Entrepreneurial Marketing: Criteria for Identifying When & When Not to Use Relationship Marketing

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Abstract: This paper will present and discuss the findings of research that explored the marketing practices of small professional service firms. These findings demonstrate that in seeking to improve customer service and satisfaction, the marketing activities practiced by such firms differ from those of their larger counterparts. Moreover, they suggest that existing relationship marketing theories are inappropriate when applied to these firms. Specifically, these findings demonstrate that the owner-managers of small service firms view customer satisfaction to be of strategic importance and because of this are flexible in the marketing approaches which their firms adopt. In particular, this paper explains that the criteria used to determine whether a relational or transactional approach is adopted when dealing with consumers is determined by the characteristics of the consumer and their buying behaviors and not, as relationship marketing theory would suggest (Gummesson 1991), the nature of the product.