

PRELIMINARY INSIGHTS INTO RELATIONSHIP MARKETING AND INFORMATION TECHNOLOGY IN AN EMERGING ECONOMY

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ABSTRACT

Successful Relationship Marketing (RM) is to a modern extent, based on the technological capacity to build, enhance and maintain long term relationships. For this reason, Information Technologies (IT) have emerged as a viable catalyst. Nevertheless, the compatibility and use of IT in Relationship Marketing is still a debate that eludes a sense of ambiguity. While some researchers find the concepts as a promise, others have adversely attached the fusion of these concepts to unintended consequences. More surprisingly, only little see the need to conceptualize the fusion of RM & IT in the Sub-Saharan region of Africa. It is on this premise that this study intends to qualitatively explore the outcomes of RM & IT in the emerging Ghanaian service economy.

Keywords: Relationship marketing, information technology, compatibility, Ghana.

INTRODUCTION

One of the most imperative developments in both the theory and practice of marketing during the past decades has been the emergence of the concept of relationship marketing (Brennan et al., 2003); where the firm builds and manages long term relationships with customers and partners (Egan, 2001). Previous attempts to document the evolution of relationship marketing posit that, building and managing relationships as an approach to marketing sprung due to rise in the service economy and a number of significant criticisms of the traditional marketing mix (Sheth & Parvatiyar, 1995). As a basis for a new paradigm, Gronroos (1994) identified these criticisms to include the lack of explicit integration among the marketing mix, an incomplete list of marketing variables and more importantly it's base on loose theoretical foundations.

Today, relationship marketing has gradually gained considerable significance in marketing practice. However, such an approach has not been so easy for marketing managers as building relationships require more than knowing the customer by name, what they buy, how often, why and developing a profile of these customers (Buttle, 2001). Successful relationship marketing is to a modern extent, based on the technological capability to build, enhance and maintain long term relationships. For that reason, information technologies have emerged as a viable catalyst (Viljoen et al., 2005), but its compatibility with relationship marketing tasks still remains a debate.

Over the past years, worldwide spending on IT services has also been significant. Just the

past year (2013), IT spending was estimated at \$927 billion, followed by \$666 billion on device acquisitions and \$147 billion on data centre systems (Gartner, 2013). These statistics suggest an empowered platform for the application of IT in most business activities including the management of relationships, but the recurring question pertains to its fit or compatibility and how it should be utilized.

To address a question of such nature, several studies have been conducted in the area of RM and IT. Some of these studies have attempted to explain the impact of IT in relationship marketing (Hong & Wang, 2009; Parasuraman & Grewal, 2001), achieving technological leadership in RM (Zineldin, 2000), IT & RM implementation (Ryals & Knox, 2001) among others.

Narrowing the issue on Ghanaian literature, it appears a sizeable number of studies have emphasized on various RM practices, their outcomes and implication in various industries (Narteh et al., 2013). Surprisingly, studies concerning the fusion of IT in RM appears under researched (Okai, 2013) and from this view, a number of issues remain to be addressed in the Ghanaian context regarding RM & IT but this study will strategically focus on the compatibility, utilization and potential benefits in the service sector.

The service sector accounts for more than 60% in gross domestic product (GDP) globally and more than 40% in the Ghanaian economy. It is therefore not surprising the service sector in Ghana experienced a triumph over agriculture since 2007 (ISSER, 2012). As the strongest growth area for marketing, research into the services sector stands a lot of gain attributed to a sizeable number of beneficiaries like the financial industry, telecommunication, retail and tourism just to mention a few. Notwithstanding this value, relationship marketing has become a key differentiator in services marketing, while advances in IT maintains its position a powerful force transforming service markets (Lovelock, 2011). It is appropriate that, such a study on RM & IT is located in the context of the Ghanaian service sector to ensure that, this study gathers appropriate experts and valuable insights to address the research problem.

Research Problem

Diverse views exist about the origin of relationship marketing but most scholars attribute the concept to Berry (1983). In a similar fashion, it is not surprising, that the documented views on RM & IT compatibility and utilization have also been found as varied, leaving the concepts with a sense of ambiguity. Having being in existence for more than two decades (Brennan et al., 2003), relationship marketing as a new paradigm, appears to have been adopted among small, medium and large scale businesses and has been well discussed as supporting a huge array of enviable marketing outcomes.

Studies on RM have been advocated in Asia (Al-Weshah et al., 2013; Liao et al., 2004), Australia (Gabbott & Colgate, 1999; Ballantyne, 2003) and a limited number from the Sub-Saharan region of Africa (Narteh et al., 2013). In these studies, one of the key issues in RM has been the lack of a clear and common understanding on the meaning and fundamental terms (Narteh et al., 2013; Brennan et al., 2003). For this reason, Harker (1999) described relationship marketing as a melting point for several practices including database marketing, one-to-one marketing and customer partnering.

Aside the conceptual variances, another key issue pertains to the compatibility and use of IT in relationship building and management. Previous studies on the degree of fit between RM and IT and its utilization report mixed results, suggesting a promise and unintended outcomes. Rebolledo et al. (2005) for instance noted that, IT may gradually erode certain key relationship facilitators like face to face communication, trust and commitment. Barnes et al., (2000) also mention privacy concerns, confidentiality and unsolicited communication.

Delving deeper into its literature, there have been a dominating number of conceptual studies which have presented contradictory views (see amongst Zineldin, 2000; Hong & Wang, 2009; O'Malley & Mitussis, 2002; Viljoen et al., 2005). Some of these have highlighted the positive outcomes of IT use in RM to include improved commitment by partners, better relationship bonding (Zineldin, 2000), loyalty (Iyer & Bejou, 2004), customer satisfaction (Zineldin, 2000), and value (Ravald & Gronroos, 1996)). Quite unfortunately, some scholars including Grönroos (1994) and Narteh et al. (2013) have critiqued a dominating conceptual approach to knowledge development without strong empirical foundations as that with little practical value. Consequently there is a need for more empirical research on how the internet can be used in relationship marketing, its opportunities and compatibility. This study is therefore a response to the need to explore relationship marketing and information technology in Ghana; placing a strategic focus on its fit, utilization, and benefits in the service industry.

Objectives of the Study

To gain insights in relationship marketing and information technology, the objectives of this study will be:

1. To explore the compatibility issues that emerge in the application of I.T in relationship marketing.
2. To explore the use of information technology in relationship marketing.
3. To investigate the potential benefits for firms using I.T in relationship marketing.

Research Questions

These questions will guide the study and be considered as benchmarks for conclusions:

1. What are the compatibility issues in the use of information technology for relationship marketing?
2. How is information technology used in establishing, maintaining and enhancing relationships?
3. What benefits are associated with the use of information technology in relationship marketing?

Scope of the Study

This research would focus on relationship marketing and information technology in the Ghanaian telecommunication industry. It would place emphasis on the compatibility and use of these concepts in managing customer relationships. This research may be subject to few critiques which may emanate from the methodology adopted, data collection and analysis procedure and the context of the study. A qualitative approach would be adopted and as observed by some researchers, qualitative studies may usually be limited by relatively small samples and hence they may have a limitation in being generalized on large populations (Patton, 2005). Notwithstanding, the aim of this study is to probe and understand the issues of RM & I.T for deeper insights other than generalization.

Significance of the Study

This study is one of the few attempts to investigate the ambiguity surrounding the use of I.T in RM in Sub-Saharan Africa. Technology acceptance and use is growing especially in Ghana and considering the current technological era, exploring relationship marketing and information technology seems timely and appropriate. To the best of the researcher's knowledge, little has been done to explore the compatibility and use of I.T in RM in the Ghanaian domain and consequently, this study supposes to be the first. Nonetheless, it would provide an additional global insight on RM and IT compatibility and utilization using the Task-Technology Fit model.

Aside this theoretical value, it would enlighten marketing practitioners on the use and

consequence of technologies in the relationship marketing discipline, educate consumers and stakeholders on the value of information technology and serve as a key reference for further studies on RM and IT in Sub-Saharan Africa.

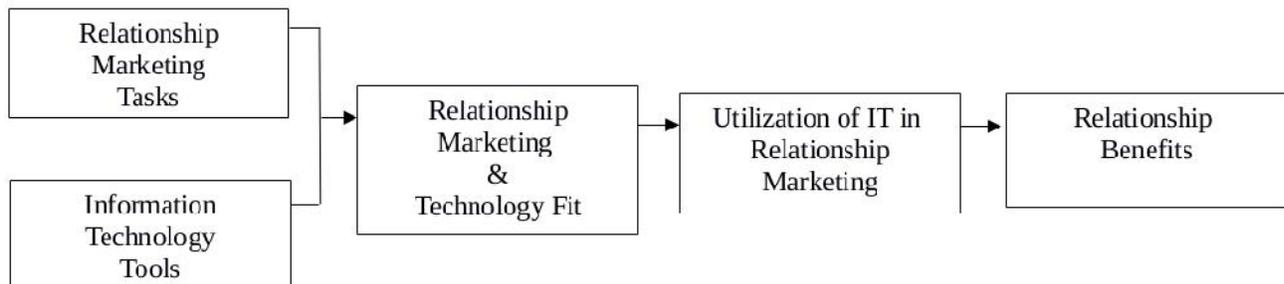
LITERATURE REVIEW/THEORITICAL FOUNDATION

Table 1: A review of RM and IT literature

AUTHORS	THEMES	FINDINGS
Sheth & Parvatiyar (1995) Gronroos (1994)	Evolution /Definition of Relationship Marketing	RM means establishing, maintaining and enhancing relationships at a profit. Technology has reinstated direct marketing of the pre-industrial era.
Payne et al. (1995) Narteh et al. (2013)	Relationship Marketing Practices	Relationship tracking, Continuous customer contact, Customer service, Customer retention orientation, Customization, Trust building.
Parasuraman & Grewal (2001) Daintith (2009) Okai (2013)	IT Tools in Relationship Marketing	Intelligent-Emails, Text messaging, Internet, Information systems, Telephone.
Barnes et al. (2003) Hong & Wang (2009) Rebolledo et al. (2005) Gabbott & Colgate (1999)	RM/IT Compatibility	Erosion of key RM facilitators like face to face communication, Trust, Privacy concerns, unsolicited communication. Enables commitment, creates value, improves bonding
Viljoen et al. (2005) Zineldin (2000)	Use and Benefits of IT in RM	Trust, Value, Loyalty, Profitability, Customer retention, Better relationship bonding, Customer intelligence gathering.
Goodhue & Thompson (1995) D’Ambra & Wilson (2004) Denis et al. (2001) Gebauer & Shaw (2004)	Task-Technology Fit Model	Helps to understand the symbiotic relationship between organizational tasks and technology. Could be used to explain the compatibility of relationship marketing and IT.

Table 2: Theoretical framework of I.T compatibility and use in RM

Adapted from: Goodhue & Thompson (1995)



METHODS

This study would follow an interpretivist paradigm holding to the view that findings and knowledge are created as the investigation proceeds on a phenomenon of interest (Angen, 2000). It is concerned with understanding a phenomenon from subjective experiences of individuals and attaching meanings backed by quality argument rather than statistical evidence (Diaz, 2009). Interpretivist research is characterised by the use of natural methods including interviews, focus groups and observations. For this reason, a qualitative methodology leading to deeper insights is

considered appropriate.

The research population will be limited to the Telecommunication industry in Accra. This population is preferred due to RM use a key differentiator in the marketing of such services (Berry, 1983) and the position of I.T as a powerful force transforming service markets. From this population, a sample of 20 experts responsible for relationship management and I.T would be in depth interviewed. This sample size is justified comparatively with other qualitative studies including Hinson & Mahmoud (2011). After data collection, recorded responses would be analysed based on Yin's (2003) thematic analysis.

PROJECTED FINDINGS/DISCUSSIONS

A dominating number of previous studies on the issue were categorized as conceptual. However, their implications together with other empirical studies are very significant. It is projected that, findings from this study may confirm the compatibility of a number of IT tools with various relationship marketing tasks and highlight their significant use. However, as Egan (2001) argues, the introduction of IT in modern relationship marketing is a mix of a promise and unintended consequences. Firms are likely to see associated incompatibilities as challenges that may managed. Notwithstanding, the study is yet to clearly explore this hypothesis.

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