A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT IN CONSUMER MARKETS: GRANDIOSITY/ REALITY?

Research Scholar Ashish GUPTA
Motilal Nehru National Institute of Technology, Allahabad

Abstract:
Relationship marketing (RM) was conceived as an approach to industrial and service markets, and was considered inappropriate in other marketing contexts. Recently, however, the domain of RM has been extended to incorporate innovative applications in mass consumer markets. Much has changed in a few short years. Recent applications of RM in consumer markets have been facilitated by developments in direct and database marketing within an increasingly competitive and fragmented marketplace. This paper presents a critical review of the history of RM in consumer markets, and incorporates important conceptual, practical, empirical and popular contributions. A number of critical issues which remain unresolved are identified in the paper. These form the basis of ten research propositions which are crucial to justifying and advancing the domain extension into consumer markets.

Keywords: relationship marketing, consumer marketing, consumer behavior

Introduction

Relationship marketing (RM) was initially conceived as an approach to marketing in inter-organizational and service situations on the basis that, contextually and structurally, these sectors required an alternative paradigm to that which was dominant in mass consumer goods markets (Berry, 1983; Ford, 1997; HaÊkansson, 1982). A decade ago, thoughts of appropriating the relational perspective and transferring it into mass consumer markets would have been unthinkable, yet today RM is embraced by both practitioners and academics in a wide range of markets and contexts. As such, applications in consumer markets represent a significant and somewhat surprising domain extension.

RM is now considered to be a feasible strategy in mass consumer markets (Christy et al., 1996; GroÈnroos, 1996; Sheth and Parvatiyar, 1995a). Discussions of business to consumer relationships (BCRs) have been broadly influenced by the emerging literature on relationship marketing, and by developments in direct and database marketing. In terms of the former, literature from industrial and service marketing contexts provides the conceptual underpinning for BCRs. This literature outlines how customer information might be acquired, analysed and utilised in developing BCRs. The marriage of these two very distinct literatures (as evident in the work of Dwyer et al., 1987) has provided the impetus for relationship building in consumer markets. For example, there are criticisms that it has become a ``popularized buzzword'' (Coviello et al., 1997, p. 502), which has been written about ``to the point of saturation'' (Petrof, 1997, p. 26). As an emerging approach to business, RM has reached a critical juncture with some authors questioning the extent to which robust theories have emerged (Gummesson, 1987) and suggesting that the discipline is experiencing an ``identity crisis'' (Sheth, 1998). Such prognoses reflect continuing concerns relating to the delineation of an appropriate domain. Indeed, a number of authors have recently begun to challenge assumptions that BCRs exist (Hibbard and Iacobucci, 1998; MoÈller and Halinen, 1998; O'Malley and Tynan, 1998). In this paper, i review the history of RM in consumer markets, and discuss a number of conceptual and practical problems inherent within this domain extension. A discussion of the historical and conceptual development of RM in areas other than consumer markets is beyond the remit of this paper. However, interested readers are directed to a number of alternative sources (cf. Berry and Parasuraman, 1991; Buttle, 1996; Christopher et al., 1991; Christopher and Peck, 1998; de BuÁ rca, 1995; Ford, 1997; Halinen, 1997; MoÈller and Wilson, 1995; Morgan and Hunt, 1994, Payne, 1995).

From obscurity to popularity

As with all things, the emergence of a new paradigm or perspective (in business) has a history, and its popularity, is a function of the work of a number of key protagonists, and important changes in the environment which make their work both accessible and apposite. Understanding of this history is fundamental in considering the popularity RM currently enjoys in consumer markets. The literature in this area can be broadly categorized into that which is involved with: conceptual developments, including philosophy, concepts and domain (cf. GroÈnroos, 1994; Sheth and Parvatiyar, 1995b; Christy et al., 1996); operational issues, implementing relationship strategy (Blattberg and Deighton, 1991; Child et al., 1995; Copulsky and Wolf, 1990; GroÈnroos, 1996; Stone et al., 1996); popular literature, outlining its relevance in the new millennium (McKenna, 1991; Peppers and Rogers, 1993; Pine et al., 1995; Vavra, 1992); and empirical studies, identifying the nature of consumer-organizational relationships (cf. Barnes, 1997; Iacobucci and Ostrom, 1996; O'Malley et al., 1997). Although it is difficult to identify a clear chronological path reflecting the growth in popularity of the concept of BCRs, a number of relatively distinctive stages can be retrospectively identified. These are conceptualized as: obscurity; discovery; acceptance; and popularity.

Obscurity

RM was not waiting in the wings hoping to be discovered by mass marketers. It emerged as an alternative to mainstream marketing and was popular among interorganisational and service marketers (see Aijo, 1996; Anderson and Narus, 1984; Berry, 1983; Frazier, 1983; GroÈnroos, 1981; Gummesson et al., 1997; HaÊkansson, 1982). Throughout the 1980s, RM was largely ignored by consumer marketers as the domain was considered to be both conceptually and contextually different. Although there were some suggestions that the emphasis on customer acquisition was misguided (cf. Levitt, 1983; Rosenberg and Czepiel, 1984), marketers remained committed to ``transaction marketing'' strategies. Discovery Dwyer et al. (1987, p. 12) proposed that consumer marketers could also benefit from ``attention to conditions that foster relational bonds leading to reliable repeat business''. Although it was suggested that these conditions could be created using the tools and techniques of direct and database marketing (Dwyer et al., 1987; Goldberg, 1988), the necessary technology was not widely available at this time. However, by the early 1990s the cost of computing hardware had fallen dramatically resulting in a massive increase in the use of direct and database marketing (Evans et al., 1996; Fletcher et al., 1991; Petrison et al., 1993). The database could be used to: maintain records on each customer (Blattberg and Deighton, 1991; Dwyer et al., 1987; McKenna, 1991; Petrison and Wang, 1993; Shani and Chalasani, 1992); personalise interaction with customers (Blattberg and Deighton, 1991; Treacy and Wieserma, 1993); and identify the most important customers, calculate their lifetime value and create opportunities for up-selling and cross-selling (Blattberg and Deighton, 1991; Reichheld and Sasser, 1990). Thus, the database was believed to perform a key learning role for organizations. Despite the apparent practitioner euphoria, many within the academic constituency remained skeptical. Practitioners had begun to recognize the limitations of overemphasizing customer acquisition (Reichheld and Sasser, 1990) within an intensely competitive and fragmented marketplace (Meuller-Heuman, 1992; Shani and Chalasani, 1992). Therefore, the very characteristics which made relationship building difficult in consumer markets made relationship building attractive to organizations, as a basis for developing competitive advantage.

Acceptance

1995 marked a turning point for RM in consumer markets and this can primarily be viewed as a function of the academic weight brought to bear on the argument. Sheth and Parvatiyar (1995b) justified academic interest in BCRs, arguing that the paradigm shift from transactions to relationships was related to a move to more direct interaction, both in business to business relationships (BBR) and BCR contexts. They also proposed: that it was possible to apply RM to consumer markets; that consumer and organizations both wanted relationships; and that customer participation in loyalty programmes was evidence of this (Sheth and Parvatiyar, 1995a). By drawing on the literature in psychology and sociology, Sheth and Parvatiyar (1995a) created a legitimate link between the extant consumer behaviour literature, the emerging RM literature and the operational literature associated with direct and database marketing, thereby laying the conceptual groundwork for BCRs.

Popularity

``With few exceptions, marketing specialists and, in particular, academicians accepted relationship marketing as the latest gospel and began spreading it faithfully as loyal disciples" (Petrof, 1997, p. 26). Post 1995 there was an explosion of work which attempted to identify: the motivation of consumers and organizations to engage in BCRs; the situations where relationship building was feasible; the process of relationship development; and the nature of BCRs (cf. Bennett, 1996; Bhattacharya et al., 1995; Buttle, 1996; Christy et al., 1996; Coviello et al., 1997; GroÈnroos, 1996; Gruen, 1995; Palmer, 1995; Pine et al., 1995). However, a number of authors have continued to instill a cautionary note, and have questioned the conceptual and empirical basis of RM in consumer markets (cf Barnes, 1997; Gruen, 1995; Iacobucci and Ostrom, 1996; Hibbard and Iacobucci, 1998; O'Malley and Tynan, 1998; O'Malley et al., 1997; 1998). Collectively, these works are noteworthy because they reflect and discuss a number of significant tensions which remain in accepting this domain extension. That is, there are suggestions that a number of critical issues remain unresolved within the literature, and these critical issues undermine the utility of RM in consumer markets.

Critical issues

One critical problem which has inhibited understanding relates to the precise identification of a RM strategy in consumer markets. Although a number of authors have variously contrasted relationship marketing with direct, database, loyalty, retention and transaction marketing, such

discussions generally fail to clarify substantive issues. For example: RM is concerned with relationship endurance while direct marketing is concerned with achieving immediate sales (Copulsky and Wolf, 1990); RM has a wider repertoire of techniques at its disposal than has direct marketing (Stone et al., 1996); RM is a ``bottom up'' approach while database marketing is a ``top down'' approach to strategy (Shani and Chalasani, 1992); RM refers to finding products for customers as opposed to the emphasis on finding customers for products in transaction marketing (Pine et al., 1995); and RM is distinct from loyalty marketing because learning is a key objective (Christy et al., 1996, p. 185). For the most part, these distinctions are tactical and fail to address substantive philosophical, conceptual and strategic issues.

More recent attempts to clarify terminology tend to incorporate such operational approaches within the rubric of RM (cf. Coviello et al., 1997; Rowe and Barnes, 1998). Rowe and Barnes (1998) identify what they consider to be four tangible manifestations of RM in consumer markets:

1. Locking customers (cf. Barnes, 1994; Turnbull and Wilson, 1989; Palmer, 1995);

2. Customer retention (cf. Berry, 1983);

3. Database marketing (Copulsky and Wolf, 1990; Treacy and Wiersema, 1993); and

4. Close personal relationships (cf. Barnes, 1994; 1995).

However, the first three approaches are criticized in that all are lacking recognition of ``mutuality and special status'' (Rowe and Barnes, 1998, p. 284) and, therefore, are unlikely to result in close, personal, long-term relationships. Coviello et al. (1997) propose that database marketing is actually a form of RM which relies upon information and technology based tools. Their classification scheme broadly distinguishes between ``transactional marketing'' and ``relational marketing'' with the latter further subdivided into: database marketing; interaction marketing; and network marketing. Thus, rather than clarifying terminology issues, many of these authors have contributed to the conceptual quagmire already in evidence. As a result, we argue that this lack of clarity hinders the identification of appropriate empirical contexts for research. This may be a major contributor to the lack of agreement over what actually constitutes a BCR and what the antecedents and outcomes of such a relationship might be. This leads us to suggest:

P1: Relationship marketing is conceptually distinct from transaction marketing, direct marketing, database marketing, loyalty marketing and retention marketing on the basis that these are tactical, while RM focuses on long-term interaction leading to emotional or social bonds.

There is a need to explore the conceptual distinction between these various forms of marketing in order to identify appropriate empirical contexts for research. Furthermore, for such research to be comparable, conceptual definitions must be widely agreed. In addition to the operational strategies employed by marketers, the propensity to develop BCRs is also dependent on the ``relationship friendliness'' of the product-market and the willingness of customers to participate (Christy et al., 1996; Sheth and Parvatiyar, 1995a). Relationships are presumed to develop as a result of regular contact, preferably hands-on or face-to-face (Rowe and Barnes, 1998), and are unlikely to emerge in situations where products/services are generic, and where price or accessibility are major issues (Palmer, 1995). As such, it might be expected that only a few ``relationship friendly'' product-markets actually exist. Consumers are assumed to engage in exchange relationships in situations where: involvement in the product category is high; there is uncertainty associated with the purchase; when the product can be customized; when consumers have the inclination and ability to pay for more than just the basic commodity; and when there are qualifying conditions (minimum spend; need for training) which they meet (Christy et al., 1996). In order to inform discussions of the kind of Product/market situations in which a RM strategy might be feasible, greater understanding of conditions necessary for the development of BCRs is needed. It is important to recognize that it is not possible to create BCRs in all consumer exchange contexts. Thus:

P2: The opportunity to develop BCRs is only feasible for high involvement products, characterized by inelastic demand, where regular interaction with consumers occurs.

Indeed, the development of BCRs is also predicated on the voluntary participation of both marketers and consumers (Christy et al., 1996; Gruen, 1995). As such, understanding both marketer and consumer motivation for participation becomes particularly important. Marketers are motivated by ``enlightened self-interest'' (Sheth and Parvatiyar, 1995a) because RM is assumed to increase efficiency and effectiveness by: reducing marketing costs, particularly those relating to mass communications; facilitating targeting of high-profit customers; enhancing customer loyalty; reducing price sensitivity among relationship customers; creating opportunities for up-selling and cross-selling; erecting exit barriers; and facilitating database development (Beaton and Beaton, 1995; Christy et al., 1996; Copulsky and Wolf, 1990; Dwyer et al., 1987; GroÈnroos, 1996; Gundlach et al., 1995; Palmer, 1995; Pine et al., 1995; Sheth and Parvatiyar, 1995a; Reichheld and Sasser, 1990). However, Gruen (1995, p. 452) reminds us that while customer relationships may be cumulatively important to the seller ``the stakes are relatively small and inconsequential'' for individual BCRs. As such, an individual BCR will be unlikely to represent a significant investment to the seller. Thus:

P3: Not all individual BCRs are sufficiently important to merit individual treatment by marketers.

This is important because there has been a tendency among researchers and practitioners to treat all customers as though they are relational. This is clearly simplistic. Researchers have also been interested in understanding why consumers might be willing to engage in BCRs. Gruen (1995) draws attention to a number of factors which suggest that individual relationships may not be very important from the consumer's perspective. In particular, the economic consequences of any relationship to a consumer are far less serious than BBRs because there are sufficient ``readily available alternatives that can be substituted for minimal financial cost'' (Gruen, 1995, p. 452). That is, switching costs are much less of an issue because structural and technical bonds are less prevalent. However, Sheth and Parvatiyar (1995a) argue that consumers are motivated to engage in BCRs in order to reduce both choice and risk. Conceptually, this is in line with the writing of Pine et al., (1995) but has been strongly questioned by both Peterson (1995) and Bagozzi (1995). Indeed, Peterson argues that the customer satisfaction literature suggests that consumers prefer more, not less choice, while Bagozzi (1995) views choice reduction as a (possibly unintended) consequence of marketing relationships. Thus:

P4: Reduction of choice is insufficient motivation for consumer participation in BCRs.

While Sheth and Parvatiyar (1995a) seductive conceptualization of consumer motivation in terms of choice reduction may have face validity, it has detracted research attention from more substantive issues. Consumers are assumed to engage in BCRs because they will benefit in some way, either through the attainment of their goals or through achieving greater value (Bagozzi, 1995; Christy et al., 1996; Peterson, 1995; Sheth and Parvatiyar, 1995b; Tzokas and Saren, 1997). For the most part, these ``rewards'' relate to ``frequent user'' or ``loyalty programmes'', on the basis that these are tangible manifestations of a relationship strategy (cf. Christy et al., 1996; Palmer and Bejou, 1994; Sheth and Parvatiyar, 1995a). The outcomes of exchange relationships are primarily conceptualized in terms of increased loyalty, perceived as discernible through repeat purchasing behavior.

Loyalty schemes have the dual objectives of rewarding loyalty and keeping competitors out of the market (Madhaven et al., 1994; Rowe and Barnes, 1998). However, loyalty schemes tend to emphasise repeat purchasing and have been criticised as sophisticated sales promotions (Dowling and Uncles, 1997; O'Brien and Jones, 1995; O'Malley, 1998). Loyalty programmes are highly questionable as relationship building strategies as they do not encourage ``affection, fidelity or commitment'' (McGoldrick and Andre, 1997, p. 74). According to Dick and Basu (1994) when behavior is not accompanied by a favourable attitude the most that can be hoped for is ``spurious loyalty'' which is short-lived and the customer remains open to better offers. Rowe and Barnes (1998) conceptualize this manifestation of RM as ``locking in the customer'' and, indeed, it does reflect a deliberate choice reduction strategy. Loyalty schemes are not considered suitable as a mechanism for generating sustainable competitive advantage (O'Malley, 1998; Rowe and Barnes, 1998). `` Thus:

P5: Loyalty programmes are best considered within the rubric of sales promotion rather than that of RM given their emphasis on tangible rewards.

In resolving this problem, much of the rhetoric evident within the practitioner literature is eliminated, thereby allowing researchers to concentrate their efforts on more substantive RM issues. Additionally, it facilitates the evaluation of loyalty schemes within a more appropriate framework (i.e. sales promotion).

Within the context of relationships, value is generally perceived in terms of the rewards that accrue from relationship participation. These are believed to comprise both tangible and intangible rewards, with the former relating to discounts and club membership (Sheth and Parvatiyar, 1995a; Christy et al., 1996), and the reduction and potential elimination of transaction costs (Buttle, 1996; Dwyer et al., 1987). In contrast, intangible ``rewards'' include the risk-reducing and social benefits of relationship participation (Berry, 1995; Bagozzi, 1995; Christy et al., 1996; Dwyer et al., 1987; Sheth and Parvatiyar, 1995a). Although intangible or emotive rewards are identified as central to marketing relationships, these have received little attention in the literature. Indeed, the terms ``loyalty'' and ``retention'' may be obscuring understanding of BCRs, and alternative terms already evident in the literature including ``special status'' (Czepiel, 1990) and ``emotion'' (Bagozzi, 1995) should be employed (Barnes, 1997). Thus:

P6: Tangible manifestations of loyalty are not indicative of the existence of a BCR unless accompanied by emotion or some other affective dimension.

The focus on tangible rewards may be a result of conceptualizing loyalty programmes as RM, and has led to intangible and affective dimensions being overlooked. The implicit goal of RM is ``to move exchanges away from the discrete transactions pole and toward the relational exchange pole, with the underlying assumption that relational exchange is preferable in increasing amounts'' (Gruen, 1995, p. 449). Discrete transactions are largely governed by market forces and are of specific content and duration. In contrast, relational exchange refers to interactive relationships between parties that are characterized by economic, social, legal, technical, informational and procedural bonds. Relational exchange exists when the parties expect that the relationship will endure over time, when benefits and burdens are shared, when trust is evident, and when planning for future transactions takes place (Dwyer et al., 1987; Frazier et al., 1988). Although this difference between transactions and relationships is accepted in the literature, in consumer markets the distinction is not apparent. For example, Dwyer et al. (1987, p. 14) themselves acknowledge that ``....the notion of instantaneous exchange between anonymous partners who will never interact in the future is an abstracted model which does not exist in the real world''. Furthermore, the ``ideal'' or relational end of the continuum is actually very rare in BCR situations, because consumers are not deeply involved in every exchange situation and there are very few opportunities for negotiation given standardized product offerings and administered pricing. As such, concepts of relational exchange ``....seem characteristic of only a portion of consumer transactions, namely those involving high priced durable goods and complex services'' (Dwyer et al., 1987, p. 16), implying that the majority of exchange in consumer markets is transactional. Conceptualization of exchange in consumer markets, as either transactional or relational, is inadequate, in that it fails to recognize the wide range of possible positions on the continuum. Thus:

P7: Exchange in consumer markets is likely to be characterized by both transactional and relational elements.

Recognition of exchange as incorporating both relational and transactional elements allows a merging of the perspectives offered by each paradigm, thereby facilitating the development of more coherent and robust theories. Relationships develop through interaction (cf. Czepiel, 1990; Ford, 1997; Solomon et al., 1985). Specifically, interpersonal interaction facilitates the creation of social relationships and emotional bonds through enhancing trust, commitment, communication etc. (cf. HaÊkansson, 1982). Sheth and Parvatiyar (1995b, p. 398) argue ``when producers and consumers directly deal with each other, there is greater potential for emotional bonding that transcends economic exchange''. Although the notion of interaction in BCRs was initially conceived as problematic (GroÈnroos, 1994), there have been suggestions that non-personal interaction with technology and systems can provide the same function (GroÈnroos, 1996). Indeed, Iacobucci and Ostrom (1996) refer to BCRs as ``transactional relationships'' which tend to be ``casual and distant'' where history and the existence of trust are of little importance, and where the relationship is generally short-term and far less intense than BBRs. Despite the limited interaction in BCRs, there has been a tendency to assume that relationships exist which is close, long term and exhibit high levels of trust, commitment, mutuality, satisfaction, and co-operation (Dwyer et al., 1987; Morgan and Hunt, 1994). There has been an inherent assumption that social exchange theory constructs continue to be useful in understanding BCRs (cf. Dwyer et al., 1987; Fournier, 1998; Morgan and Hunt, 1994). However, there is little agreement as to the utility of these constructs in describing the nature of BCRs. The relevance, role and importance of trust is unclear within the context of BCRs (cf. Berry and Parasuraman, 1991; Cowles, 1997; Dwyer et al., 1987; Gruen, 1995; Morgan and Hunt, 1994), while the commitment construct is difficult to distinguish from behavioral and affective conceptualizations of loyalty (cf. Dick and Basu, 1994). Indeed, given that BCRs are conceived as being distant, discrete, and impersonal, the perceived utility of social exchange theory is undermined (cf. Coviellio et al., 1997; Gruen, 1995; Iacobucci and Ostrom, 1996; Stone et al., 1996), a situation exacerbated by the difficulties of creating close emotional bonds via technology mediated interaction (cf. Barnes, 1994, 1995; Fournier et al., 1998, Hogg et al., 1993; O'Malley et al., 1997; Peterson and Lucas, 1996). Hibbard and Iacobucci (1998) conducted a metatheoretical analysis of over ten years of literature and concluded that there is no empirical evidence to suggest that BCRs exist. As such, BCRs have been treated as if they are real, and this has led to an emphasis on concepts from social exchange theory in describing and explaining commercial exchange relationships. Thus:

P8: Social exchange theory over-emphasizes the role of trust, commitment, communication and mutuality in exchange within consumer markets.

Social exchange theory ties us into the language and rhetoric of interpersonal relationships, particularly those of marriage. This offers only a partial and prescriptive view of exchange. However, BCRs are generally assumed to be managed by the seller (Blattberg and Deighton, 1991), and are conceived as being asymmetrical (Dwyer et al., 1987; Gruen, 1995; Iacobucci and Ostrom, 1996). Therefore, customers continue to be seen as passive participants in the process, with the resulting assumption that the relationship can be managed independently of customers' overt participation. This is also evident in conceptualizations of marketing as seduction (Deighton and Grayson, 1995) and the approach continues to be echoed in the managerial literature. Conceptualizing relationships as ``managed contexts'' (Stone et al., 1996) shows no recognition of the concepts of ``mutuality'' or ``special status'' as called for in the literature (cf. Barnes 1997; Rowe and Barnes, 1998). In conceiving the marketer as ``manager'', and the customer as being managed, it is obvious that the customer continues to be viewed as a passive, rather than an active participant, in the relationship.

Furthermore, the asymmetrical nature of the relationship renders the marriage analogy largely inappropriate given its implicit emphasis on equality and partnership. Thus:

P9: The use of the marriage metaphor in exploring BCRs distorts and inhibits conceptualization.

The normative values associated with the marriage metaphor limit understanding of BCRs. Therefore, the full range of metaphors which cover relationships between the sexes, including stalking, rape, polygamy and prostitution, could be more usefully employed (Tynan, 1997). Indeed, questions have also been raised about the utility of direct marketing approaches in relationship building (cf. Barnes, 1994, 1995; Fournier et al., 1998; Hogg et al., 1993; O'Malley et al., 1997, 1998; Rowe and Barnes, 1998). The employment of direct and database marketing in operationalising RM may actually undermine the process of relationship development, because what marketers call ``intimacy'' (Treacy and Wieserma, 1993) many consumers view as ``intrusive'' (O'Malley et al., 1997). The problem is that ``far too many firms have focused their energies on database building rather than relationship building'' (O'Malley et al., 1997, p. 553) and have, therefore, ignored the need for customers' voluntary participation in the process.

Despite suggestions that RM is far less manipulative than the mix management paradigm (GroÈnroos, 1994; Sheth and Parvatiyar, 1995a), approaches to implementation are more closely associated with the goals of direct marketing rather than the philosophy of RM. Whether RM is an alternative to the mix paradigm (GroÈnroos, 1994) or whether both paradigms are complimentary (Gummesson, 1994) is an important, yet unresolved, issue. Thus:

P10: The mix management paradigm is philosophically and operationally incompatible with RM.

Problems with operationalising RM in consumer markets are a direct result of Relationship attempts to combine the perspectives offered by both paradigms. Elements of each paradigm have been selectively adopted without consideration of their compatibility. In particular, there has been no empirical evidence to suggest that direct marketing is a sufficient substitute for interpersonal interaction.

Conclusions

Although RM possesses much intuitive appeal, the basic assumptions that underpin this domain extension have not been tested or challenged in any meaningful way. Despite more than ten years of academic and practitioner interest in this area, understanding of the nature of BCRs has advanced little (Barnes, 1997; Bejou, 1997; Petrof, 1997). Practitioner interest has been the driving force behind its growth in popularity. Given the diversity in operational approaches employed, and the lack of accepted definitions, it has become impossible to delimit the domain. The boundaries are completely permeable and elastic. This has resulted in difficulties in identifying appropriate contexts for empirical research, and has exacerbated conceptual problems within the emerging discipline. The assumption that BCRs are similar to BBRs must also be challenged. The domains are conceptually and structurally distinctive (cf. Gruen, 1995). Exchange in consumer markets is likely to be characterized by both transactional and relational elements. Furthermore, it is neither possible nor profitable to create close, personal and long-term relationships with all consumers in all product-markets.

Social exchange theory may still have a role to play in situations where relationships are recognized by both marketers and consumers, where product involvement is high, demand is inelastic and interaction frequent. Alternatively, perspectives offered within the extant consumer behavior literature including cognitive (Engel et al., 1995), behaviorist (cf. Foxall and Goldsmith, 1994) and experiential (cf. Holbrook and Hirschman, 1982; Brown and Turley, 1997) could be considered. This would explicitly build on the conceptual links created and the propositions outlined by Sheth and Parvatiyar (1995a).

In conclusion, we suggest that the academy has extended the domain of RM into consumer markets despite a dearth of conceptual and empirical justification, a situation exacerbated by practitioner appropriation of relational language. Marketers have been too uncritical in accepting this domain extension and although BCRs present a number of interesting challenges (Gruen, 1995), many fundamental issues have not been addressed. Although marketers may have appropriated the terminology of relationships, it remains unclear whether or not they have internalized the philosophy. Indeed, in many markets all that are apparent is a resource shift from above to below the line, indicating that RM in consumer markets is more rhetoric than reality.

REFERENCES

Aijo, T.S. (1996), ``The theoretical and philosophical underpinnings of relationship marketing'', European Journal of Marketing, Vol. 30 No. 2, pp. 8-18.

Anderson, J.C. and Narus, J.A. (1984), ``A model of the distributor's perspective of distributor-manufacturer working relationships'', Journal of Marketing, Vol. 48, fall, pp. 62-74.

Bagozzi, R.P. (1995), ``Reflections on relationship marketing in consumer markets'', Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 272-7.

Barnes, J.G. (1994), ``Close to the customer: but is it really a relationship?'', Journal of Marketing Management, Vol. 10, pp. 561-70.

Barnes, J.G. (1995), ``Establishing relationships ± getting closer to the customer may be more difficult than you think'', Irish Marketing Review, Vol. 8, pp. 107-16.

Barnes, J.G. (1997), ``Closeness, strength, and satisfaction: examining the nature of relationships between providers of financial services and their retail customers'', Psychology and Marketing, Vol. 14 No. 8, pp. 765-90.

Beaton, M. and Beaton, C. (1995), ``Marrying service providers and their clients: a relationship approach to services management'', Journal of Marketing Management, Vol. 11, pp. 55-70. Bejou, D. (1997) ``Relationship marketing: evolution, present state, and future'', Psychology and Marketing, Vol. 14 No. 8, pp. 727-36.

Bennett, R. (1996), ``Relationship formation and governance in consumer markets: transactional analysis versus the behaviorist approach'', Journal of Marketing Management, Vol. 12, pp. 417-36.

Berry, L.L. (1983), ``Relationship marketing'', in Berry, L.L., Shostack, G.L. and G.D. Upah (Eds), Perspectives on Services, Marketing American Marketing

Association, Chicago, IL, pp. 25-8.

Berry, L.L. and Parasuraman, A. (1991), Marketing Services: Competing Through Quality, Free Press, New York, NY.

Bhattacharya, C., Rao, H. and Glynn, M.A. (1995), ``Understanding the bond of identification: an investigation of its correlates among art museum members'', Journal of Marketing, Vol. 59, July, pp. 68-81.

Blattberg, R.C. and Deighton, J. (1991), ``Interactive marketing: exploiting the age of addressability'', Sloan Management Review, Fall, pp. 5-14.

Brown, S. and Turley, D. (Eds) (1997), Consumer Research: Postcards from the Edge, Routledge, London.

Buttle, F. (Ed.) (1996), Relationship Marketing, Theory and Practice, Paul Chapman Publishing, London.

Cespedes, F.V. and Smith, H.J. (1993), ``Database marketing: new rules for policy and practice'', Sloan Management Review, Summer, pp. 175-87.

Child, P., Dennis, R.J., Gokey, T.C., McGuire, T.I., Sherman, M. and Singer, M. (1995), ``Can marketing regain the personal touch?'', The McKinsey Quarterly, No. 3, pp. 113-25.

Christopher, M. and Peck, H. (1998), ``Special issue on relationship marketing'', Journal of Strategic Marketing, Vol. 6 No. 3.

Christopher, M., Payne, A. and Ballantyne, D. (1991), Relationship Marketing: Bringing Quality, Customer Service and Marketing Together, Butterworth-Heinemann, Oxford.

Christy, R., Oliver, G. and Penn, J. (1996), ``Relationship marketing in consumer markets'', Journal of Marketing Management, Vol. 12, pp. 175-87.

Copulsky, J.R. and Wolf, M.J. (1990), ``Relationship marketing: positioning for the future'', Journal of Business Strategy, July/August, pp. 16-20.

Coviello, N.E., Brodie, R.J. and Munro, H.J. (1997), ``Understanding contemporary marketing: development of a classification scheme'', Journal of Marketing Management, Vol. 13, pp. 501-52.

Cowles, D.L. (1997), ``The role of trust in customer relationships: asking the right questions'', Management Decision, Vol. 35 No. 4, pp. 273-82.

Czepiel, J.A. (1990), ``Service encounters and service relationships: implications for research'', Journal of Business Research, Vol. 20, pp. 13-21.

de BuÁ rca, S. (1995), ``A network approach to business to business exchange relationships: key meta-theoretical assumptions'', Irish Marketing Review, Vol. 8, pp. 117-25.

Deighton, J. and Grayson, K. (1995), ``Marketing and seduction: building exchange relationships by managing social consensus'', Journal of Consumer Research, Vol. 21, March, pp. 660-76.

Dick, A.S. and Basu, K. (1994), ``Customer loyalty: toward an integrated framework'', Journal of the Academy of Marketing Science, Vol. 22 No. 2, pp. 99-113.

Dowling, G.R. and Uncles, M. (1997), ``Do customer loyalty programmes really work?'', Sloan Management Review, Summer, pp. 71-82.

Dwyer, F.R., Dahlstrom, R. and DiNova, T. (1995), ``Buyer-seller relationships ± theoretical perspectives'', in Moller, K. and Wilson, D.T. (Eds), Business Marketing: An Interaction and Network Perspective, Kluwer Academic Publishers, Boston, MA, pp. 71-109.

Dwyer, F.R., Schurr, P.H. and Oh, S. (1987), ``Developing buyer-seller relationships'', Journal of Marketing, Vol. 51, April, pp. 11-27.

Engel, J.F., Blackwell, R.D. and Miniard, P.W. (1995), Consumer Behaviour, 8th ed., Dryden Press, Fort Worth, TX.

Evans, M., O'Malley, L. and Patterson, M. (1996), ``Direct marketing communications in the UK: a study of growth, past, present and future'', Journal of Marketing Communications, Vol. 2, pp. 51-65.

Fletcher, K., Wheeler, C. and Wright, J. (1991), ``Database marketing: a channel, a medium, or a strategic approach'', Marketing Intelligence and Planning, Vol. 10 No. 6, pp. 18-23.

Ford, D. (1980), ``The development of buyer-seller relationships in industrial markets'', European Journal of Marketing, Vol. 14 No. 5/6, pp. 339-54.

Fournier, S. (1998), ``Consumers and their brands: developing relationship theory in consumer research'', Journal of Consumer Research, Vol. 24 No. 4, pp. 343-73.

Fournier, S., Dobscha, S. and Mick, D.G. (1998), ``Preventing the premature death of relationship marketing'', Harvard Business Review, January-February, pp. 42-51.

Foxall, G. and Goldsmith, R. (1994), Consumer Psychology for Marketing, Routledge, London.

Frazier, G.L. (1983), ``Interorganisational exchange behaviour in marketing channels: a broadened perspective'', Journal of Marketing, Vol. 47, Fall, pp. 68-71.

Frazier, G.L., Spekman, R.E. and O'Neal, C.R. (1988), ``Just in time exchange relationships in industrial marketing'', Journal of Marketing, Vol. 52 No. 4, pp. 52-67.

Gardiner Jones, M. (1991), ``Privacy: a significant marketing issue for the 1990s'', Journal of Public Policy and Marketing, Vol. 10 No. 1, pp. 133-48.

Goldberg, B. (1988), ``Relationship marketing'', Direct Marketing, Vol. 51 No. 6, pp. 103-5.

Goodwin, C. (1991), ``Privacy: recognition of a consumer right'', Journal of Public Policy and Marketing, Vol. 10 No. 1, pp. 149-66.

GroÈnroos, C. (1981), ``Designing a long-range marketing strategy for services'', Long Range Planning, Vol. 13, April, pp. 36-42.

GroÈnroos, C. (1991), ``The marketing strategy continuum: towards a marketing concept for the 1990s'', Management Decision, Vol. 29, pp. 7-13.

GroÈnroos, C. (1995), ``Relationship marketing: the strategy continuum'', Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 252-4.

GroÈnroos, C. (1996), ``Relationship marketing: strategic and tactical implications'', Management Decision, Vol. 34 No. 3, pp. 5-14.

Gruen, T.W. (1995), ``The outcome set of relationship marketing in consumer markets'', International Business Review, Vol. 4 No. 4, pp. 447-69.

Gummesson, E. (1987), ``The new marketing - developing long-term interactive relationships'', Long Range Planning, Vol. 20, pp. 10-20.

Gummesson, E. (1994), ``Making relationship marketing operational'', International Journal of Service Industry Management, Vol. 5 No. 5, pp. 5-20.

Gummesson, E., Lehtinen, U. and GroÈnroos, C. (1997), ``Comment on `Nordic perspectives on relationship marketing''', European Journal of Marketing, Vol.

31 No. 1, pp. 10-16.

Gundlach, G.T., Achrol, R.S. and Mentzer, J.T. (1995) ``The structure of commitment in exchange'', Journal of Marketing, Vol. 59, January, pp. 78-92.

HaÊkansson, H. (1982), International Marketing and Purchasing of Industrial Goods, Wiley, New York, NY.

Halinen, A. (1997), Relationship Marketing in Professional Services: A Study of Agency-Client Dynamics in the Advertising Sector, Routledge, London.

Hibbard, J. and Iacobucci, D. (1998), ``Toward an encompassing theory of relationships in business and consumer marketing: an empirical generalization with implications for future research'', in Sheth, J. and Menon, A. (Eds), New Frontiers in Relationship Marketing Theory and Practice, Emory University, Atlanta, June.

Hogg, M.K., Long, G., Hartley, M. and Angold, S.J. (1993), ``Touch me, hold me, squeeze me, freeze me: privacy ± the emerging issue for relationship marketing in the 1990s'', in Emerging Issues in Marketing, Annual Conference of the Marketing Education Group, Loughborough, July, pp. 504-14.

Holbrook, M.B. and Hirschman, E.C. (1982), ``The experiential aspects of consumption: consumer fantasies, feelings and fun'', Journal of Consumer Research, Vol. 9, September, pp. 132-40.

Iacobucci, D. and Ostrom, A. (1996), ``Commercial and interpersonal relationships; using the structure of interpersonal relationships to understand individual-to-individual, individual-to-firm, and firm-to-firm relationships in commerce'', International Journal of Research in Marketing, Vol. 13, pp. 53-72.

Kotler, P. (1991), presentation at the Trustees Meeting of the Marketing Science Institute in November 1990, Boston, MA.

McCort, D.J. (1994), ``A framework for evaluating the relational extent of a relationship marketing strategy: the case of non-profit organizations'', Journal of Direct Marketing, Vol. 8No. 2, pp. 53-65.

McKenna, R. (1991), Relationship Marketing: Successful Strategies for the Age of the Customer, Addison-Wesley, Reading, MA.

Meuller-Heumann, G. (1992), ``Market and technology shifts in the 1990s: market fragmentation and mass customization'', Journal of Marketing Management, Vol. 8, pp. 303-14.

Milne, G.R., Beckman, J. and Taubman, M.L. (1996), ``Consumer attitudes toward privacy and direct marketing in Argentina'', Journal of Direct Marketing, Vol. 10 No. 1, pp. 22-33.

MoÈller, K. and Halinen, A. (1998), ``Consumer versus interorganisational relationship marketing: a metatheoretical analysis'', in Sheth, J. and Menon, A. (Eds) New Frontiers in Relationship Marketing Theory and Practice, Emory University, Atlanta, GA, June.

MoÈller, K. and Wilson, D. (Eds) (1995), Business Marketing: An Interaction and Network Perspective, Kluwer Academic Publishers, Boston, MA.

Morgan, R.M. and Hunt, S.D. (1994), `` The commitment-trust theory of relationship marketing'', Journal of Marketing, Vol. 58, July, pp. 20-38.

Nowak, G.J. and Phelps, J. (1995), ``Direct marketing and the use of individual-level consumer information: determining how and when `privacy' matters'', Journal of Direct Marketing, Vol. 9 No. 3, pp. 46-60.

O'Brien, L. and Jones, C. (1995), ``Do rewards really create loyalty?'', Harvard

Business Review, May-June, pp. 5-82.

O'Malley, L. (1998), ``Can loyalty schemes really build loyalty?'', Marketing Intelligence and Planning, Vol. 16 No. 1, pp. 47-55.

O'Malley, L., Patterson, M. and Evans, M.J. (1998), ``Relationship marketing and privacy issues: building bonds or barriers'', Journal of Database Marketing.

Palmer, A. and Bejou, D. (1994), ``Buyer-seller relationships: a conceptual model and empirical investigation'', Journal of Marketing Management, Vol. 10, pp. 495-512.

Palmer, A.J. (1995), ``Relationship marketing: local implementation of a universal concept'', International Business Review, Vol. 4 No. 4, pp. 471-81.

Patterson, M., O'Malley, L. and Evans, M.J. (1997), ``Database marketing: investigating privacy concerns'', Journal of Marketing Communications, Vol. 3 No. 3, pp. 151-74. Payne, A. (Ed.) (1995),

Peterson, R.A. (1995), ``Relationship marketing and the consumer'', Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 278-81.

Peterson, R.M. and Lucas, G.H. (1996), ``Consumers and technology: are we creating relationships or distance?'', in Sheth, J. and Parvatiyar, A. (Eds), Proceedings of the Third American Marketing Association Research Conference on Relationship Marketing, Atlanta, GA.

Petrison, L.A. and Wang, P. (1993), ``From relationships to relationship marketing: applying database technology to public relations'', Public Relations Review, Vol. 19 No. 3, pp. 235-45.

Petrison, L.A. and Wang, P. (1995), ``Exploring the dimensions of consumer privacy: an analysis of coverage in British and American media'', Journal of Direct Marketing, Vol. 9 No. 4, pp. 19-37.

Petrison, L.A., Blattberg, R.C. and Wang, P. (1993), ``Database marketing: past, present and future'', Journal of Direct Marketing, Vol. 7 No. 3, pp. 27-43.

Petrof, J.V. (1997), ``Relationship marketing: the wheel reinvented'', Business Horizons, Vol. 40 No. 6, November-December, pp. 26-31.

Pine, J.B. II, Peppers, D. and Rogers, M. (1995), ``Do you want to keep your customers forever?'', Harvard Business Review, March-April, pp. 103-14.

Reichheld, F.F. and Sasser E.W. Jr (1990), ``Zero defections: quality comes to services'', Harvard Business Review, Vol. 69, September-October, pp. 105-11.

Rosenberg, L.J. and Czepiel, J. (1984), ``A marketing approach for customer retention'', Journal of Consumer Marketing, Vol. 1, Spring, pp. 45-51.

Rowe, G.W. and Barnes, J.G. (1998), ``Relationship marketing and sustained competitive advantage'', Journal of Market Focused Management, Vol. 2, pp. 281-97.

Shani, D. and Chalasani, S. (1992), ``Exploiting niches using relationship marketing'', Journal of Business Strategy, Vol. 6 No. 4, pp. 43-52.

Sheth, J.N. (1998) ``Inaugual address'', in Sheth, J.N. and Menon, A. (Eds), New Frontiers in Relationship Marketing Theory and Practice, Biannual Relationship Marketing Conference, Emory University, Atlanta, GA, June.

Sheth, J.N. and Parvatiyar, A. (1995a), ``Relationship marketing in consumer markets: antecedents and consequences'', Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 255-71.

Sheth, J.N. and Parvatiyar, A. (1995b), ``The evolution of relationship marketing'', International Business Review, Vol. 4 No. 4, pp. 397-418.

Shostack, L.G. (1977), ``Breaking free from product marketing'', Journal of Marketing, Vol. 45, April, pp. 73-80.

Solomon, M.R., Suprenant, C.J., Czepiel, A. and Gutman, E.G. (1985), ``A role theory perspective on dyadic interactions: the service encounter'', Journal of Marketing, Vol. 49, Winter, pp. 99-111.

Stone, M., Woodcock, N. and Wilson, M. (1996), ``Managing the change from marketing planning to customer relationship management'', Long Range Planning, Vol. 29 No. 5, pp. 675-83.

Treacy, M. and Wiersema, F. (1993), ``Customer intimacy and other value disciplines'', Harvard Business Review, Vol. 71 No. 1, pp. 84-93.

Turnbull, P.W. (1979), ``Roles of personal contacts in industrial export marketing'', Scandinavian Journal of Management, Vol. 7, pp. 325-39.

Turnbull, P.W. and Wilson, D.T. (1989), ``Developing and protecting profitable customer relationships'', Industrial Marketing Management, Vol. 18, pp. 233-8.Tynan, C. (1997), ``A review of the marriage analogy in relationship marketing'', Journal of Marketing Management, Vol. 13, pp. 695-703.

Tzokas, N. and Saren, M. (1997), ``Building relationship platforms in consumer markets: a value chain approach'', Journal of Strategic Marketing, Vol. 5 No. 2, pp. 105-20.

Vavra, T.G. (1992), After marketing: How to Keep Customers For Life Through RM, Irwin, New York, NY.

Wang, P. and Petrison, L.A. (1993), ``Direct marketing activities and personal privacy'', Journal of Direct Marketing, Vol. 7 No. 1, pp. 7-19.

Webster, F.E. (1992), ``The changing role of marketing in the corporation'', Journal of Marketing, Vol. 56, October, pp. 1-17.

Wilson, D.T. (1995), ``An integrated model of buyer-seller relationships'', Journal of the Academy of Marketing Science, Vol. 23 No. 4, pp. 335-45.