five concepts of business in Islam. First, the concept of Islamic business has economic, social and religious values. Second, the concept of indispensable service to mankind in Islamic business has derived from the first concept which is to balance between profitability and to provide efficient, reliable and courteous service, good quality, and reasonable price to consumers. Third, the concept of mutual satisfaction and consent between buyer and seller are important through justice and generosity to gain mutual benefits. Fourth, the necessity for absolute honesty in all business transactions in parallel with trustworthiness are to provide satisfactory and beneficial services to consumers and to ensure that the business transaction is based on mutual goodwill and consent in order to obtain the blessings of Allah SWT. Finally, the concept of open market mechanism of supply and demand is practiced in Islam.

3.0 Discussion on Concept of RM from Trio Perspective

From the above discussions on the three perspectives, it can be categorised into four. First, '*guanxi*' in Chinese context is similar to relationships or connections in Western context. However, the major differences between those two is the '*guanxi*' is established interpersonally while Western establish and maintaining relationships for business purpose with stakeholders and build paradigm of RM in marketing (Wei & Youmin, 2001).

Second, although the concept of marketing in Oriental perspective is to improve the financial performance and sales volume as in Western culture, the more significantly important in Oriental business tend to be the customer's strategic importance and trust (Zolkiewski & Feng, 2012). This has differentiated the Chinese from Western relationship development as Chinese develops business relationships started from personal friendship while Western develops business relationships during the business conducted.

Third, the Islamic perspective has different insight to the marketing in business. The Islamic perspective tends to have both perspective of establishing and maintaining relationships whether in interpersonal or business relationships. However, the major difference between them is the relationships establishment for the sake of Allah SWT in any context either in family, business, or social relationships.

Fourth, the three perspectives have their own focus and goals to be achieved. The major focus of Western and Oriental perspectives are more to human relationships whereas the Islamic

perspective focus on dual relationships consist of human relationships and relationship between human and Allah SWT. The goals to be achieved by the Western and oriental are more on material aspect while the Islamic perspective concerns on balancing between material and spiritual aspect as the outcome from the business.

4.0 Conclusion

From the three perspectives discussed, it is shown that there are differences in concept among them. Although Western and Oriental seems to be similar in its concept, yet, the concept origins are not the same as Western. The Western, Oriental, and Islamic perspective have the similarity concept of human relationship that consist of economic and social values. However, the Islamic perspective has an extra element in its concept namely religious values. From the similarities and differences found, the possibilities to highlight the importance of Islamic RM is revealed for the use of Islamic business organizations. For future studies, it is suggested to analyze on the roles of relationship marketer in the three perspectives.

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