

Relationship
Marketing

Relationship marketing & International retailing Unit 5

Relationship Marketing

Your most valuable
currency

DEFINITION

- Relationship marketing is a facet of customer relationship management (CRM) that focuses on customer loyalty and long-term customer engagement rather than shorter-term goals like customer acquisition and individual sales.



- Relationship marketing is a understanding, creating and managing exchange relationship between economic partners, manufacturers, service providers, various channel members and final consumers.

Customer Relationship



Role of Relationship marketing in

Customer loyalty and satisfaction

Build goodwill

Image projection

Differentiation



Methods of relationship marketing:

- Adding value to a relationship
- ✓ Reordering of goods
- ✓ Offering privileges to customer
- ✓ Developing ability to jointly solve problem
- ✓ Creating barriers to exit



Management of relationship in retailing:

- **Mission and objectives setting**

- customer service

- customer and employee loyalty;

- quality

- **SWOT analysis:**

- internal analysis

External analysis

- **Market analysis and segmentation**

- **Strategy formulation: objective setting**

- **Developing the relationship marketing mix**

- ✓ Product

- ✓ Price

- ✓ Promotion

- ✓ Place

- ✓ People

- ✓ Process

- ✓ Physical evidence



Research in retailing

Research is carried in retail –

1. business feasibility,
2. identification of the right product mix,
3. target group profile,
4. consumer behaviour

Retailers Are Everywhere



Area of retail research:

- ***Store location*** –
 - size
 - -demographics
 - age
 - income level
 - ***Consumer***
 - merchandise assortment
 - hours of operation
 - ***Merchandising***
 - pricing
 - private label brands
 - ***Advertisement and promotion***
 - Which media to opt for
 - frequency of catalogues
 - special events
 - ***Customer services***
 - shipping charge
-
- ***Sales methods***

Retail research process

- i. Define issue or problem to be research
- ii. Examine secondary data
- iii. Generate Primary data
- iv. Data analysis
- v. Write the research proposal
- vi. Recommend and implement findings

Importance of research in retail:

- Analyse the retail trend
- Identify new customer, understand consumer behaviour and their profile
- Improve product, services
- Right assortment decision
- Develop long term strategy in terms of promotion, branding

Trends in retail search:

- Focus group
- Third party agency
- Organisational study
- Location analysis



Brand management in retaili

- Brand is a name, term, sign, symbol or design or combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those competitors

Types of store brands in retailing:

- National brands / manufacturer
- Local brands
- Private labels



Role of Branding in Retailing:

- Improved sales
- Higher sales
- Increase in ROI
- Higher customer loyalty



Branding strategies in retailing:

- Integrated branding- retailer is in direct contact with the manufacturer
 - Contract branding – outsourced to third party and does not play any role in product development
 - Independent branding – retailer simply procures the goods from suppliers at the lowest possible cost and entire branding investment is will be borne by him
- Developing retail brand:
- Brands are developed over a period of time
 - Positioning at the development stage is important

Customer Based brand equity (CBBE) process

- Clearly articulate the brand identity
- Establish a customer value proposition
- Define the optimal customer experience
- Cultivate relationship with customer
- Strengthen the brand over a time



Motives of international Retail

- Push/reactive drivers generally relate to negative aspects of the domestic market
- Saturation.
- Recession
- Planning restrictions



- Pull factors

pull/proactive drivers are linked to attractive aspects of either the retail offer or the foreign market

Attractive markets

Rise of the middle class

Choice of ownership

Harmony of market concepts



ISSUES IN INTERNATIONAL RETAIL

- Emergence of new markets
- Empowered consumer
- Technology enabled efficiencies
- Rise of the E-age
- Legislation and regulation
- Taxation and cross border shopping
- Variation in retail practices

International Environment

- Socio –Cultural Environment
- Economic Environment
- Political Environment
- Legal Environment
- Technological Environment



