Core qualities of successful marketing relationships

Kaylene C. Williams
California State University, Stanislaus

ABSTRACT

The purpose of this paper is to look freshly at marketing relationships to determine the core qualities that contribute to marketing relationship success. In so doing, this paper is composed of the following sections: introduction, definition and importance of marketing relationships, theories of relationship, a literature review of the core qualities that contribute to or detract from successful marketing relationships, and summary and conclusion. The core qualities examined consist of: (1) meeting the partners’ specific expectations and keeping them satisfied, (2) partners’ aligned agreement system, (3) partner and role compatibility, (4) shared values and goals, (5) safeguarding investments against the threat of opportunistic behavior, (6) communication, (7) empathy and professional intimacy, (8) trust and commitment, (9) long-term orientation, (10) providing an environment that enhances relationship, (11) system for capturing partner-specific data, (12) reciprocity or delicately balancing deposits and withdrawals, (13) nurturing or investing in the relationship, (14) control, cooperation, and productive conflict resolution, (15) ability to adapt to change, (16) keeping relationship stress at constructive levels, (17) understanding marketing relationship dissolution, and (18) personal responsibility and empowerment.

Keywords: Marketing relationship, business relationship, buyer-seller dyad, relationship dyad, buyer-seller relationship, relationship quality and success
INTRODUCTION

Relationship denotes connection and interaction between actors, activities, resources, and schemas (Hakansson and Snehota, 1995; Haugland, 1999). Many firms have moved to creating a competitive advantage via collaborative partnering relationships with their buyers and customers. In particular, most transactions are not market-based exchanges, but rather part of an ongoing relationship between the buyer and the seller (Webster, 1992). The premise of successful business or marketing relationships is to understand how customers trade with the organization and what service ethic they expect. That is, relationship marketing refers to all marketing activities directed toward beginning, building, and maintaining successful relational exchanges. As such, marketing relationships typically involve lengthy, ongoing social processes that involve both formal interactions and informal social interactions with multiple contact points across the buyer-seller firms. That is, personal relationships act as both a lubricant and a catalyst of marketing relationships. Relationships between buyer and seller firms are both emotional and rational involving factors such as price, quality, reliability, and consistency. (Bhagat, 2009) The purpose of this paper is to define marketing relationship, to present theories of relationship, and to explore the importance of marketing relationships to the marketing program. In particular, this paper focuses on the qualities needed for successful marketing relationships, what builds marketing relationships, and what is detrimental to marketing relationships.

DEFINITION AND IMPORTANCE

Sheth and Parvatiyar (1995) define relationship marketing as the process of developing cooperative and collaborative relationships with customers and other market actors. Additionally, Shani and Chalasani (1992, 44) define relationship marketing as “an integrated effort to identify, build up, and maintain a network of individual customers, and to strengthen the network continuously for the mutual benefit of both sides through intuitive, individualized, and value-added contacts over a long period of time.” (Yau, et al., 2000, 17) As noted by Morgan and Hunt (1994), relationship marketing is a process of establishing, developing, and maintaining successful relational exchanges. Andersen (2001) further elaborates that relationship marketing is a set of cumulative phases during which trustworthiness and mutual norms are established via a careful design of communication means and forms which ultimately are adjusted in the various phases of the relationship building process. It should be noted that there are additional terms that are used to refer to relationship marketing including buyer-seller dyad and relationship dyad. A dyad denotes interaction between two parties, be it, individuals, group of individuals, teams, organizations, and so forth.

Building successful marketing relationships is essential to the organization and has many benefits. As noted by Levitt (1986, 126), marketing relationship “is as important in preserving and enhancing the intangible asset commonly known as ‘goodwill’ as is the management of hard assets. The fact that it is probably harder to do is that much more reason that hard effort be expended to do it.” Understanding individual customer’s needs becomes easier when long-term relationships exist and are used for longitudinal information about customer’s general and specific needs (Gould, 1998). Accordingly, marketing relationships require time and effort that in turn leads to greater customer loyalty, increased market share, and increased profits. “In short, relationship-building is neither simple nor easy, but it can be well worth the effort:
According to recent research, strong customer relationships can yield both higher profits and increased market share” (Chief Executive, 1999, 66). In particular, a research study examining the differences between customer acquisition and customer retention revealed that a 5 percent increase in customer retention raises the value of each customer by 25 – 100 percent (Cross, 1999). Stated another way, it is five times more expensive to acquire new customers than it is to keep existing customers. This means that as marketing relationships lengthen, companies can increase profits by almost 100% by retaining just 5% more of their customers (Reichheld and Sasser, 1990). That is, money invested in keeping a customer is more productive than money spent trying to replace customers that have been lost.

Marketers can retain customers by recognizing they exist, communicating with them, and responding to the needs they express (Morris, 1981). Also, the longer customers are with a company, the more willing they are to pay premium prices, make referrals, demand less hand holding, and spend more money (Reichheld, 1994). As noted by Sharma et al. (1999, 602),

“The primary motivator for long-term relationships is satisfaction with past interactions. Satisfied customers tend to buy products from the same supplier. If customers have a long and satisfactory relationship, then a single unsatisfactory experience does not influence the relationship. For example, brand loyal customers, even after an unsatisfactory experience, tend to repurchase the product. In contrast, the consequences of having dissatisfied customers are significant. In this case, customers may switch to a new supplier whose performance is closer to their expectations, or reduce the amount they are buying with their existing supplier. The results of the benefits of relationships are higher profitability. This relationship has been tested in terms of the sales and profitability and in terms of the impact of selling costs.”

Or, as noted by Fournier, Dobscha, and Mick (1998, 42),

“Relationship marketing is powerful in theory but troubled in practice…Relationship marketing can work if it delivers on the principles on which it was founded. It’s startling how wrong we’ve been about what it takes to cultivate intimate relationships with customers. And it is alarming how quickly and thoughtlessly relationships can be destroyed through the muddled actions we often engage in. We’ve taken advantage of the words for long enough. It’s time to think about and act on what being partners in a relationship really means.”

O’Toole and Donaldson (2000) describe four individual relationship archetypes: bilateral, recurrent, hierarchical/dominant partner, and discrete. They suggest that managerial strategies, investments, adaptations, managerial behaviors, and planning will vary depending upon which archetype is being used. In bilateral relationships, partners cooperate to gain mutual advantage. These relationships are characterized by open communication and strategic collaboration. In hierarchical or dominant partner relationships, a dominant partner specifies the nature of the interaction between the partners. These relationships revolve around the decision about who controls the transaction. Discrete relationships offer few, if any, ties between the partners, and is often dominated with opportunism. These partners offer little or no need or ability to build relationships. Recurrent relationships are a hybrid between discrete and bilateral. Reciprocity and temporal duration enter the exchange as trust is built but committed actions still
are low. This type of partnership is more focused on the transaction and operational issues rather than strategic issues.

While relationship marketing is important to organizations, business practice, and business schools, very few companies are using it effectively. However, because customers are becoming more sophisticated and demanding, marketing relationships are increasingly integral to an organization’s basic marketing strategy, that is, developing and implementing customer retention programs, customer relationship management, after-sale marketing activities, one-to-one marketing, membership programs, cross-distribution arrangements, cross selling, co-production, co-branding, channel partnerships, logistics sharing, special supply arrangements, supply chain management, business alliances, database marketing, and so forth (Sheth and Parvatiyar, 1995). In addition, relationship marketing ranks high on the marketing agenda in business schools and business practice (Andersen, 2001). Even so, Peppers states that “there are very few companies that even have an inkling of an idea about how to create good relationships with end user customers – no matter how obvious that is” (Mitchell, 1998, 2).

THEORIES OF RELATIONSHIP

Relationships have been studied across many academic disciplines and from many different perspectives. As such, there is no consensus explaining and discussing relationships. (Haugland, 1999) From a business perspective, business relationships or marketing relationships should be entered into only when they contribute to a sustainable competitive advantage. The various theories addressing business relationships include transaction cost economics (Williamson, 1985), resource dependence theory (Pfeffer and Salancik, 1978), relational exchange theory (Macneil, 1980), models of business networks (Hakansson and Snehota, 1995), the marriage and extended family metaphors (Johnston and Hausman, 2006; Celuch, Bantham, and Kasouf, 2006; Bantham, Celuch, Kasouf, 2003), dialectical theory (Hinde, 1977; Damperat and Folibert, 2009), social exchange theory (Dwyer, Schurr, and Oh, 1987; Arndt, German, and Hunt, 2003; Sweeney and Webb, 2007; Biggeman and Buttle, 2009), governance theory and role theory (March, 1994; Heide and Wathe, 2006; Biggeman and Buttle, 2009), directive or critical incidents theory (Edvardsson and Strandvik, 2000; Schurr, 2007; and Biggeman and Buttle, 2009), relationship development theory (Arndt, 1979; Eggert, Ulaga, and Schulta, 2006; Heide, 1994; Dwyer, Schurr, and Oh, 1987; Claycomb and Frankwick, 2010; Powers and Reagan, 2007), u-curve theory (Dant and Nasr, 1998; Dwyer, Schurr, and Or, 1987; and Blut et al., 2011), social relations model (Kenny and La Voie, 1984; Cronin, 1994), and interaction/network theory (McLoughlin and Horan, 2002; Anderson and Narus, 1990; Johanson and Mattsson, 1987; Ford and Hakansson, 2006).

In particular, relational exchange theory focuses on building personal trust relationships and developing grid norms while theories of transaction cost economics try to understand when market governance is being replaced by authority-based governance, or, what minimizes costs and maximizes rewards. Additionally, factors influencing the duration of buyer-seller relationships have been studied. (Haugland, 1999) For example, Ivens (2004) tested Macneil’s relational exchange framework and identified the five most important aspects of relational behavior: long-term orientation, role integrity, mutuality, solidarity, and flexibility. The marriage metaphor identifies five stages in the relationship process: awareness, exploration, expansion, commitment, and dissolution. The extended family metaphor adds the firm’s
network and the complex juggling of network relationships to understand what is happening in buyer-seller interactions. (Johnston and Hausman, 2006; Celuch, Bantham, and Kasouf, 2006)

The dialectical theory (Hinde, 1977; Damperat and Folibert, 2009) examines buyer-seller relationships using four levels of explanation: individual, interaction, relationship, and intergroup. The authors state that the individual level focuses on seller expertise and buyer relational orientation. The interaction level focuses on proximity, frequency, cordiality, and solidarity. Interpersonal satisfaction is emphasized at the relationship level while the interorganizational level investigates long-term orientation between firms. Each of the four levels has unique properties and only has relationship with the level next to it, for example, individual/interaction, interaction/relationship, and so forth.

Social exchange theory posits that “relational exchange participants can be expected to derive complex, personal, non-economic satisfactions and engage in social exchange” (Dwyer, Schurr, and Oh, 1987, 12). Social exchange theory has been used in marketing relationship as a theoretical foundation for commitment, trust, and relationship power. “Interaction is reliant on the parties’ appreciation of trust, as well as their attitudes towards communication and bargaining. With high levels of trust, expectations develop more favorably whilst parties’ bargaining games have less influence on relationship development (Biggeman and Buttle, 2009, 556).” (Arndt, German, and Hunt, 2003; Sweeney and Webb, 2007; Biggeman and Buttle, 2009)

Governance theory and role theory discuss relationship development via selection processes and socialization as well as the distinction between friend and business person. Desirable parties to target for relationship development need to be identified based on their skills and values. Then, the parties need to learn to work together; that is, socialization. In addition, decision-making processes follow a role-logic tied to the person’s role. For example, the role of friend will be more cooperative compared to a business person role that is more driven by utility maximization. In turn, governance mechanisms such as incentives or monitoring work for business person roles but may actually damage friend roles. (March, 1994; Heide and Wathne, 2006; Biggeman and Buttle, 2009)

Critical incidents, crossroads, or turning points can produce significant changes in business relationship while a non-critical episode does not cause significant change in and of itself. These critical incidents are situations of paradox. Critical incidents and relationship are connected through the changes that relationship may experience in interaction. Context-bounded interaction acquires different meanings which can be contradictory or paradoxical. This can paralyze the partners such that when resolution does take place, it changes the relationship significantly. To prevent valuable relationships from entering into paradox, immediate action needs to clarify the situation and define an appropriate course of action. “No effort is too big to keep healthy relationships with important business partners” (Biggeman and Buttle, 2009). (Edvardsson and Strandvik, 2000; Schurr, 2007; and Biggeman and Buttle, 2009)

Relationship development theory (Arndt, 1979; Eggert, Ulaga, and Schultz, 2006; Heide, 1994; Dwyer, Schurr, and Oh, 1987; Claycomb and Frankwick, 2010; Powers and Reagan, 2007) acknowledges that collaborative exchange relationships emerge as buyers and sellers progress through four development process phases: awareness, exploration, expansion, and commitment. Relationship development theory offers an explanation of how firms establish, develop, and maintain relationships. It is seen as an ongoing process with no distinct barriers identifying movement from one phase to another. An additional set of relationship stages is offered by Powers and Reagan (2007): partner selection, defining purpose, setting relationship boundaries, creating value, and relationship maintenance. What is clear is that relationships develop over
time via some set of stages. However, there is no common agreement on what stages are involved. Also, factors important to buyer-seller relationship success may not be equally important in the various stages of relationship development (Powers and Reagan, 2007).

U-curve theory is based on cross-cultural literature and has been used to explain expatriates’ adjustment to foreign cultures and to explain relationship trajectories in marriage. Most u-curve descriptions acknowledge four stages of adjustment: honeymoon or new beginning, routine, crossroads or adjustment to disillusionment, and mastery stage or stabilization. The honeymoon stage is characterized by the fascination with and excitement of having first experiences in new surroundings. Eventually, this new beginning begins to diminish and everyday realities and routines set in. Partners then must understand the new cultural crossroads and adapt their behaviors. In the mastery stage, the learning process continues and the partners acculturate or stabilize. (Blut, et al., 2011; Dant and Nasr, 1998; Dwyer, Schurr and Or, 1987)

The Social Relations Model is a mathematical model designed to analyze data from dyadic interactions employing variations of multiple-partner research designs. This model is a potential solution to several theoretical and methodological challenges faced by researchers of the buyer-seller dyad. (Kenny and La Voie, 1984; Cronin, 1994)

Interaction/network theory (McLoughlin and Horan, 2002; Anderson and Narus, 1990; Johanson and Mattsson, 1987; Claycomb and Frankwick, 2010) postulates that organizational exchange relationships are characterized by cooperative interaction processes as well as non-contractual processes when dealing with conflict, coexistence, collusion, and competition. Successful relationships seem to be characterized by high levels of joint planning and participation, cooperation, effective communication, and productive conflict resolution. That is, interaction mechanisms such as information exchange and conflict resolution as well as relationship characteristics (for example, investments into the relationship and certainty) are often associated with the interaction/network approach.

From the consumer’s or buyer’s point-of-view, participating in a marketing relationship may simplify his or her buying and consuming tasks, simplify information processing, reduce perceived risks, maintain cognitive consistency and a state of psychological comfort. In addition, it may satisfy family and social norms, peer group pressure, government mandates, religious tenets, employer influences, and marketer policies. (Sheth and Parvatiyar, 1995) As a side benefit, improving relationships can have a measurably positive effect on health and well-being (Williams and Williams, 1997). Morgan and Hunt (1994) state that there are ten types of marketing relationship: supplier-manufacturer, client-service provider, strategic alliances between competitors, co-marketing alliances, firm-nonprofit agency, R&D partnerships, long-term firm-customer exchanges, working partnerships, internal marketing, and internal relationships between a firm and its business units. Regardless of the type of relationship, each of the partners must be addressed according to his or her specific needs and point-of-view. Additionally, from the seller’s point-of-view, these theories basically postulate that marketing relationship must in some way contribute to a sustainable competitive advantage, be it economic, social, organizational, or strategic.

**CORE QUALITIES NEEDED FOR SUCCESSFUL RELATIONSHIP**

Successful relationship does not happen by itself. It requires time, effort, and even hard work to create, maintain, and build marketing relationship. Listed below are various qualities or
factors that contribute to successful marketing relationship (Barnes, Naude, and Michell, 2007; Bantham, 2010b; Powers and Reagan, 2007; Athanasopoulou, 2009; Turnbull, Ford, and Cunningham, 1996; Palmatier et al., 2006; Wren and Simpson, 1996; Ng, 2011).

1. Meeting the Partners’ Specific Expectations and Keeping Them Satisfied
   “History shows that most successful companies flourished not by cultivating relationships but by establishing dominant position in their respective markets. The old adage that trade knows no flag still holds true today. When it is a question of getting value for their money, most customers have little loyalty. No relationship is going to keep them coming if they are not satisfied.” (Petrof, 1998, 80) In addition, customer service does not end at the point of purchase. Customers and buyers may need to know how to use the product, to know recommended alternatives if a product or service cannot be used, to understand rules or claim prizes in a promotion, to get information on availability and new products, and to provide feedback on new products and even contribute design ideas. Complaints need to be dealt with quickly and satisfactorily as the lifetime value of a customer can be a very substantial loss. (McLuhan, 2000) Gruen, Summers, and Acito (2000, 50) note, “Delivering core services is fundamental to membership retention as well as the membership’s consumption of the association’s services. However, it does not increase correlation or enhance the membership’s psychological attachment to the organization.” As such, the partners must be satisfied with value-creation performance as well as relationship performance (Powers and Reagan, 2007). For example, van der Valk, Wynstra, and Axelsson (2009) found that buying companies consistently differentiate their interactions for different types of service. That is, interaction varies in terms of key objectives, buyer and supplier capabilities, buyer representatives involved, and communication. Deviation from the effective pattern impacts the success of meeting service partners’ expectations. Or, expectations of outcomes as well as expectations of behaviors that contribute to the achievement of these outcomes are important (Celuch, Bantham, and Kasouf, 2006; Campbell, 1997; Andersen, Christensen, and Damgaard, 2009; Mysen, Svensson, and Payan, 2011; Ng, 2011).

2. Partners’ Aligned Agreement System
   While this variable may include terms such as relational norms and status, relationship atmosphere (Wong, Wilkinson, and Young, 2010), bonding, synergy, and chemistry, in and of itself, the alignment of agreement systems has rarely if ever been researched. In one study, Kalafatis (2002) examined stability in constructs that form buyer-seller relationship. In particular, he examined the level of alignment or degree of agreement between successive channel intermediaries. He found that the level of alignment or degree of agreement was a significant determinant of overall relationship quality. Along the same line, but not using the language of agreement, Wong, Wilkinson, and Young (2010, 734) argue that
   “…relationships are quasi-organizations, complex adaptive systems that comprise a number of interrelated dimensions that over time adapt to each other as a result of the experience and outcomes of the interactions taking place in a particular environment. A particular kind of relationship atmosphere emerges over time (as reflected in actor bonds) together with an interrelated pattern of activity links, resource ties and schema couplings,
selected for by a quasi-Darwinian process based on the environment in which it operates…

“In order to understand how different types of relations operate and survive and the management problems they present, we need to understand how the multiple dimensions fit together and function in relations and how they affect relationship performance.”

Alignment consists of a series of agreements. That is, the aligned agreement system is an array of agreements along the line of “I will do this, and you will do that.” At the least, agreement systems cover safe and unsafe areas within the partnering relationship, rewards and sanctions, areas of privacy, how to handle secrets, how to be a productive team, and, mostly, the maintenance of a balanced system wherein both members can operate satisfactorily to get what they each want. For a relationship to be successful, each partner accepts and aligns his behavior to certain formal/informal and spoken/unspoken agreements made in conjunction with the other individual(s). For example, what does the dyad agree to use as parameters for the partnering relationship, and how are an agreement and the agreement system negotiated and renegotiated?

It should be noted that aspects of the aligned agreement system can be conscious or not. That is, partners may or may not be aware of subtle agreement tradeoffs that have been made. For example, culture seems to imply that varying and basic aspects of agreement systems are in operation, and aspects of that cultural agreement system may not be known to someone outside of that cultural group. Also, sometimes individuals act as if they are not aware of agreement aspects in order to not rock the boat or to avoid taking responsibility. When individuals are in relationship, they make conscious and unconscious agreements with each other that are aligned in such a way that each member gets to have, do, and be what he or she likes; or tradeoffs are bargained.

An example of an agreement tradeoff is “I’ll be really effective but on occasion I’ll be unreliable.” If the partner accepts this agreement, then all is fine. However, if the cost is too high or the payoff too low, then the partner will renegotiate the terms, e.g., “you are a customer that is not profitable enough for me and you give me too much trouble, so I won’t call on you very often.” With these reciprocal agreements, an agreed upon level of buyer and seller effort and satisfaction is maintained that works for both individuals. When one or both partners do not perceive that the agreement tradeoffs are equitable, particularly over the long term, then a problem occurs that requires the appropriate action to renegotiate parts of the agreement system. If this does not occur, then the partnering relationship eventually may be subject to termination.

Because relationships can become abusive with the use of control and power plays, partners must create agreement systems and boundaries that focus on healthy relationship behaviors: non-threatening behavior, respect, trust and support, honesty and accountability, and being responsible and/or sharing responsibility as appropriate. Abusive relationships are marked by intimidation; emotional abuse; isolating one’s partner; minimizing, denying, or shifting blame; using the less powerful member(s); using the privilege or power of the role rather than of self; and economic abuse. (“Healthy vs. Abusive Relationships,” 2011) The aligning of the partners’ agreement
systems and boundaries determines the degree and form of health and/or abuse in a relationship. Boundaries are important because they clearly denote responsibilities, roles, and expectations as well as the lines of acceptable and unacceptable tradeoffs. That is, a boundary has two sides: (1) this is included and (2) this is not included.

Additionally, one aspect of aligning agreement systems is to decide how to disagree, depersonalize and resolve conflict, and negotiate. There always will be differences between parties. So, the objective is to be able to negotiate the differences and reach closure effectively while maintaining an attitude of camaraderie, trust, and flexibility. (Peterson 2002) The effect of this aligning of agreement systems should be that both partners get what they like and need. If this does not occur, then the partners either do not know what they want or they are not adept at negotiating or policing their interests.

It also should be noted that aligned agreement systems begin with attraction. If the partners are not known to each other and attracted to each other, then the alignment is non-existent or truncated at some point. Two potential partners must first be aware of each other, and then mutually attracted to come together for some aligned purpose. (Hald, Cordon, and Vollmann, 2009)

An additional, yet essential, ingredient for the creation of an aligned agreement system is mutual dependence. Dependence is the real key or glue that keeps the partners’ wanting to find and keep an aligned agreement system. The aligned agreement system is as temporary or as permanent as the dependence of each partner. As such, alignment is a function of dependence, in the same regard as electrons are shared to create stability. That is, each member, consciously or unconsciously, makes the choice to align with the other partner so that certain unmet needs, wants, or ideas can be fulfilled. It seems to be the case that these needs are rational as well as irrational in nature, hence, the battered member who stays in a relationship even when it is painful. Sometimes, it is not clear why partners stay in a relationship, maybe after or along with economic survival benefits comes friendship, social benefit, established patterns or habits, attachments, addictions, the needs of others, family commitment, safety, or whatever.

3. Partner and Role Compatibility

Partner compatibility assumes that members need to be capable of relationship. Given this capability, partner compatibility then focuses on the ability to plan and work together in a manner that is productive and solution-oriented. Two aspects of partner compatibility are particularly important: (1) assessment of operational philosophy and style and (2) cooperation and problem-solving ability. This basically alludes to the fact that partners need to plan and work together as a team. Teamwork requires integration and the sharing of many strong similarities including performance and relationships/people skills. (Whipple and Frankel, 2000) Teams or partners also must be able to handle conflict, domineering personalities, enforced silence, and misunderstandings (Mann, 2000). When partners are compatible, competition between them can be useful and not dysfunction (Athanasopoulou, 2008). Additionally, the buyer and seller engaged in exchange processes fulfill certain roles reflecting mutual promises (that is, rights and obligations) the buyer and seller have made with each other in the construction of their relationship. Role integrity is honoring each other’s rights and obligations with
consistent and constant behavior. (Ivens, 2004) That is, both members have an expectation of relationship continuity and cooperate with each other to continuously maintain and build the relationship (Athanasopoulou, 2008). Partner and role compatibility support the identification and motivation of right effort and engagement in appropriate actions (Hammervoll and Toften, 2010).

4. Shared Values and Goals

Strategic marketing management focuses on the co-creation of value wherein both the buyer and the seller are benefited. When business partners such as customer and supplier bond, they act in a unified manner toward a desired goal. These actions can include coming together to design a product, to build quality control and delivery systems, and to develop long-term planning. As well as joint actions, bonding also can result in collaboration and cooperation, common identity, and joint similarities. Likewise, sharing technologies and knowledge with business partners can enhance bonding. (Yau, et al., 2000) Morgan and Hunt (1994) note that relationship commitment and trust are developed when firms develop and maintain high standards of corporate values and align themselves with exchange partners who have similar, workable values. As a result, reputation becomes very important as an embodied expression of shared values and goals (Powers and Reagan, 2007). Also, the partners need to acknowledge that different relationships have different rules, values, and goals (Mann, 2000). In addition, conciliatory or abrasive interactions can result in positive outcomes when the parties have a foundation of positive intent (Claycomb and Frankwick, 2010). Powers and Reagan (2007) have found that mutual goals are the most important relationship factor for managers to consider. Typical goals may include safety, quality, schedule, resolution of important issues, value and cost-saving engineering, no litigation, minimize paperwork, work effectively and enjoyably, issue contracts promptly, prompt payment, less rework, and on-time completion (Copare, 1994). (Ng, 2011) For this to occur,

“...the objectives must be understood by all parties. The keys to a successful partnering agreement are:

- The partnering process must start early in the development of the project;
- Relationships must start before the project starts;
- Specific common objectives must be set;
- Establish a process to measure progress;
- Participants must understand the value of the partnering process; and
- Leadership and commitment from all levels of management is critical.

“Partnering promises better long-term contracting relationships in the private sector and even in the public sector. Remember, partnering does not eliminate the problems of managing projects, rather, it facilitates a partnership where problems are resolved in a manner which is mutually beneficial to the partners.” (Copare, 1994, HF.3.4)

5. Safeguarding Investments Against the Threat of Opportunistic Behavior

For relationships to work effectively, the actors must be able to safeguard their investments against the threat of opportunistic behavior (Haugland, 1999). That is, opportunistic behavior must be minimized. One way to do this is to develop some form of governance or economic action which is embedded in social relations. That
is, close cooperation based on shared norms can constrain behavior, control opportunistic behavior, and solve the safeguarding problem. Also, members must be clear but flexible regarding potentially divisive issues. (Maitland, Bryson, and Van de Ven, 1985) Chang and Gotcher (2007) have examined two different types of safeguarding mechanisms: relationship learning and relational capital. “Relationship learning includes information sharing between two parties, joint interpretation or sense making of the same information, and integration into a relationship-specific memory” (Chang and Gotcher, 2007). Relational capital describes the quality and nature of connections that employees develop with one another, and focuses on trust and close interactions between partners. The authors found that relationship learning enhances dyadic capabilities. In addition, relationship-specific investments should be used proactively to signal supplier commitment to maintaining an enduring relationship and to facilitate more engagement in relationship learning. (Cheung, Myers, and Mentzer, 2010) Additionally, Subramani and Venkatraman (2003) studied how vulnerable suppliers evolve governance mechanisms to safeguard valuable assets. They found that relationship-specific assets in exchanges do need safeguarding because farsighted parties would not invest in such assets otherwise. Also, “governance mechanisms can advantageously incorporate features that both enhance transaction value and minimize transaction costs.” (Subramani and Venkatraman, 2003, 59).

6. Communication

Duncan and Moriarty (1998, 3) present an argument supporting the premise that “relationships are impossible without communication.” In essence, everything a company does and does not do can send a message that can strengthen or weaken relationships with their customers and stakeholders (Duncan and Moriarty, 1998). As such, the role of communication in establishing and maintaining profitable stakeholder relationships is essential (Holden and O’Toole, 2004). Communication plays a major role in attracting and retaining customers. Also, the benefits of understanding and applying communication theory and strategies to marketing are rife with promise. For example, relationship commitment and trust develop when firms communicate valuable information, including expectations, marketing intelligence, and evaluations of the partner’s performance. (Morgan and Hunt, 1999)

More specifically,

“Face-to-face interaction facilitates the development of cooperation and interorganizational understanding and enhances joint problem solving. Other modes of communication, e.g., e-mail, telephone and fax, shared electronic databases, etc., are important and valuable modes of exchanging information. However, face-to-face communication enhances understanding and aids in generating the relational outcomes, such as the social bonds and sense of trust that develop between partners and strengthen the relationship.” (Bantham, 2010b, 25)

As such, it is vital to provide a structure that will facilitate ongoing communication and the building of neutral understanding in marketing relationships. Also, effective, ongoing communication must be built among all players, be it members of a design team, in-house decision makers, or consultants. In particular, members must think before they speak, not take things too seriously, and address issues before they get out
of control (Szcerba, 2000). Overall, communication should guide exchange partners’ problem-solving and share knowledge such that joint problem solving is enabled. Celuch et al. (2006, 579) acknowledge that “communication behavior is explicitly recognized as a core component of problem solving and partner communication behavior is seen as a salient influence in the relationship appraisal process.” (Hammervoll and Toften, 2010) Also, using disclosure and reciprocity in bargaining communications helped negotiators achieve more efficient results (McGinn, Thompson, and Bazerman, 2003). A substantial part of communication is active listening wherein the listener goes to the core or real essence of what is being said. The good news is that active listening can be taught and learned. (Verrett, 2000) An additional aspect of communication is noted by Agnihotri, Rapp, and Trainor (2009, 482):

“Given the impact of technology use on information communication, managers should make salespeople aware of the positive effects of sales technology on the exchange process and motivate them to use technology tools to make this process efficient. They should consider sales technology as an essential support for their sales force and make available that which has the potential to enhance the information communication process.”

7. Empathy and Professional Intimacy

Relationships become unique when partners “get personal” with each other, such as sharing inner feelings or personal concerns and forming social bonds. Empathy is the ability to understand someone else’s desires and goals, including being able to see situations from another’s perspective; understanding the other party’s position, desires, needs and wants; knowing their business, strengths, weaknesses, and personality; and possessing a general appreciation for the other party. (Yau, et al., 2000) That is, empathy is a sense of connection be it an inner or outer form of proximity. Empathy is the ability to discern another person’s inner and personal thoughts and feelings with some degree of accuracy and involves listening at an intuitive as well as a literal level (Comer and Drollinger, 1999). An even more heightened sense of empathy may be denoted by “professional intimacy.” “Effective salespeople also develop an intimacy with their customers” (Sharma et al., 1999, 609). Professional intimacy or “pure relationship” involves opening out to each other, enjoying each other’s unique qualities, and sustaining trust through mutual disclosure and belonging (Jamieson, 1999). According to Oden (1974, 3), intimacy is “knowledge of the core of something, an understanding of the inmost parts, that which is indicative of one’s deepest nature and marked by close physical, mental, and social association.” As such, intimacy may be a more multidimensional form of empathy or, at the least, built upon empathy. Deeper levels of empathy and maybe even professional intimacy may develop between buyers and sellers over longer time periods, with the appropriate quality of interaction, understanding, genuine affection, and equal power. For example, Jacobs, Evans, and Kleine (2001) found that the intimacy of the salesperson’s social disclosure positively impacted interaction quality. However, the disclosure had to be reciprocated for the deeper levels of professional intimacy and social bonding to develop. (Athanasopoulou, 2009)

8. Trust and Commitment
Commitment is the degree of the partner’s psychological attachment to the association. A partner can be committed in three ways: (1) psychologically bonded to the organization/partner on the basis of the perceived costs, (2) having a personal sense of moral obligation toward the organization/partner, and (3) psychologically bonded to the organization on the basis of how favorable it feels about the organization/partner. (Gruen, Summers, and Acito, 2000; Sweeney and Webb, 2007) Trust is the willingness to rely on an exchange partner in whom one has confidence. That is, a marketing partner is more likely to refer others and more likely to continue a relationship if he or she trusts the other partner. Typically, higher trust is associated with greater probability of continuance or long-term existence of relationship (Moorman, Deshpande, and Zaltman, 1993). In general, managers tend to define trust as a behavior that conveys useful information, permits shared influence, encourages self-control, and avoids abuse of the other’s vulnerability (Zand, 1972). It should be noted that shared communication and values positively contribute to trust (Morris, Barnes, and Lynch, 1999). Also, handling complaints satisfactorily is significantly and strongly associated with both trust and commitment. That is, customers who complain are offering firms the opportunity to demonstrate their trustworthiness (Tax, Brown, and Chandrashekaram, 1998). Firms undermine trust by providing weak internal support, assigning top executives whose backgrounds do not fit the relationship’s or venture’s objectives, and failing to give needed authority on critical issues like pricing (Obermire, 2000). Betrayal as perceived by the receiving party is definitely detrimental to the building of trust and commitment. Therefore, personal responsibility is needed as a glue that keeps trust and commitment strong and functional. Narayandas and Rangan (2004, 74) note,

“Our findings suggest that relationships are built on the intentions and interactions of firms and individuals. More specifically, they emphasize the role of initial power-dependence asymmetries in the development of contracts and their subsequent reduced impact in relationships that are characterized by high degrees of commitment and trust. We hypothesize that interpersonal trust enhances interorganizational commitment over time and that high levels of trust and commitment can, in turn, neutralize the impact of initial power-dependence asymmetries.”

Bhagat (2009) has found that the formation of trust and commitment in a relationship can take place over a short period of time and influence the outcomes of negotiation. As a result, buyers and sellers should take each contact seriously.

9. Long-Term Orientation

Cannon et al. (2010) have found some evidence that cultural norms and values which emphasize performance and/or trusting relationships may help both buyers and sellers to develop or improve their buyer-seller relationship strategies, thus increasing the likelihood of long-term success. With a long-term orientation, the buyer and seller are more likely to focus on relationship maintenance. That is, long-term relationship and cooperation require specific investments of time, money, and energy to maintain and build the relationship. If a long-term orientation is lacking, then the buyer or seller may hesitate or not feel safe to continue contributing to the relationship or even to continue the relationship at all. So, over the long-term there must be an accounting of what was put into the relationship and what was received.
The relationship over time must create value for both parties as determined by each party. (Ivens, 2004) Gaps may reduce a long-term orientation and lead to dissolution of the marketing relationship. A gap is the “difference between the perceived experiences by actors in interorganizational and intraorganizational interfaces of business relationships” (Leminen, 2001, 473). Gaps can be interconnected in that they tighten or weaken marketing relationships. Once gaps are analyzed, corrective measures can be taken. (Leminen, 2001) In the long term, companies and their representatives must have organizational self-awareness and interorganizational understanding to avoid the creation of gaps. While partnerships are long-term relationships between organizations, it is important to understand that it is the individuals actively engaged in the partnerships that make them work. A long-term perspective requires that individuals be able to see situations from others’ perspectives, be competent in their area, enjoy interpersonal interaction, and be a team player. (Bantham, 2010b; Bantham, 2010a) As noted by Bantham (2010b, 26), “Firms enter into partnerships with the expectation of improving some set of tangible business performance metrics. These outcomes are essential to the long-term survival of the partnership. However, overall satisfaction with the partnership also appears to be dependent upon the presence of relational outcomes. These outcomes are most important for those individuals who participate directly in the partnership.”

10. Providing an Environment that Enhances Relationship

Marketers need to provide an environment that minimizes risk and promotes the partners’ motivation, opportunity, and ability to create value. That is, marketing partners should be provided with regular opportunities to exchange value face to face. Successful environments can bring people together around a common cause or interest. (Gruen, Summers, and Acito, 2000) Additionally, because the business environment is dynamic and ever changing, the buyer and seller need to be flexible in their interactions with each other. Initial agreements, role integrity, and promises may need to be adjusted to anticipate or respond to environmental changes. (Ivens, 2004; Wong, Wilkinson, and Young, 2010) “The delivery and preservation of long-term value demands that firms build capabilities to self-regulate and co-shape their environment” (Rossi, 2010, 816). Also, successful environments may be more conducive to “luck.” Relationship commitment and trust are developed when firms provide an environment wherein resources, opportunities, and benefits are superior to the offerings of alternative marketing partners (Morgan and Hunt, 1999). Another important aspect of the environment is to be able to focus on problem resolution through the safe use of constructive input. “Constructive interactions create an environment where customers get involved in information exchange and provide critical insights regarding their perceptions and preferences with respect to competitive suppliers” (Agnihotri, Rapp, and Trainor, 2009, 482). Additionally, management must support a relationship-enhancing environment wherein ongoing marketing relationship training is available. In specific, Hakansson and Ford (2002, 550) elaborate on the five factors that influence relationship development via an actor’s response to another’s acts:

1. Previous acts that have happened within the relationship;
2. Knowledge that the parties gained in other relationships;
3. Current episodes within the relationship and in other relationships in which the parties are involved;
4. Expectations of the parties regarding the future; and
5. Episodes occurring in the extended network in which the parties are not directly involved.

“…Thus, business relationships develop as a result of reciprocal acts that parties figure out and coordinate not only on the basis of the current state of a focal dyadic relationship but also on their past experiences inside an extended network, as well as on their expectations of the future.”

11. System for Capturing Partner-Specific Data

Buyers want to find the merchandise they need at an attractive price. Beyond this, however, they want to be recognized and to know that they consistently can rely on the marketer. That is, they want to be a marketer’s main priority and feel that the relationship is transparent. In order to do this, a marketer must know the customer. Shared knowledge and mutual understanding are the bricks upon which a relationship is built. As such, partners need to understand each other’s business from the perspective of their partner. (Bantham, 2010b; Bantham, 2010a) Data mining is a tactic that can be used to learn more about the customer and helps direct the marketer’s offerings and services to the customer’s needs (Hicks, 2000). These approaches have included unsolicited mailers, in-store and phone surveys, publicized web addresses, retail point-of-sale purchases, retail store credit cards, customer cards, collecting Internet data, and traditional consumer research. This data then is used to obtain increased sales; encourage consumers to buy; get information about products, services, policies, and competition; determine purchasing habits; and find out who customers are and their buying patterns. (Hicks, 2000) In addition, highly customizable web-based tools have emerged which enhance the efficiency and effectiveness of buyer-seller coordination, interdependent activities and resources, and automating tasks. Given the array of variables in partner-specific data, a system should be developed for systematically integrating partner-specific data which includes being able to access the customer’s or buyer’s complete record at any point in time. As an additional note, when buyers and customers give data to companies, they expect the company to keep that data, use it appropriately, and that it will facilitate their transactions with the company (Goldwag, 2000). It is important that the information system provide coaching and joint problem-solving arrangements. In addition, the system should build consciousness of how the partners contribute to value-creation and which value-creation initiatives are important to each partner. (Hammervoll and Toften, 2010; Zablah, Johnston, and Bellenger, 2005; Ng, 2011)

12. Reciprocity or Delicately Balancing Deposits and Withdrawals

Good relationships balance giving and receiving so that both parties know what they are contributing and they expect normal acknowledgement and appreciation for their part. As noted by Cecil (2000, 98), “Every agency asks its customers for loyalty, friendship and respect; yet surprisingly few agents actually nurture those customers and demonstrate friendship, loyalty and respect in return…Real emotional connection demands a deeper alignment and a reflection of the intent in your behavior…To be influential you must be in touch regularly and valuably.” As such, marketing relationships require balanced responsiveness,
repayment, and return for similar favors and conditions as well as balanced power and ownership. Or, both parties must perceive that they win or get enough value from the relationship to maintain it. In order for this to occur, both parties must take responsibility for maintaining a balanced relationship. (Mann, 2000) That is, distributive justice or mutuality is based on the understanding that one’s own success depends on the partners’ overall success. In essence, reciprocity prevents the parties from maximizing individual relationship benefits at the cost of the exchange partner. Over time, the deposits and withdrawals need to be balanced. (Ivens, 2004) As noted by Cecil (2000, 98), “True relationship requires a delicate balance of deposits and withdrawals.” (O’Toole and Donaldson, 2000; Wagner and Lindemann, 2008; McGinn, Thompson, and Bazerman, 2003)

13. Nurturing or Investing in the Relationship

Relationships are built brick by brick. Resources such as time and effort need to be invested continually in order to create, maintain, and build successful relationships. “With collaborative relationships increasingly critical to success in today’s marketplace, buyers and sellers must know how to develop and nurture them.” (Metcalf, Frear, and Krishnan, 1992, 40). Essentially, the relationship needs to be preserved with the buyer and seller expressing their solidarity or solidifying of the relationship by continuing to invest in the relationship. At times, economic motivations and emotional factors may lead to solidarity between the buyer and seller. (Ivens, 2004) For example, it takes time and effort to determine and neutralize upset feelings. According to Lauridsen (1999), conflict and upset feelings are the result of three things: (1) expectations are not fulfilled, (2) an intention is blinded, and/or (3) feelings about a situation are not communicated. When upset feelings are present, it takes time to calm down and analyze the nature of the problem. However, each time conflict resolution is successful or somehow there is an investment into the relationship, the relationship can move to deeper levels of trust, commitment, communication, and balance. Nurturing or investing in the relationship needs to be done in such a way as to keep power balanced. One of the easiest ways to keep power balanced is to have interdependence between the partners. That is, when each partner contributes some productive uniqueness to the relationship, it will tend to keep the relationship on an even keel. So, in some important way, each partner is dependent on the other. This mutual dependence and interdependence tends to keep the negative effects of power struggles to a minimum (Hammervoll and Toften, 2010; Piercy and Lane, 2006) As noted by Campbell (1997, 421), “…investment is a powerful signal to a partner and encourages reciprocal behavior. This highlights the interactive nature of exchange relationships: each side responds to the behavior of the other.” In addition, managers should build relationship learning and adopt advanced IT to support joint learning activities in relationships (Jean and Sinkovics, 2010).

14. Control, Cooperation, and Productive Conflict Resolution

Control to achieve one’s own aims is a key force in the development of relationships. Control implies power or dominance over the other party, that is, dependence on the controlling party. Control then is a means to manipulate another individual so that one gets what one wants whether the other person is able to give it or not. Some forms of control such as sulking, pouting, guilt, threats, and cajoling
may get a short-term result, but they tend to undermine the health of long-term partnering relationships. (Shoshanna 2002) Control involving unreasonable demands and lack of professionalism and friendship also poses a threat to partnering relationships (Sharma et al., 1999). Gifts sometimes are used purposefully or inadvertently to control the partner. Ultimately, how the recipient perceives the gift determines whether and how the partnering relationship is impacted. (Ruth, Ottes, and Brunel, 1999) Each partner needs to consider two important questions: (1) do I trust him, and (2) does he genuinely care about me and my needs. The degree to which the answer to each of these questions is “no” hints at the degree to which control will be used to impact the relationship. In addition to this preventative approach, one can respond to inappropriate control by “just taking it,” negotiating, using a governing arbitrator, creating infrastructures for sharing and better utilizing information and resources, or saying “no” and walking away. Ultimately, to respond to control, one has to reduce dependence and build a position of greater power and control.

However, because unilateral control systems in business are being found to be unstable and less profitable for at least one partner in the relationship, attention has shifted from unilateral to bilateral control or collaboration involving contractual and normative controls that coordinate and govern the partnering relationship. (Kalafatis, 2002) As noted by Hewett and Bearden (2001), acquiescence and cooperation consistently represent desirable behavioral outcomes for successful marketing relationships. They found that these two variables are consistent across the marketing relationship literature and in headquarters–subsidiary marketing function relationships in foreign markets. Acquiescence is defined as “the extent to which one party in an exchange situation accepts or adheres to another’s specific requests” (Hewett and Bearden, 2001, 53). Hewett and Bearden (2001) further define cooperation as complementary coordinated actions taken by the partners to achieve mutual outcomes or benefits. Or, as noted by Hammervoll and Toften (2010, 551), “Value-creation initiatives require a cooperative response from the exchange partner to create value.” Bantham (2010, 26) adds, “The collaborative participation of both partnering organizations in the resolution of conflicts and in the joint planning and implementation of improvement projects is what drives both the tangible and intangible outcomes of the partnership.”

The lack of cooperation typically is viewed as conflict. However, conflict also can be viewed as a “natural outgrowth of the diversity of perceptions of the parties involved” (Jerving, 2000, 27). Conflict seems to be natural to relational exchanges and, typically, is related to investments, satisfaction, and commitment. Hence, productive conflict resolution can clarify rather than undermine a partnering relationship. For example, Jehn and Mannix (2001) found that constructive conflict is more likely to lead to high performance when open discussion is encouraged, members highly respect each other, the environment is cohesive and supportive, conflict training is done in the early stages of group formation, and leaders promote constructive debate. However, conflict and positive conflict resolution must be managed. Song, Xile, and Dyer (2000) note that managers can use three cooperative tools for conflict resolution (collaboration, accommodation, and compromise) as well as two uncooperative tools (forcing and avoiding). They found that reducing
avoiding behaviors and increasing collaborative conflict resolution behaviors ensured successful performance. DeChurch and Marks (2001) have concluded that outcomes with regard to intra-group conflict may not be as much a function of what the group disagrees about as how the group handles the resolution process. In addition, self-censoring overreaction to negative behavior influences conflict resolution through the process of responsibility. The attribution of partner blame and trust also is important to understand conflict resolution. (Celuch, Banham, and Kasouf, 2011; Ng, 2011)

15. Ability to Adapt to Change

Change is inevitable. As noted by Peterson (2002, 9), “our connectedness remains but our relationship and how we depend on one another change.” As such, buyers and sellers must continually adapt to change. “Careful strategic planning and good partnership preparation are essential for [marketing partnership] success, but the full value of [a marketing partnership] has to be developed as it evolves” (Hoffman and Schlosser, 2001, 357). For example, companies are seeking ongoing competitive advantage by creating products and services that are timelier and more affordable than the competition. Additionally, in order to adapt to changing customer needs and requirements, many companies have had to reduce their response time, use demand-driven processes, be agile and responsive, be more innovative, and create continuous flow pipelines. (Hewitt, 2000) “Flexibility…requires that firms develop a better understanding of one another through improved information sharing and increased adjustability in concert with their partners’ needs and wants” (Rajamma, Zolfagharian, and Pelton, 2011, 109). An important area in which seller-buyer relationships are changing is due to the advent of the Internet and the web. As noted by Hewitt (2000, 9), “…managers had better be ready, once again, for a significant level of change. The first step they need to take is to recognize that the changes are upon us, denial is not an option. The second is to understand why they are happening. The third step is to recognize that the future is not as scary as it might seem.” Hewitt (2000) notes that due to the ubiquity of the web, transactional exchanges may be used for buying non-critical commodity supplies while strong relationships may be formed with a few suppliers of items and services critical to the mission or value proposition that an organization is offering to its customers, that is, mission-critical marketing partnering relationships. “Internal and external changes can derail even a well-set relationship” (Narayandas and Rangan, 2004, 74). Once change has occurred, the marketing relationship will need to renormalize and restabilize; essentially, retraining each other in regard to what is new, how to integrate the newness, and resetting any altered agreements in the marketing relationship. As expected, the bottom-line purpose of changes in plans or actions typically should be to obtain satisfactory performance which is both effective and efficient. That is, each partner must be able to leverage the maximum amount of value out of the relationship based on what is needed by each specific partner, understanding that what is needed is subject to change. (Hammervoll and Toften, 2010; Piercy and Lane, 2006; O’Toole and Donaldson, 2000) McFarland et al., elucidate one additional aspect of adaption that is based on the buyer’s orientation. In particular, sellers should use information exchange and recommendations for buyers with a task orientation. For buyers with an interaction orientation, they should rely on ingratiation and inspirational appeals. Finally, sellers should depend on promises and
ingratiation for adapting to buyers with a self-orientation. In general, threats should be avoided. (Ng, 2011)

16. Keeping Relationship Stress at Constructive Levels

Relationship stress is the perceived cumulative effects of negative experience in the business relationship, for example, expectations and goals not being met. Obviously, positive experiences should be maximized with negative experiences being minimized. Negative experiences, incidents, and problems cause tension in the relationship and may negate the relationship’s positive qualities and contributions. Negative information seems to release stronger feelings, to weigh more in the decision process, to be considered more intensely in memory processing, and is stored for a longer period. As a specific example, overburden, overwork, corrosive stress, and unrelenting time pressures can break down communication and intimacy if not balanced over time. This balance requires that the partners assess and choose the combined priorities of higher value on (1) performance and productivity or (2) connection and intimacy. Producing and winning at all costs may actually deplete the marketing relationship, that is, excessive long hours and the narrowness of the work environment may stunt or un-em power the worker. Developing an honest relationship with self is the key to actualizing a balance between productivity and connection. (Arron, 1999) Overall, stress appears to reduce relationship satisfaction and relationship closeness. In addition, the higher the relationship stress, the higher probability that the strength of a relationship is affected adversely. (Holmlund-Rytkonen and Strandvik, 2005) Therefore, relationship stress needs to be kept at a constructive and not dysfunctional level. For example, “training that reinforces skills relating to active and nondefensive listening, disclosure, and editing provide specific tools that are critical for dealing with the continuous tensions encountered in various stages of problem solving...even when partners are aware of and somewhat willing to address an issue, it is the way they communicate about the issue, more so than the amount of communication, that can either facilitate or denigrate inter-dependent problem solving.” (Bantham, Celuch, and Kasouf, 2003, 273)

17. Understanding Marketing Relationship Dissolution

Managers expend considerable energy and effort in understanding how to successfully develop and maintain buyer-seller relationships. However, understanding how relationships dissolve or get dysfunctional over time also can be valuable. In order to have a full understanding of ongoing relationships, managers and sellers can learn from what has ended or weakened relationships. In general, partnership enablers, drivers, and outcomes may be vulnerable to disruption when established participants are replaced by new individuals. Working together effectively requires time and repeated interactions to develop mutual understanding, cooperation, and trust. (Bantham. 2010b) Managers can learn from this how to prevent the premature ending of relationship and to avoid repeating ineffective behaviors. It also is important to learn how to dissolve a working relationship properly while still maintaining each other as important business resources for the future. That is, sometimes business relationships do come to an end, but the partners do not need to end with animosity toward each other and even may be able to resurrect or rejuvenate their relationship capacity with each other in another joint effort. (Pressey and Qiu, 2007) Additionally, exit barriers may be necessary to
reduce relationship dissolution (Campbell, 1997). (Gedeon, Fearne, and Poole, 2009; Andersen and Kumar, 2006) In general, however,

“Relationships in business mirror personal relationships -- meaning that they can become dysfunctional and difficult to maintain, just like with family and friends. Nonetheless, they must be maintained. Relationships, business and personal, invariably have their ups and downs. Feelings of being taken for granted can engender a roving eye. Sometimes outside forces exert a powerful influence. Studies show that nearly two-thirds of business relationships fail because the client experiences a general sense of indifference. Business relationships require similar care and attention. The hard and soft variances within the marketplace will often test a relationship’s mettle. Client retention is essential to the long-term financial success of an agency. Relationships, new or old, are like the bamboo crop. They require constant attention and care. There's one simple truth that can germinate any relationship and hold it in good stead through the years: ‘Treat your clients and prospects as you would have them treat you.’” (Burke, 2008)

18. Personal Responsibility and Empowerment

Personal responsibility is the ability to respond in the moment as necessary as well as the implication of owning the results created, and changing or maintaining the results as necessary. To take personal responsibility for a marketing relationship means to own both the positive and negative results. As noted by McGraw (2000), one of the core causes of relationship collapse is failing to take personal responsibility. In order to be responsible, one needs to discover or be aware of one’s power, that is, self-empowerment (McGraw, 2000). Self-empowerment is the source of self-expression, truth, and strength. When partners in a relationship can both function from their own self-empowerment, then both members will truly be contributing members able to create and maintain all aspects of their agreements including deciphering what actions and thoughts are empowering. From this place of self-empowerment, members will be much more able to be and act in the present, to value themselves and others, to act positively and not from fear, to recognize a healthy balance between heart and head, and to honestly answer the question “is this action empowering?” (Evan, 2001) As noted by Sheth and Sobel (2000), empowered partners such as advisors and clients need seven essential attributes: selfless independence, empathy, depth and breadth of knowledge, the power of synthesis, great judgment, the strength of values, and trust through integrity. That is, when members are personally empowered, then they will be more able to value themselves, respect others, and act in accordance with the highest need (Arron, 1999). For example, McMullin (2000, 37) has stated, “Customer empowerment is one of the key trends behind some of the newest Internet-enabled value propositions.” Accordingly, this will make it easier to set aside any attitudes that undermine positive relationship, such as the urge to be right, look good, maintain an image, or teach a lesson (Hill, 2002).
BUILDING SUCCESSFUL MARKETING RELATIONSHIPS

Stated simply, successful marketing relationships are relationships wherein all parties seek win-win solutions, a long term and trusting relationship, an invitation to openly address problems, where innovation is encouraged, needs and concerns of the others are important, where overall performance is improved (Copare, 1994). That is, the above qualities are needed for successful relationship to take place. Therefore, what can be done to build these qualities or to help businesses in their relationship marketing efforts. Don Peppers, U.S. relationship marketing guru and author of the *The One to One Future* (1996), presents four steps to help businesses in their marketing relationship efforts: (1) identify individual customers, (2) differentiate these customers by key characteristics such as need and value, (3) interact or communicate with each customer in a way that recognizes their specific needs and persuades them to respond, and (4) customize the service or product to reflect the specific desires of the customer. Peppers suggests that a company begin by pinpointing their most valuable customers, drawing a line between them and the rest, and giving them the one-to-one treatment. Once this has been done, then the next most valuable group can be addressed. (Mitchell, 1998)

Gruen, Summers, and Acito, (2000) examined the relationship building efforts of professional associations. They identified a set of relationship marketing activities that can be used to manage membership relationships, to enhance the membership’s commitment to the relationship, and to enhance the membership’s relationship behaviors. Lill (1999) suggests the relationship builders and breakers as indicated in Table 1 (Appendix).

Also, Rosenfield (1999) notes nine mistakes that are made with regard to marketing relationship: assuming customers want a relationship, assuming customers are willing to work, assuming customers will be fair, assuming customer satisfaction is enough, being careful about tier inflation and avoiding good marketing followed by poor product, accidental disenfranchisement, changing the rules, obtaining cannibalization rather than incremental results, and confusing necessity with loyalty.

Copare (1994, HF.3.1-HF.3.2) suggests that for successful marketing relationships to occur, all parties must:

- “…be honest, trustworthy, willing to do a good job, and be committed to create a “win-win” relationship;
- Must agree to each other’s goals and determine the best method to reach both parties’ goals;
- Must receive the support and commitments from top management in order to guide the change in direction from the old, conventional way of doing business to the new cooperative way of conducting business;
- Must work together early to establish open communications, develop a team spirit, identify interests, and set mutual goals;
- Must develop a formal process that will bring any problem to quick solution. Failure to resolve problems in a timely manner will bring serious consequences to the relationship;
- Must follow up and evaluate the progress of the partnering agreement. This effort takes the combined dedication of all participants;
- Must have a plan for implementation. The plan can be developed in a joint workshop attended by the participants. The workshop is conducted before construction commences with key members participating in developing the partnering charter.
The charter is the blueprint for the partnering relationship. The charter mission statement items might include certain mutual goals in the areas of safety, schedules, budgets, and dispute resolution.”

Here are some additional tips that will help to minimize detriment and to maximize success in marketing relationship (Gursha, 2000):

- Assign a dedicated individual or team to work on these relationship-marketing programs. Preferably, this individual(s) will have relevant relationship marketing experience.
- Remember that flexibility and innovation are important in creating customized programs.
- Thoroughly research your potential partner’s business before proposing a program. The program should differentiate their offering from their competitors’ offerings.
- Know who the decision maker is and focus on this individual.
- Prepare yourself and management for some failures. Otherwise, you may be stopped mid-process.
- Follow-up with your customers. Once a deal is completed, contact your partners as appropriate and make any needed adjustments.
- Put all agreements in writing as deals can be complicated and last for several years. This also helps to ensure accurate communication.

SUMMARY AND CONCLUSION

A company’s efficiency in understanding and responding to customers’ needs can allow the company to build more meaningful connections or relationships with consumers than ever before. This connection or marketing relationship contributes to the bottom line by reducing costs and increasing revenues. That is, effective marketing relationships can contribute to the development of long-term customer loyalty and to a sustainable competitive advantage.

“Relationship marketing can work if it delivers on the principles that created the concept in the first place. It’s amazing how wide off the mark we have been in understanding what it takes to cultivate intimate relationships with our most important customers. It’s even more frightening how easily we can accidentally and thoughtlessly damage or destroy these fragile assets through the inconsistent and insensitive behaviors we exhibit. In the light of the channels of personal communication that are being opened to our customers, it’s clearly time that we seriously ponder and take action toward becoming a real partner and what that really means.” (Cecil, 2000, 102)

This paper has defined and explored marketing relationship and its importance to the marketer. The qualities needed for successful marketing relationships are presented as well as how to build successful marketing relationships. As noted by Theodore Levitt (1986, 126), “Relationship management is a special field all its own. It is as important in preserving and enhancing the intangible asset commonly known as ‘goodwill’ as is the management of hard assets. The fact that it is probably harder to do is that much more reason that hard effort be expanded to do it.” In its minutest form, the success of marketing relationship or relationship dyads may simply condense to “Do unto others as you would have others do unto you.”
REFERENCES

Andersen, P. H. (2001). Relationship Development and Marketing Communication: An
Andersen, P. H. Christensen, P. R. and Damgaard, T. (2009). Diverging Expectations in Buyer-
Seller Relationships: Institutional Contexts and Relationship Norms. Industrial
Marketing Management, 38, 814-824.
Andersen, P. H. and Kumar, R. (2006). Emotions, Trust and Relationship Development in
Business Relationships: A Conceptual Model for Buyer-Seller Dyads. Industrial
Marketing Success: The Case of Nonprofit Marketing. Journal of Marketing, 67(2), 89-
105.
75.
Agenda. European Journal of Marketing, 43(5/6), 583-610.
Consumer Satisfaction, Dissatisfaction and Complaining Behavior Conference
Proceedings, June 15-18, 13-32.
Interdependence and Dialectical Theory. Journal of Business Research, 56, 265-274.
Barnes, B. R., Naude, P. and Michell, P. (2007). Perceptual Gaps and Similarities in Buyer-
Blut, M., Backhaus, C., Heussler, T., Woisetschlag, D. M., Evanschitzky, H. and Ahlert, D.
(2011). What to Expect After the Honeymoon: Testing a Lifecycle Theory of Franchise
80(6), 16-19.


Core Qualities of Successful, Page 27


### Table 1

<table>
<thead>
<tr>
<th>Relationship Builders:</th>
<th>Relationship Breakers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Treat customers like life-long partners.</td>
<td>1. Focus only on making the sale.</td>
</tr>
<tr>
<td>2. Become a solutions provider.</td>
<td>2. Simply wait for a problem to develop.</td>
</tr>
<tr>
<td>3. Deliver more service than you promise.</td>
<td>3. Over-promise and under-deliver.</td>
</tr>
<tr>
<td>4. Schedule regular service calls.</td>
<td>4. Wait for customers to call you.</td>
</tr>
<tr>
<td>5. Develop open and honest communication.</td>
<td>5. Lie or make exaggerated claims.</td>
</tr>
<tr>
<td>6. Use the “we can” approach.</td>
<td>6. Use the “us versus them” approach.</td>
</tr>
<tr>
<td>8. Be an ally for the customer’s business.</td>
<td>8. Focus on your own personal gain.</td>
</tr>
<tr>
<td>9. Know when gaps are present.</td>
<td>9. Minimize gaps in relationships.</td>
</tr>
<tr>
<td>10. Build commonality and similarity.</td>
<td>10. Lack of commonality and similarity.</td>
</tr>
</tbody>
</table>