

Book review

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RELATIONSHIP MARKETING: EXPLORING RELATIONAL STRATEGIES IN MARKETING

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In the conditions of globalization and intensive competition, enterprises have increasingly been directing their business operations towards the development of long-term relationships with consumers. Marketing is one of the key business activities of an enterprise, and its basic function is exactly to attract and retain consumers in order for an enterprise to improve its competitive position in the market. This statement is based on the change of the role of the traditional 4P marketing concept (*product, price, promotion and place*) and the development of a new paradigm within marketing theory known as relationship marketing.

In his book titled: *Relationship Marketing: Exploring Relational Strategies in Marketing*, John Egan (Director of Marketing & Communications and Marketing Subject Group Leader at London South Bank University) explores the application of the strategies of relationship marketing in marketing theory and practice, with an aim to build up and improve relationships between enterprises, consumers and other stakeholders in order to satisfy their needs and improve the

enterprise's business performances. For that reason, it is important for enterprises to understand the concept of relationship marketing and to successfully apply strategies of relationship marketing in their business doing so as to maintain and improve their competitive position in the market.

The book consists of three parts: Part One includes sections 1-6; Part Two contains sections 7-10, and Part Three covers sections 11-13. In Part One of the book, the questions of the creation and development of the relationship marketing concept are considered, and the basic assumptions and consequences of the application of relationship marketing strategies in business doing are examined. In Part Two of the book, different types of relationships between enterprises, consumers, employees, offer-makers, and other external stakeholders are analyzed. In Part Three of the book, a special emphasis is put on the role of information technologies in managing relationship marketing strategies. Finally, a conceptual model of the application of relationship marketing in all economic areas is proposed.

In Part One, titled: *Relationships* (pp. 3-142), the origin of the development of relationship marketing is researched into and similarities and differences

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between transactional marketing and relationship marketing are pointed out. On the basis of the literature reviewed, different definitions of the relationship marketing concept are considered. The assumptions and effects of the application of relationship marketing strategies in business doing are the subject of a special analysis. The efficiency of the implementation of relationship marketing strategies depends, to the greatest extent, on risk factors, emotions, trust, and relatedness between different business entities. Observed from the economic aspect, an increase in consumer's satisfaction and loyalty, the profitability of an enterprise etc. belong to the most significant effects of the application of relationship marketing. A special emphasis in the analysis is put on the explanation of the consumer's satisfaction and loyalty model and the advantages and restrictions of its application in marketing theory and practice.

In Part Two, titled: *The core firm and its relationships* (pp. 147-224), the results of researches carried out by numerous authors who dealt with the problem of relationship marketing and the analysis of the quality of relationships between enterprises and consumers, employees in an enterprise, different participants in distribution channels, business partners etc. are discussed. In this part, the phases of the consumer relationship management process are explained in order to attract and retain the consumer and increase the profitability of an enterprise. In continuation, the role of internal relationships (internal marketing) in the improvement of an enterprise's performances is pointed out since an increase in the satisfaction of employees should result in an increase in the consumer's loyalty. The management of the relationships between an enterprise and an offer-maker at a vertical level and business partners at a horizontal level of business doing is the subject matter of a special analysis. At the end of this part, the possibilities of an enterprise's cooperation with other external stakeholders (such as governmental and non-governmental agencies, lobby groups, enterprises competitors etc.) are analyzed with the goal of improving the competitive position of all market participants.

Within Part Three of the book, titled: *Managing and controlling the relationship* (pp. 227-292), the relationship marketing strategies management process is explained

and a critical comment on the application of the relationship marketing concept in business doing is presented. The role of information technologies in the personalization of services and the development of relationship marketing is analyzed. The significance of the Internet in doing business and communicating with consumers is particularly highlighted. Apart from that, similarities and differences between the CRM (*Customer Relationship Management*) concept and relationship marketing, the significance of creating consumer databases and consumer loyalty programs in developing long-term relationships with consumers etc. are pointed out. At the end of this part, the necessity of an enterprise's shifting to the service orientation and a larger implementation of relationship marketing strategies in the service sector is discussed.

In contemporary theory and practice, a scientific discussion on the theme of the application of relationship marketing in an enterprise's business doing is insufficiently developed, which is indicative of the importance and topicality of this book. The scientific contribution the book makes is mirrored in a better understanding of the essence of relationship marketing concepts and relatedness to other marketing concepts such as consumer relationship management, social marketing, an enterprise's service orientation etc.

The book specially puts a stress on the significance of the application of information technologies, particularly regarding the social media, in the implementation of relationship marketing strategies in an enterprise's business doing. On the basis of the carried out analysis of business examples, the book's contribution also lies in stimulating the development of the awareness of the necessity of a broader application of relationship marketing concepts and making recommendations to managers and employees regarding the increasing of consumer loyalty, i.e. an improvement of an enterprise's business performances.

In the book, however, the analysis of the relationship marketing concept is mainly based on theoretical principles so that no empirical exploration of the application of relationship marketing strategies in business doing has been conducted. Due to the specificity of business operations of enterprises

in different areas (industry, trade, tourism, and so forth), the proposed general conceptual model of the development and successful implementation of relationship marketing strategies is impossible to apply in every enterprise.

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