Are Relationships for Everyone?

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Abstract

It is frequently documented in the literature that firms should develop mutually beneficial relationships to gain competitive advantage, strengthen core competencies, create market position, increase loyalty and improve profit. Although the adoption of a Relationship Marketing orientation has visible advantages for many firms, marketers must be aware that not all customer service provider interactions have the propensity to develop into relationships. In many cases customers may not want a relationship with the service provider and in such situations, relationship building maybe unnecessary and could have negative implications for the service provider. As such, this research focuses on identifying those services, with which consumers do and do not want to build a relationship.

This paper reports the results of six empirical studies, in which consumers were asked about their attitudes and opinions on building long-term relationships with service providers. It was found that there are many services where a significant percentage of customers do not look for or require a relationship. Government services and telephone companies were found to have the highest 'dissonance' ratings.

Keywords: Relationship, zero relationship, service provider.

Introduction

Current literature implies that marketers should build long term, mutually beneficial relationships with their prospective and current customers (Berry, 1995; Grönroos, 1995; Grönroos, 1996). This concept can be expanded as to successfully implement a Relationship Marketing (RM) focus, both the service provider and the customer need to be involved in achieving a mutual set of goals. The final result should be increased customer satisfaction, loyalty, quality perceptions and increased profits (Evans and Laskin, 1994). Thus, the success of many firms may depend on their ability to achieve a RM orientation (Day, 2000; Reinartz and Kumar, 2003; Sharma and Sheth, 1997; Yau, McFetridge, Chow, Lee, Sin and Tse, 2000). The aim of this research study was to determine whether there are service providers with whom consumers *do not* want to establish or partake in relationship building, and to address the gap in the literature by distinguishing between a selection of services, where consumers do or do not want to form a relationship.

Nurturing Relationships

Relationship marketing has now become a prominent concept in general marketing theory, as previous efforts by marketers to retain current customers were limited, at least insofar as formal marketing programming. This prior narrow focus was both restrictive and potentially wasteful (Berry, 1983). In comparison, RM has caused marketers to adopt a new marketing mind-set where the retention of existing customers is as important as the attraction of new ones (Priluck, 2003). RM challenges marketers to treat customer attraction as only the first-step in the marketing process, emphasising that building a longitudinal relationship, based on

loyalty, commitment and trust, is also an essential marketing element (Berry, 1983; Gummesson, 1999; Rao and Perry, 2002).

According to Barnes (1997) the concept of a relationship can be conceptualised as a continuum which ranges from discrete, non-personal transaction-based interactions at one end to more frequent, interpersonal relationships at the other. Similarly, relationships are more likely to be developed when the service is characterised by frequent interpersonal contact, is high involvement and important to the customer. The question of when a relationship exists relates very much to the individual's definition and perception of what constitutes a relationship. It may be that individuals have different relationship thresholds, and what one consumer considers a relationship may not be defined as such by another.

In the case of service products, which are characterised by their intangibility and dependence on interpersonal interactions, developing a customer orientation can be effective in reducing the level of perceived risk associated with the purchase decision and in influencing post purchase behaviour (Berry, 1995; Riley and Chernatony, 1997). Unfortunately, the benefits associated with RM have lead to some firms assuming that building long-term relationships will inevitably lead to greater customer loyalty and increased profit (Grönroos, 1990). As a consequence many firms are engaging in marketing practices that do not really build long-term, mutually beneficial relationships.

Similarly, interest in RM has lead to many organisations adopting relationship marketing practices "without a clear understanding of what a relationship really is, or of whether a customer wishes to form one" (Barnes, 1997, p.227). For a genuine relationship to be developed a long-term commitment must be established by both parties. It is not sufficient for firms to label any attempt to increase their customer base as relationship marketing. In such cases the relationship is often based on one-sided communication that fosters a win-loose climate. Alternatively, customers in a subservient or passive position are unlikely to be involved in relationships. Therefore, it is important for firms to acknowledge that not all interactions between suppliers and customers have the potential to develop into a relationship (Barnes, 1997; Fournier, Dobscha and Mick, 1998; Palmer, 1996; Zolkiewski, 2004).

A review of the literature indicates that the direction and domain of relationship marketing is still relatively ambiguous and that limited attention has been paid to it in the services literature (Cooper, Gardner and Pullins, 1997). The literature that has emerged stresses the importance of a RM focus, describing it as 'essential for the effective functioning of marketing organisations' (Sharma and Sheth, 1997, p.218). This view has a number of inherent problems. Firstly, it suggests that all interactions between suppliers and customers have the potential to develop into a relationship. Secondly, it assumes that all customers want a relationship. Thirdly, it assumes that there is no continuum on which a relationship operates and finally, it fails to acknowledge and make allowances for consumer's individual definitions and perceptions of what constitutes a relationship. Gummesson (1999) identified a relationship continuum and where a customer does not want a relationship, but rather prefer only a price relationship, he terms as a *zero relationship*.

Furthermore, recent discussion of the appropriateness of RM (Rao and Perry, 2002, Yao *et al.*, 2000; Zolkiewski, 2004), proposes the question of whether RM can be ubiquitously applied. In particular, Zolkiewski (2004) calls for urgent research evidence to address whether relationship marketing is appropriate in all transactions. The general research question examined in this study was: **Do all customers in all situations want a relationship between**

themselves and their service providers?

Although the literature suggests that service providers should establish relationships with their customers, limited research has been conducted into whether consumers actually want to form a relationship in all situations. Not all interactions between customers and service providers have the potential to develop into relationships. As such, there may be certain services for which consumers are not willing to establish a relationship as they may have diverging views on relationships to that of the supplier. The following research question was developed to address the issue of 'zero' relationship:

RQ1   *Are there specific service providers with whom significant numbers of consumers do not want to form a relationship?*

Method

Data was gathered from two sources, firstly a survey specifically designed for this research, and secondly from a number of quantitative follow-up surveys of customers in which they were asked whether or not they wanted to develop a relationship with specific service providers. For the survey specifically designed for this research, respondents were randomly selected from the general public in Australia. Data was collected by personal interviews from a total of 48 respondents at two separate interviewing locations. This sample size was limited by budgetary constraints, but provided the researchers with an indication of the value of further research. Random mall intercepts were deemed to be the most appropriate survey method considering the nature of the topic and the benefits of face-to-face interviewing.

The questionnaire was extensively pre-tested and show cards were developed to illustrate the possible dimensions of a relationship. In order to assist respondents with understanding the RM concept, a set of 11 dimensions were included. These dimensions were taken from previous research (Ward and Smith 1998), and were: trust, bonding, empathy, friendship, commitment, reciprocity, loyalty, understanding, thoughtfulness, time to listen and shared values. Respondents were made aware that this list was not all-inclusive. They could add their own dimensions or ignore those that they did not agree with. The instrument asked respondents to answer a number of questions concerning 10 different services to ascertain: (1) whether there were any services for which they did not desire any relationship with the service provider, and (2) whether there were any demographic differences by age or gender.

The second source of data was obtained from a number of further quantitative surveys that asked consumers of service products about their need, or otherwise, to develop relationships with service providers. In each of these surveys provision was made for respondents to clearly indicate when they had no desire to develop a relationship with a provider.

Results

For the first data source, a total 48 surveys were completed by respondents and no questionnaires were rejected during screening. There were 52 people who refused to respond, giving a response rate of 48%.

An analysis of the data indicated that 75 percent of respondents interviewed expressed that

there were a number of service providers with which they did not desire a relationship. It can be seen from Table 1 that there are many service providers with whom consumers do not want to establish a relationship. In particular, Government services (Local council, Department of Transport) and public utilities (Electric company) were among those that were quoted most frequently by customers. In each case possible differences between genders and age group were explored using t-tests and oneway ANOVAs respectively, but no significant differences were found.

Table 1 - Services by Frequency of Occurrence - do not want a Relationship

Service	Zero relationship (%)	Service	Zero relationship (%)
Government services	33.3	Postman	14.6
Electric company	29.2	Pizza delivery	14.6
Telemarketers	29.2	Taxi drivers	14.6
Telstra	27.1	Mechanic	12.5
Grocery store	20.8	Hotel	10.4

In summary, for the services listed above the consumers who did not want a relationship felt that:
1) the benefits associated with relationship building and maintenance were minimal;
2) the amount of time and effort required was unrealistic in comparison to the benefits gained; and,
3) relationship building was not necessary.

It is interesting to note that the negative perceptions consumers expressed towards relationship building with the services depicted in Table 1 may be attributed to their non-personal, transaction based nature. In general, the services shown in Table 1 are characterised by infrequent, non-personal contact for a service product that was either continuously delivered or taken for granted. For example, public utilities - telephone and electricity companies and government services - roads, local council.

These services, as perceived by customers, are on the lower end of the relationship continuum. Customers who indicated no desire to establish relationships with these service providers deemed relationship building as unnecessary and time consuming. Thus, for services lying at this end of the continuum establishing long-term relationships may be a waste of resources and may not result in any benefit to either party.

Five other quantitative studies have been carried out in which customers have been asked if they want a relationship with a service provider. These studies were carried out in a variety of surveys investigating customer satisfaction, relationship nurturing and customer service quality. Table 2 shows the type of service product, sample size, number of respondents who did not want any relationship with the provider and corresponding percentage in descending order. All of these surveys were undertaken as mall intercept studies. The ordering of responses in Table 2 was undertaken by the researchers.

As shown in table 2, the electric company and cinema had the highest zero percentages with 29% and 26.9% respectively, followed by building societies, credit unions and doctors. It is not surprising that doctors scored very low from a dissonance viewpoint as most people do want to nurture a relationship for such a personal service. In all of the above surveys there

Table 2 – People who do not want a Relationship

Service product	Sample	Zero relationship	Zero relationship (%)
Electric company	262	76	29.0
Cinema	208	56	26.9
Building societies	240	40	16.7
Credit unions	236	19	8.0
Doctors	269	9	3.3

Source: various surveys between 2003 and 2005

were significant non-responses (about 50% on average). It is perhaps prudent not to assume in this case that the proportion of people who refused to respond would have the same needs to develop relationships with service providers as those who responded, given the nature of this study. There were no demographic differences apparent in any of the data when tested for age and gender.

Discussion

The findings show that for many services, and especially for public utilities and government services, nurturing relationships would be of limited use for a significant percentage of respondents. Services that are generally continuously delivered, or taken for granted by customers, shared common characteristics of the majority of services with which many customers did not want to build relationships.

There are three implications that can be drawn from this research. Firstly, it is apparent that not all customer and supplier interactions have the propensity to develop into relationships. Secondly, it indicates that there are certain services with which consumers do not want to partake in relationship building and maintenance. Finally, it indicates that marketers must not 'automatically' assume that they must nurture relationships with all customers in all situations.

Thus, marketers must be aware that there remains much about the application of relationship marketing theory still to be explored. The research addressed only service products as consumer goods were not considered. The results of this research indicate a need for more in-depth research into relational dissonance. Perhaps further research may explore the possible linkages between monopolies and hostage relationships, and their impact on customers desiring a zero relationship. An area for future research is in developing a continuum of 'relationship desirability', based on the percentage of people who either desire, or who do not desire, a relationship with service providers. Such a continuum would have benefits in indicating to organisations when relationship marketing techniques would, and would not, be applicable. Such research could also further explore why people do, or do not, desire a relationship in specific situations and for specific service products.

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