Chapter-2

Literature Review

2.0 Introduction

This chapter covers the literature review of the foundation concepts and subjects which are related to the fundamental concept of TRM. Since the researcher failed to trace any study pertaining to the theme of the research, the related literature has been taken into account.

2.1 CRM

Interest in customer relationship management (CRM) began to grow in late 1980s and 1990s (Ling and Yen, 2001; Xu et al., 2002). Today, in the business world, management recognizes that customers are the core of a business and that a company’s success depends on effectively managing relationships with them. As a result, one of the first goals that management has its employees achieve is based on a maxim such as “the customers are always right,” “do whatever it takes to deliver your promise” or something similar. All objectives are focused to one ultimate goal that is to make customers happy because they are the ones who keep the business running. Not too long ago, many companies did not consider this
an important factor and often ignored their customers with the result that many of these customers did not come back. Often, these objectives become constraints for businesses and their employees when they do not have appropriate tools, equipment, or methods to achieve this goal. Today, technology provides businesses with systems that can help companies track customers’ interactions with the firms and allow the firms’ employees to quickly retrieve all information about the customers. This concept is called a customer relationship management (CRM) system and if used properly, could enhance a company’s ability to achieve the ultimate goal of retaining customers and so gain a strategic advantage over its competitors.

The origins of CRM can be traced back to the concept of relationship marketing (RM) (Gebert et al., 2003; Zablah et al., 2004). The term RM was initially coined by Berry (1983), who defined it as attracting, maintaining and in multi service organizations – enhancing customer relationships. This emphasis on relationships defines how companies interact with their customers (Gummesson, 1999; Sheht and Parvatiyar, 2000). CRM is the outcome of the continuing evolution and integration of marketing ideas and novel available data, technologies, and organizational forms with the goal of engaging in a
meaningful dialogue with individual customers (Boulding et al., 2005; Campbell, 2003). While RM does not acknowledge the technology underlying the management of customers, CRM uses information technology (IT) in implementing RM strategies (Ryals and Payne, 2001).

CRM is often referred to in the literature as one-to-one marketing (Peppers and Rogers, 1999). CRM also has its roots in relationship marketing which is aimed at improving long run profitability by shifting from transaction-based marketing, with its emphasis on winning new customers, to customer retention through effective management of customer relationships (Christopher et al., 1991).

Regardless of the size of an organization, businesses are still motivated to adopt CRM to create and manage the relationships with their customers more effectively. An enhanced relationship with one's customers can ultimately lead to greater customer loyalty and retention and, also, profitability. In addition, the rapid growth of the internet and its associated technologies has greatly increased the opportunities for marketing and has transformed the way relationships between companies and their customers are managed (Bauer et al., 2002). Marketing Intelligence & Planning
Although CRM has become widely recognized as an important business approach, there is no universally accepted definition of CRM. Swift (2001) defined CRM as an “enterprise approach to understanding and influencing customer behaviour through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability”. Kincaid (2003) viewed CRM as “the strategic use of information, processes, technology, and people to manage the customer’s relationship with your company (Marketing, Sales, Services, and Support) across the whole customer life cycle”. Parvatiyar and Sheth (2001) defined CRM as “a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer. It involves the integration of marketing, sales, customer service, and the supply-chain functions of the organization to achieve greater efficiencies and effectiveness in delivering customer value”. These definitions emphasize the importance of viewing CRM as a comprehensive set of strategies for managing those relationships with customers that relate to the overall process of marketing, sales, service, and support within the organization. Moreover, information technology (IT)
and information systems (IS) can be used to support and integrate the CRM process to satisfy the needs of the customer. Choy et al. (2003) suggests that CRM is an information industry term for methodologies, software, and usually internet capabilities that help an enterprise manage customer relationships in an organised way. It focuses on leveraging and exploiting interactions with the customer to maximise customer satisfaction, ensure return business, and ultimately enhance customer profitability. In practice, however, managers often perceive CRM from different perspectives, for example, CRM is a part of marketing efforts, customer service, particular software and technology, or even process and strategy. Luck and Lancaster (2003) suggests that the term CRM has become a buzzword, with the concept being used to reflect a number of different perspectives.

CRM has attracted the attention of practitioners and academics over the past two decades. There is substantially large body of literature on the broad subject of CRM.

According to Kincaid (2003), West (2001) and Xu et al. (2002), Sinisalo (2007), CRM comprises three major functional areas:

(1) Marketing;
(2) **Sales; and**

(3) **Services and Support.**

These three components may be seen as the life cycle of a customer relationship that moves from marketing, to sales, to service and support (West, 2001). Indeed, IT and IS are the other crucial components in supporting and maintaining these three functional areas as well as the whole CRM process (Kincaid, 2003).

CRM is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer (Parvatiyar and Sheth, 2004). Also, according to Anton (1996) and Anton and Hoeck (2002), CRM is a comprehensive business and marketing strategy that integrates technology, process, and all business activities around the customer (Anton, 1996; Anton and Hoeck, 2002). It is mostly defined in terms of the acquisition and retention of customers and the resulting profitability (Menconi, 1999; Nykamp, 2001). Brown (2000) defines CRM as “the key competitive strategy you need to stay focused on the needs of your customers and to integrate a customer-facing approach throughout your organization”. Chatterjee (2000) also points out that CRM is a discipline which focuses on automating and
improving the business processes associated with managing customer relationships in the area of sales, management, customer service, and support. An effective CRM is assumed to lead to bottom-line benefits for the organization (Anton and Hoeck, 2002; Connelly and Yoger, 2001; Cusack, 1998; Rust and Zahorik, 1993; Swift, 2001; Tschohl, 2001). According to Feinberg and Kadam (2002), profits increase by 25-80 percent when customer retention rates increase by five points. It is important to note that only about 40 percent of CRM implementations are successful (Feinberg and Trotter, 2001). Although it may be universally believed that CRM applications are crucial, it is, at the same time, clear that not everyone is successful in implementing CRM or even if CRM is related to customer satisfaction or sales/profit. These point sharply the need to empower CRM capabilities and seeking the opportunities of integrating it with other approaches, such as QFD. By this integration, CRM becomes more efficient and more effective.

From the first theories about CRM to the present day, many authors gave their interpretation of the CRM approach and offered a variety of definitions of CRM. In particular, a systemic bibliographical study enables us to define three different approaches to CRM. The first
approach is the technological one: it considers CRM to be a data-processing instrument to support marketing activities. Twogood (1998) supports this way of thinking, underlining the operative tools (e.g. the data warehouse) that help the company to create and maintain a relationship with the client.

The second approach is the process approach: CRM is the process of linking client knowledge and management: CRM extends the concept of selling from a discrete act performed by a salesperson to a continual process involving every person in the company. It is the art/science of gathering and using information about your customers to build customer loyalty and increase customer value (Tuck, 1998). Another similar definition can be found in Craw Cour (2000):

CRM is the active process of the knowledge (not the data) about clients widening, so that the company could use that knowledge to personalize the corporate business and strategies in order to satisfy every client individual need.

Finally, there is the conceptual approach: it identifies CRM as a philosophy. The authors taking up this approach consider the CRM to be a complex strategy involving all the corporate organizing structure in order to strengthen the relationship with the client; they avoid considering
CRM only as an instrument of data collection. According to the conceptual theory, through the CRM the business culture becomes client-oriented. One of the first authors adopting a conceptual definition was Middleton (1999) who asserted that CRM must allow the companies to know their clients and, thanks to the new opportunities given by the new information and communication technologies, to create a long-lasting customer relationship. Eberhardt (2001) thinks the same and suggests shifting the corporate strategy to focus on correct management of customer relationships, understood as a real strategy rather than a data-processing application suite. Gebert et al. (2003) also define CRM as a business strategy and systematic approach issuing from relationship and one-to-one marketing which is based on the integrated and active management of personalized relationships with customers. Gee et al., (2008), The need for businesses to retain customers is an important issue in today's global marketplace. To retain customers, a business must forge loyal and long-term relationships with profitable customers. Reasons why customers leave a company are discussed, and preventative strategies are considered. Sin et al., (2008), found favourable impact of CRM on marketing performance to be larger than that on financial
performance, especially for the financial industry. This result is not surprising because CRM is grounded on the principles of relationship marketing. Managers, therefore, can effectively boost their marketing performance (trust and customer satisfaction) through proper implementation of CRM.

Gummesson, (2008), Relationship marketing, CRM and one-to-one marketing – all with roughly the same meaning but with partially different origin and emphasis – are established concepts today. These are meant “to create long-term relationships with loyal customers.” He concludes that there has to be a balance between stakeholders which to him is influenced by power, a phenomenon which marketing literature dodges but practitioners encounter daily.

2.2 Customer Centricism

Given that the C of CRM stands for the customer, it is imperative that a business develops a customer centric vision (Thakur and Summey, 2005; Kale, 2004). According to Day (2003), a customer centric approach is achieved when the belief that customer retention is of the highest priority transcends through all departments of an organisation. As a guiding principle, Reichheld et al. (2000) suggest that “customer repeat purchase loyalty
must be the basic yardstick of success”. If a business can successfully achieve repurchase behaviour, then it is on the way to generating customer loyalty. In agreement, Kumar et al. (2006) comment, “second-time customers are more likely to become third-time customers than first-time customers are to become second-time customers, and so on”. To generate repeat purchase behaviour, a business must understand exactly what is important to its customers. Kale (2004) believes that a company needs to “precisely ascertain what knowledge about customers is required in order for it to retain, grow, and delight its most valued customers”. Berman (2005) concurs and explains that a company must deliver attractive requirements, providing delight for the customer, in order to generate future sales. In addition to this, a company must understand the different expectations from distinct segments of its customer database (Mittal and Katrichis, 2000).

Maguire et al.,(2007), in their study of the adoption of e-business and knowledge management in SMEs found that ERP, SCM or CRM applications are used by SMEs independently where as large enterprises tend to use integrated ERP, SCM and CRM applications, so the
requirement to link the information independently has been removed.

Agarwal (2004), describes the basic concepts of Customer Relationship management and how it can bring about renaissance in hard times in South Asia. However, he talks of proper implementation of CRM for expected results.

2.3 mCRM

The proliferation of technology-based systems and their rapid advancement are bringing about fundamental changes in how companies interact with customers (Parasuraman and Zinkhan, 2002). Digital channels, for instance, are considered to create unique and positive experiences – not just transactions – for customers by mixing aspects of product, service, brand and communication (Wind et al., 2002). In practice, this development has led to a situation where several companies and industries have started utilizing the mobile medium to promote CRM activities.

Some publications have concentrated purely on mCRM. For instance, the book by Newell and Lemon (2001) can be considered one of the first publications concentrating on mCRM. It strives to explain how businesses can incorporate wireless technologies into existing operations.
and strategies. Chan and Lam (2004) examined features of CRM implemented on the internet (eCRM) and the mobile channel (mCRM) from the customer’s perspective and, consequently, proposed an analytical framework for examining current practices. Camponovo et al. (2005) explored the value of mobile CRM service offerings to consumers in the Italian market. Additionally, Sinisalo et al. (2006) illustrated the underlying issues of the initiation of mCRM. From the business engineering viewpoint, Schierholz et al. (2006) presented a structured method by which mobile business can be introduced to the CRM field. In addition to these studies, mCRM has generated a number of non-academic works such as white papers. Giving all credit to the previous studies, this investigation, with the inclusion of a case study, is expected to be a welcome addition to this research stream since the main proportion of the literature on mCRM is conceptual in nature and lacks empirical evidence.

In existing literature, there is a consensus that CRM requires the company to manage and coordinate communication with customers across different media (Thomas and Sullivan, 2005; Payne and Frow, 2005). This is because different customers have different needs and thus, the company should treat them differently (Boulding
et al., 2005). However, with the growing number of channels through which the company can communicate with its customers, getting their time and attention has turned into a major challenge (Davenport and Beck, 2000). Accordingly, it has become more difficult for companies to find the appropriate media and strategies to use in order to communicate with their customers. Especially, promising for CRM purposes is the potential – established by the integration of electronic media and database technologies – for creating unique and personalized communication with individual customers (Schultz and Bailey, 2000; Peltier et al., 2003). As stated, this potential has been gradually put into practice by several industries. Paralleling this development, the internet as a channel through which to manage customer relationships (eCRM) has attracted significant attention among academics (Bradshaw and Brash, 2001; Feinberg et al., 2002; Fjermestad and Romano, 2003). Despite of being a subset of eCRM, mCRM has gained far less attention (Sinisalo et al., 2006; Schierholz et al., 2006). Although the potential of the mobile medium within CRM is broadly acknowledged among academics (Kannan et al., 2001; Barnes and Scornavacca, 2004; Aungst and Wilson,
2005), there is still a severe lack of research that delves into this nascent phenomenon.

Schierholz, et al.,(2007), have analyzed a multitude of approaches in the field of mobilizing business processes, focusing on their applicability and application in the CRM context. The method helps business managers to design mobile CRM solutions which are in line with the goals defined by the corporate strategy. By applying this method, the risk of mobile initiatives in the CRM context is reduced, since it provides a structured and consistent procedure for the definition of goals, the identification of potentials for the fulfilment of these goals as well as recommendations for the systematic exploitation of these potentials. The application of this structured method should avoid the pitfalls of technology-driven IT initiatives which various companies have experienced, particularly with mobile technologies.

Valsecchi et al.,(2007), found that in 2005, 1,077 mCRM services were used by 405 companies in Italy. The main benefits found were the improvement of customer satisfaction, an increase in the efficiency of internal processes and an increase in revenue.
2.4 IT and CRM

To understand customers’ requirements, data analysis becomes increasingly important. Indeed, to undervalue data analysis is one of Kale’s (2004) seven deadly sins. Importantly, this data analysis can be relatively simple in practice and does not have to require expensive CRM software (Bland, 2004). If a business can develop a database, which allows analysis of customer requirements across different customer segments, it can begin to serve its customers better. The internal data warehouse held by a company is an extremely important asset. Jackson (2005) suggests that if everything else is equal, “internal data is the one differentiation and competitive advantage available to a company concerning its customers”. Furthermore, Boulding et al. (2005) note that firms with the required customer information in place exhibit superior performance.

Effective data analysis also enables a company to manage loyalty profitably (Reichheld and Detrick, 2003). With the right data and appropriate analysis, Raman et al. (2006) report that a business can identify profitable customers with whom to further relationships, and identify unprofitable customers with whom remedial action is required. Thomas et al. (2004a) comment,
“Stable, healthy growth is built on the profitability of customers, not their raw numbers or their loyalty”. While some authors suggest that the profit gained from some customers deems them not worth serving (Reinartz and Kumar, 2002), in practice this does not seem a viable option for most companies (Wood, 2005). According to Wood (2005), a company cannot afford to reject the business of any customers, since even low-value customers still produce revenue. A question posed is whether the overheads of a company would fall by 10 per cent if it did not serve the 50 per cent of its customers who only contribute to 10 per cent of its revenue. Again, according to Wood (2005), “the answer is always negative”. Therefore, what businesses must do is to manage and adopt sensible operating costs for different customer segments.

In addition, data analysis can be used to effectively manage marketing spend on different customer segments. Analysing the LTV of a customer allows appropriate allocation of a company’s resources (Day, 2003). According to Kale (2004), LTV can be defined as, “the estimated profitability of a customer over the course of his or her relationship with a company”. Ryals (2005), along with Reinartz and Kumar (2003), provide
methodologies for LTV calculation methods. Kale (2004) cites Harrah's casino, which segments its customer database based on LTV. The majority of marketing spend is devoted to its top platinum customers as they provide 85 per cent of the revenue. New customer acquisition is regarded by most companies to be near the top of the marketing agenda (Banasiewicz, 2004). The directional policy matrix (DPM) highlighted by McDonald (2005) allows a company to compare different markets or market segments. The DPM reviews market segments categorised by potential and therefore attractiveness to the company, the firm's relative strengths in those markets, and the relative importance of each market segment. With a review of all potential markets and the firm's strengths and weaknesses, strategies can be highlighted to acquire customers in the best fitting market segment or segments. However, while acquiring new customers is important for the growth of a company, this must produce incremental business for sustainable growth. If new customers simply replace the attrition of past customers, then the turnover of the business will not grow. With this in mind, companies must also focus on recapturing deviating customers.
Griffin (2001) found that 68 per cent of customers leave for no special reason. Therefore, companies must put in place an effective win-back strategy to sustain the customer base. Data analysis allows a company to highlight customers who have stopped purchasing and whom should be the focus of the win-back strategy. Furthermore, appropriate analysis will allow a profile to be generated of those customers who are likely to defect. This insight allows at risk customers to be given special attention where appropriate. There is also a positive strategic reason for targeting the win-back of old customers over the acquisition of new customers. Thomas et al. (2004b) found there is a “20 per cent to 40 per cent chance of successfully repeat-selling to a lost customer, and only a 5 per cent to 20 per cent chance of successfully closing the sale on a brand new customer”. Griffin (2001) suggests that a company should regularly grade and segment lost customers. The company must then focus on understanding the lost customer’s needs, and, with this, develop a communication plan to reinstate the customer’s confidence in the business. With this method, Griffin (2001) suggests lost customers can be induced to return. However, there is a cautionary note. A company’s win-back strategy should think big but start
small. Evaluation and refinement of the win-back strategy will then allow the company to increase the effectiveness of the strategy.

With the correct database, analysis, customer acquisition strategies and win-back strategies in place, managers must not lose focus on other changes that are required for managing customer loyalty and effective CRM. While a customer delight programme will enable customer loyalty to be developed, the business must be in a position to implement such a programme. Berman (2005) provides a checklist for readiness in implementing a programme. Effective business processes must be in place to allow promises to be delivered (Little et al., 2006). Terblanche and Boshoff (2006) note the requirement for training and educating staff in handling of interpersonal calls. This is particularly relevant given the need to effectively handle complaints (Homburg and Furst, 2005). Well trained, helpful staff can also provide positive switching barriers (Jones et al., 2000). Indeed, managers must also focus on employee satisfaction to yield customer satisfaction (Johnson and Chiagouris, 2006). A study by Rucci and Kim (1998) discovered that a 5 per cent rise in employee attitude scores resulted in a 1.3 per cent increase in customer satisfaction and a 0.5
per cent increase in revenues. Finally, given the review of loyalty schemes, managers must decide whether this is a relevant and viable option for the company. Any managers wishing to implement or review a current loyalty scheme are referred to the checklist provided by Uncles et al. (2003).

Anthony (2008), Knowledge-based customer relationship management is the highest sophistication of customer service as it deals with long term effects like building customer loyalty and value over the lifetime of the customer. As such, the move to this level of functional sophistication in customer relationship management is a strategic change that has colossal ramification in long-term organizational competitiveness.

Nguyen et al., (2007), CRM system is not “just another information tool.” If applied properly, CRM programs can contribute exceptional economic value to the company as well as competitive advantage. Implementing CRM systems can enhance an organization’s ability to improve customer service, which in turn can generate revenue. However, not all organizations who implement CRM have been successful.

Javalgi, R.G., et al., (2006), the alignment of CRM initiatives with overall corporate strategy is imperative.
Many CRM initiatives have failed because a firm does not integrate a CRM strategic vision with the overall company mission and vision. An integrated CRM vision supports a customer-centric focus and aligns the overall CRM vision of the company with the business processes and key constituents: customers, employees, and business partners (Greenberg, 2004).

2.5 **Channel Member Relationship management**

Gassenhei Gassenheimer et al., (1996), Long-term relationships are based on the interest and concern for each other's goals and objectives, along with the reciprocal process of fairness and honesty. The future of a mutually beneficial working relationship is not based solely on financial performance but also on the contributions of both parties through co-operative behaviour and trusting relations. Understanding the process between channel members in extended relationships is in the embryonic stages of development. The conceptual process has been defined, yet there is little empirical evidence that consistently supports the logic. This study was an attempt to contribute to the existing body of knowledge and advance the thinking of others in this direction. Many questions remain unanswered. For example, what impact does the supplier's
view of the relationship have on its future plans? Does the
distribution of power in the channel affect the action and
reactions of both parties simultaneously? How would an
additional channel participant affect the inter-firm
exchange process? These and similar issues could assist
channel members not only in developing better
relationships but also in organizing channel structures
that will operate more effectively.
Geyskens and Steenkamp (2000) in their study argue that
economic satisfaction and social satisfaction are
"conceptually distinct, created through different practices
and has a different impact on channel relationships". Further it is stressed that a failure to distinguish between
these two types of satisfaction will lead to contradictory
research results and will reduce the firm's ability to
effectively manage channel relationships. The central
issue addressed by this study is the relationship between
economic satisfaction and relationship commitment in
distribution channels. While both social satisfaction and
economic satisfaction impacts the build up of relationship
commitment, the present study limits its scope to the
relationship between economic satisfaction and
relationship commitment. Various studies have explained
numerous antecedents and consequences of channel
satisfaction. Geyskens et al. (1999) present an exhaustive review of studies focusing on channel satisfaction as a major construct. In their meta-analytic study, a structure conduct outcome (SCO) framework is developed for presenting channel satisfaction in its theoretical perspective. According to this framework, economic satisfaction is not directly linked to commitment; it is however presented as an indirect antecedent of commitment. However, several studies in the recent past have linked satisfaction directly to relationship commitment. These studies span relationships in marketing channels, business-to-business markets as well as services marketing contexts. In the channel relationship context; Geyskens and Steenkamp (2000) showed that economic satisfaction is associated with greater constructive response strategies like loyalty. Similarly, Zineldin and Jonsson (2001) found evidence for a direct link between satisfaction and commitment among suppliers and distributors in the Swedish wood industry and Ramaseshan et al. (2006) found a direct linkage between economic satisfaction and relationship commitment among department stores and the store landlords in China. In the business-to-business relationship literature, Ulaga and Eggert (2006) and
Abdul-Muhmin (2005) have established the linkage between satisfaction and commitment. In the services marketing literature, Sharma and Patterson (2000) established a direct linkage between satisfaction and relationship commitment in the context of the relationship between financial advisors and their clients in Australia and Paulin et al. (2006) found evidence for job satisfaction and organizational commitment among service employees in a private hospital in North America. Thus, theoretical support to consider a direct linkage between satisfaction and commitment in the context of marketing channels is significant. Here we consider the direct impact of economic satisfaction to relationship commitment and look at the moderating effect of other variables in this relationship.

Jonsson and Zineldin (2003), found that a good reputation, close relationship and positive relationship benefits are key variables for the achievement of high satisfaction in a "high trust and commitment relationship". Chang et al., (2003), say that the effect of supplier channel management behaviour or retailers' market orientation and overall business performance is examined in the context of automotive supplier-dealer relationship.
They found that supportive management styles have a positive effect on market orientation.

Bigne and Blesa (2003), have studied the relationships between the manufacturer’s market orientation behaviours and the distributor’s trust in the relationship and satisfaction with it. They also analysed the effect of the distributor’s trust on his/her satisfaction. Following a review of the literature, three alternative models of relationships between trust and satisfaction are compared. For this purpose the article presents the results of a study of the Spanish ceramic industry. These establish that the effect of the manufacturer’s market orientation on the distributor’s trust and on its satisfaction with the relationship is different depending on which dimension is considered. The model that best fits the data shows that trust improves the distributor’s satisfaction with the relationship.

Paswan (2003), this study empirically explores one of the important channel issues – the relationship between various channel support given to channel partners and the perceived (by managers) goal-orientation of a firm. Results from an emerging market, India, indicate that perceived orientation towards both profitability and market share is not associated with any of the channel
support considered. Growth orientation however is strongly associated with most of the channel support activities - both business (e.g., business advice, pricing and ordering assistance, and personnel training) as well as marketing (advertising support, sales promotional material, and inventory management assistance) oriented activities. In contrast, perceived sales volume orientation is only associated with advertising support and business advice, however, the relationship is negative. These findings have interesting implications for channel management and channel motivation.

Vlachopoulou (2005), Information and Communication Technology and the Internet have become the key enablers for channel members-organisations to collaborate for mutual benefit. E-channel partners are increasingly viewing the improvement of their relationships as a strategic component of their efforts to grow revenues while controlling costs. There are many reasons for using partners, such as to expand market coverage, to offer specialised products and services, to broaden the range of offerings and to provide a more complete solution. Furthermore, it gives vendors and partners' instant and reliable information, provides customers with industry specific expertise, in creases capacity to integrate triple
products/services, reduces time to market, and finally meets customer purchasing preferences with asset/cost efficiencies.

Partnering effectively though, is a complex undertaking, with problems related to the cost to recruit partners, to coordinate partners' sales team efforts and complex forecasting processes, to deliver sales tools to them, and to reduce control over the sales process. Additionally, there are problems in terms of gaining partners' mind share, as well as, the risk of partners selling competitive products.

Fung et al.,(2007), examined the impact of supplier and customer relationship management and business operations on the firm's performance in the textile and clothing industry in Hong Kong. They investigated the association between supplier relationship, customer relationship, business operations and performance in trade intermediaries. Business operations of intermediary firms embody both lean supply process and management of supply chain relationships in a tripartite context. Traditional measures of mere supplier and customer relationships count little in their contribution to intermediaries' success. With increasing outsourcing trend in global business and competition
between supply chains, trade intermediaries play a significant role in facilitating international exchange and business development.

Sahadev, S. (2008), The study looks at an important issue related to channel relationships, viz. the linkage between economic satisfaction and relationship commitment. While economic satisfaction is typically expected to boost relationship commitment, the study looks at other variables that may facilitate or reduce the strength of this linkage. The study establishes the moderating effects of three such variables: use of behaviour-based coordination strategies; environmental uncertainty; and the use of collaborative communication. The results indicate that apart from the moderating effect the variables also have a direct impact on relationship commitment. While the direct impact of the moderating variables is fairly established in extant theory, the moderating impact contributes to the understanding of the antecedents of relationship commitment in channels. Since the discussion of channel member behaviour is increasingly getting oriented towards ways and means of boosting channel member commitment, these results can prove to be quite useful for practitioners as well as academicians. The study further emphasizes the existence of two types of
channel member satisfaction, viz. economic satisfaction and social satisfaction. The research study assumed that the relationship between economic satisfaction and relationship commitment is not a direct and straightforward affair but involves other relevant variables whose impact has to be taken into consideration. In fact, practitioners should look at the results from the point of view of using different strategies apart from economic incentives to improve channel commitment. In several industries, despite significant levels of profits, channel partners are not ready to invest in a long-term relationship. This disinclination is born out of several behavioural as well as environmental factors. This reluctance to invest and the consequent uncertainty in the continuance of the relationships will eventually lead to greater opportunism and disfunctionality in the operation of the channel. The study is an attempt to explore some of these factors that impact the relationship commitment. The study emphasizes on a behaviour-oriented control mechanism rather than an outcome-oriented mechanism to foster commitment.

Channel satisfaction is undoubtedly a major factor that could lead to greater levels of channel commitment. Channel member satisfaction is defined as an overall
positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm (e.g. Frazier et al., 1989; Gaski and Nevin, 1985). However, there exists considerable variation among channel theorists on the exact definition of channel satisfaction (Andaleeb, 1995). In order to reduce this apparent variation in conceptualization, Geyskens and Steenkamp (2000) proposed a two-way classification of channel satisfaction wherein satisfaction is defined in terms of its economic antecedents and social antecedents. Economic satisfaction is described as "a channel member's evaluation of the economic outcome that flows from the relationship with its partners such as sales volume, margins and discounts". Social satisfaction on the other hand is defined as a channel member's "evaluation of the psychological aspects of its relationship in that interactions with the exchange partner are fulfilling, gratifying and facile".

2.6 Research Gap

Literature reviewed above show that extensive research has been carried out in the area of relationship marketing and customer relationship management. During the 1990s it was believed that CRM will provide organizations a strategic advantage. However, the failure to get the
desired led to further sophistication. The IT centric approach found approval during the late 1990s. During the same period of time e-commerce, mobile commerce and customer centricism also found emphasis. Supply chain Management and chain member relationships are not alien to scholars. Of late, people have come to realise that pull strategy followed in almost all the approaches described above would not provide solution to organizations especially in the service industry in general and telecom in particular. Therefore a push strategy may be found out. This push strategy would help the suppliers maintain trade relationship with their retailers and hence lead to customer satisfaction and loyalty. The researcher failed to trace any study where the concept of trade relationship management has been taken up for study. Few variables are found to have been taken up alongside the study of partner relationship management. In the present study an attempt is being made to study the concept of TRM and relationship between different components of TRM leading to customer satisfaction and loyalty.


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