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RELATIONSHIP MARKETING – A NEW PARADIGM IN MARKETING THEORY AND PRACTICE

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Abstract

There is much debate as to where the place of relationship marketing (RM) in general marketing theory is, its domain, the way it should be defined and so on. This paper addresses two problems concerning the status of RM, with reference to previous research and the commercial practices of Romanian companies. The first part of the analysis refers to the paradigm status of relationship marketing. Established authors advocate for a new paradigm in marketing thinking. However, there are also opinions according to which relationship marketing represents only a new dimension that can be added to the existing transactional paradigm. The second part of the analysis focuses on the possibility of a paradigm shift occurring. A survey targeting Romanian companies was conducted in order to support the ideas presented here. The study is based on the methodology developed in the international research project Contemporary Marketing Practices (CMP).

Key words: relationship marketing, transactional marketing, marketing paradigm, contemporary marketing practices.
JEL classification: M31

1. The development of the transactional and relational approaches in marketing

The marketing definition that the American Marketing Association elaborated in 1985 captures the essence of the transactional perspective as it is centered on the concept of marketing mix: „*…process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives*" [Keefe, 2004, 17]. Basically, a company should attain an optimal combination of goods and services offering, price, promotion and distribution in order to attract and satisfy customers. The consumers are viewed as passive; they are limited to accepting or not this combination of the 4 Ps and to buying or refusing the offer.

This approach proved very efficient in the context of the post-War World II economic boom of the United States. The demographic rise, the emergence of a substantive middle class, the revenues increase, the development of numerous innovative products and of new means of mass communication such as television, lead to an increase in the demand for standardized consumer goods [Lindgreen *et al.*, 2004]. The marketing theoreticians of that period were mainly preoccupied with the creation of lists of variables deduced from econometric equations for profit optimization [Harker and Egan, 2006]. In 1954 Neil Borden

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introduced the concept of marketing mix, a list which comprised 12 variables: product, price, branding, distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, fact finding and analysis. He believed that marketers "would blend the various ingredients or variables of the mix into an integrated marketing program" [Grönroos, 1994, 349]. McCarthy was the one who, in 1960, took Borden's list and simplified it to the form of the 4 Ps we know today. Although this wasn't the only list that emerged in that period, the favorable socio-economic context and the simplicity of the model ensured the development of the marketing mix management as the main marketing theory [Egan, 2008]. McCarthy's 4 Ps were "exported" to the rest of the world and remained the dominant paradigm up to our days.

However, the economic realities have changed significantly in the past decades. The energy crises of the '70s and the economic stagflation that followed led to a stop in the increase of the demand, a surplus of the production capacities and a raise of the raw materials' costs. Hollensen [2003] observes that the transactional model is based on three conditions that are increasingly difficult to encounter in the present business environment:

- large number of potential customers exist;
- both customers and their needs are reasonably homogeneous;
- lost customers are relatively easy to replace with new ones.

The marketing mix theory is now criticized for being designed for the mass marketing of consumer goods and thus having no value in the field of services or in business-to-business (B2B) interactions [Gummesson, 2008]. Grönroos [1996] or Harkert and Egan [2006] point out the fact that although the microeconomic variables that Borden used were scientifically sound, the list he presented had only secondary connections to those fundaments. Moreover, Borden's intention was to establish some guidelines and not to offer an exhaustive definition or a method for implementing marketing programs.

The shortcomings of the marketing mix theory were acknowledged both by the business and the academic environments. The most common solution for remedying these deficiencies was the adding of new Ps, which culminated with Baumgartner effort to identify all the variables that marketing should manage – 15 Ps.

Table no. 1 – Extensions of the marketing mix

4P: McCarthy	**5P: Judd**	**6P: Kotler**	**7P: Booms and Bitner**	**15P: Baumgartner**
Price	Price	Price	Price	Price
Product	Product	Product	Product	Product
Promotion	Promotion	Promotion	Promotion	Promotion
Placement	Placement	Placement	Placement	Placement
	People	*Public relations*	*People*	*People*
		Politics	*Physical evidence*	*Politics*
			Process	*Public relations*
				Probe
				Partition
				Prioritize
				Position
				Profit
				Plan
				Performance
				Positive implementations

Source: adapted from [Harker and Egan, 2006, 218; Gummesson, 2008, 323]

In the ’70s and ’80s several authors such as Gummesson, Grönroos, Berry, Sheth, Hammarkvist, Håkansson or Mattson begun to question the validity of the transactional approach as the general marketing theory. They considered that the socio-economic changes imposed a shift of the marketing efforts from the area of transactions to that of relationships. The term relationship marketing (RM) was initially proposed by Berry in 1983: “*attracting, maintaining and - in multi-service organizations - enhancing customer relationships*” [Little and Marandi, 2003; Grönroos, 2004; Harker and Egan, 2006]. Relationship marketing implies the development of long-term relationships between the customers and the suppliers, in order to generate advantages for all those involved and to allow the co-creation of value rather than its unilateral distribution. As opposed to the transaction marketing (TM), where the focus is on attracting new customers and generating as many transactions as possible, RM aims not only at attracting but also at retaining customers and knowing them better. And there is a good reason for that. Bruhn [2003] synthesizes data from various empirical studies and concludes that customer retention offers advantages from a turnover perspective as well as from a costs perspective. Besides maintaining the current turnover level, retention may favor both cross-selling and an increase in purchasing frequency. Furthermore, the customers become less sensitive to price and are willing to accept price premiums in exchange for a reduced risk. Long-term relationships also ensure a reduction of costs by the experience effect: the operational costs for an old customer are much smaller than those for a new one.

The relational approach to marketing enjoyed a distinctive attention in the literature of the last decades and represents the first theoretical development that threatens the supremacy of marketing mix.

2. Relationship marketing and the general marketing theory

The relational concept is not new for the commercial practices. Gummesson [2008] stresses the difference between *term* and *phenomenon* and says that relationship marketing is nothing more than a new term used to describe a phenomenon that accompanied commerce since its beginnings. In his view “marketing scholars, consultants and practicing managers, who are now confessing to RM, are adding language and systems to a long-existing phenomenon”, just as Columbus “did not create [America], he just gave it a name and put it on a map” [Gummesson, 1997, 269].

The exponential development of the interest in RM generated numerous divergent opinions regarding the definition that should be given to relationship marketing, its domain and its position in the general marketing theory.

We will first discuss the definition and the domain issues. Egan [2008] notes that a rift between the North-American school on one hand and the Anglo-Australian and Nordic schools on the other, is now becoming visible. The former insist for a narrower approach, while the latter wish to include all relationships that appear in the business context rather than only customer relationships.

For example, Sheth and Parvatiyar [2000, 7] propose limiting the domain of RM to direct interactions among customers and suppliers in order to avoid the risks of “diluting the value and contribution of the marketing discipline in directing relationship marketing practice and research or theory development”. They offer the following definition for RM: “*the ongoing process of engaging in cooperative and collaborative activities and programs with* *immediate and end-user customers to create or enhance mutual economic value at reduced cost*" [Sheth and Parvatiyar, 2000, 9].

However, one of the most frequently cited definitions is that of Grönroos who states that "(the purpose of) … marketing is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers (and other parties) so that objectives regarding economic and other variables of all parties are met. This is achieved through a mutual exchange and fulfillment of promises" [Grönroos, 2007, 22].

This definition reflects the Nordic and the Anglo-Australian point of view regarding the expansion of RM's domain to include all the complex networks of relationships that are established in the market among companies and their customers, suppliers, competitors and other stakeholders. By analyzing the practices in the business environment Gummesson [2008] identifies no less than 30 relationships of this kind and groups them in the following categories:

- *classic market relationships*: aspects such as the supplier-customer dyad and the supplier-customer-competitor triad or the physical distribution network are included here;
- *special market relationships*: the relationships via full-time marketers and part-time marketers, the relationship to the dissatisfied customer, the e-relationship, the parasocial relationships and many more are discussed here;
- *mega relationships*: these exist above the market level and provide a platform for market relationships (those from the previous two categories). They concern the mega marketing (lobbying, public opinion and political power), the mega alliances (e.g. NAFTA) and the social relationships (such as friendship and ethnic bonds);
- *nano relationships*: these exist below the market level, inside the organizations, and have an impact on external relationships.

All these elements add up and contribute to Gummesson's [2008, 5] definition: "*relationship marketing is interaction in networks of relationships*".

There are several other broad approaches. One of them is the "six markets" model developed by Christopher, Payne and Ballantyne as an instrument for helping managers identify strategically important stakeholders. The Customer Markets are placed in the center of this model to emphasize the idea that „organizations can only optimize relationships with customers if they understand and manage relationships with other relevant stakeholders" [Payne *et al.*, 2005, 859]. The other five markets, described below, have a supporting role:

- *referral markets* (satisfied customers that become advocates of the company and recommend it to other potential customers);
- *influence markets* (unions, business press, regulatory bodies, financial analysts, competitors, the government, consumer groups etc.);
- *recruitment markets* (potential employees and the channels used to access them;
- *supplier and alliance markets* (suppliers that the company has partnership relationships with, and other organizations with which the company shares capabilities and knowledge);
- *internal markets* (the organization and its employees).

Source: [Payne et al., 2005, 859]

Figure no. 1 The six markets model

Similarly, Morgan and Hunt [1994] note the existence of 10 exchange relationships that can be established in the context of four partnership types: buyer, supplier, lateral and internal partnerships.

Kotler [1992] presents, although from a transactional perspective, the 10 critical players from a company's environment: suppliers, distributors, end-users and employees (in the immediate environment), and financial firms, governments, media, allies, competitors and the generic public (in the macro-environment).

The last broad approach that we make reference to is the Contemporary Marketing Practices Framework. This will be further detailed in the next paragraph of the paper.

This continuing debate over the breadth of RM's domain is compared by Payne [2000] with the one generated by Kotler and Levy's article "Broadening the Concept of Marketing", published in 1969. The two authors advocated the idea of using marketing in noncommercial activities which ultimately led to the development of new fields such as social, educational and even church marketing [Kotler, 2005]. But not everyone agreed initially; in his article "Broadening the Concept of Marketing – Too Far" Luck expressed concerns that this proposal, although "intriguing and imaginative […] may lead to confusion regarding the essential nature of marketing" [Luck, 1969, 53].

Payne [2000] believes that the first step in settling the current RM debate is agreeing on a common terminology to distinguish between the broad and the narrow approaches. He suggests using the term *customer relationship marketing* for the supplier-customer dyad and leaving *relationship marketing* as a term for the more general perspective. In time, one of the two might become dominant. Egan [2008] considers that the narrow standpoint will prevail as it is, to a certain degree, measurable and it sustains the functionalist marketing approach.

A second problem that we discuss in this section is the position that RM might take within the general marketing theory. In an attempt to clarify this, Egan [2008] identifies four different philosophical viewpoints in the marketing literature:

- a relationship dimension can be added to the TM, hence including RM in the existing marketing paradigm;

- RM is a new paradigm and a paradigm shift has occurred, from transactional to relational;
- RM and TM are different paradigms that coexist separately;
- TM and RM coexist as part of the same marketing paradigm.

The first of viewpoint is rejected by established authors in the field of RM. Grönroos [2007] insists on the fact that RM is more than just a set of instruments, a new way of communicating with customers or a loyalty programme. All these could very well be implemented by an external agency, without involving a real and profound change of the company's orientation towards relationships.

In Gummesson's [2008] opinion, RM and Customer Relationship Management (CRM) represent a new marketing paradigm, a new theory built upon relationships, interactions and networks. He also states that regarding RM/CRM as elements that can be added to the traditional marketing management would obstruct these concepts from showing their true value.

Egan [2008] cites several authors who disagree with the idea that a paradigm shift has occurred as there is a lack of empirical evidence to support it and it is obvious that some big producers of consumer goods continue using primarily the TM.

But the advocates of RM do not completely reject the transactional paradigm. Gummesson [2008] is convinced that a certain degree of manipulation, which is typical for this approach, will always be necessary in marketing and that mass marketing will continue to exist, even though it will be less dominant. Grönroos [2007] recognizes that even though the relational approach is possible in any sector, not all clients are interested in developing relationships. In his view, customers may be in a transactional mode (they search for solutions that are pricewise acceptable and do not wish further contact between the transactions), in an active relational mode (when they search for opportunities to interact with the supplier in order to obtain additional value), or in a passive relational mode (those who rarely respond to interaction invitations but who want to know that they have the possibility to get in contact with the supplier if they want to).

We may conclude that the specialized literature presents two different paradigms that share some elements and that will coexist, even if one of them will be dominant. Empirical studies that would reveal the reality of the business environment are needed in order to support this point of view. Studies of this nature are present in the Contemporary Marketing Practices (CMP) research program, which was founded in 1996 by Rod Brodie and Nicole Coviello, professors of University of Auckland, and currently extended to more than 15 countries, including Canada, Sweden, Thailand, Argentina, Germany, United Kingdom and United States [Brodie *et al.*, 2008].

Using the CMP methodology we have conducted a survey in order to acquire an overview of the commercial practices of the Romanian organizations, a field which hasn't been thoroughly investigated so far. The study enables us to test the validity of the ideas concerning the simultaneous use of transactional and relational practices and the existence of a paradigm shift.

3. The Contemporary Marketing Practices Framework

Following a detailed analysis of previous research, the CMP group developed a classification framework that includes nine dimensions of the way companies relate to their markets [Brodie *et al.*, 2007]:

- *exchange dimensions*

  - purpose of exchange,
  - nature of communication,
  - type of contact,
  - duration of exchange,
  - formality in exchange;
- *management dimensions*
  - managerial intent,
  - managerial focus,
  - managerial investment,
  - managerial level.

Considering these dimensions, the authors concluded that five marketing types may be identified in the literature and in the business practice and grouped them in two main perspectives:

- *transactional perspective:*
  - Transaction Marketing (TM);
- *relational perspective:*
  - Database Marketing (DM),
  - e-Marketing (eM),
  - Interaction Marketing (IM),
  - Network Marketing (NM).

As defined by the CMP framework, the five marketing types do not exclude each other and each organization may practice them in a smaller or greater proportion, creating in this way a portfolio of strategies.

Through *TM*, the firm is targeting a larger number of customers that remain relatively anonymous, and tries to generate as many transactions as possible, by offering an attractive combination of products, prices, advertising and distribution. A good example is that of supermarkets which use mass advertising to attract a large number of customers. However, the salespersons have no specific information about these customers; they do not know their names, addresses, preferences and so on. Although transactions may continue over time, they are regarded as being distinct as there is no differentiation between loyal and occasional buyers.

The *DM* involves the approach of well identified clients. One example is that of the telephony services providers that can send personalized SMS-es to their clients, on different occasions (birthday, the anniversary of a certain number of years since they are customers, etc.). DM is, as well as TM, a marketing *towards* the customer and not *with* the customer [Coviello *et al.*, 2001, 22].

Unlike the previous types, where the client could only react to the offer, *eM* introduces the dialogue, the possibility of the customer to communicate with the firm, to make proposals. Yet, the communication is not face-to-face, but mediated by the technology (telephone, fax, email, Internet discussion groups, call-center etc.).

In the case of the *IM* there is a closer, personalized relationship between the firm's representatives and certain clients. The customer does not communicate with the company as a whole, but with a certain employee who deals with him on a regular basis and who knows his needs. The interaction is face-to-face and it may also be informal, when the two of them might have other conversation subjects than those strictly related to business. Examples could include the interaction between the sales agents and the employees of the firms that buy from them or the cooperation and the exchange of ideas between an architect and the client that wants a house.

The firm creates a network of relationships with other firms in order to gain common benefits and to better serve the final clients. The *NM* may involve relationships with suppliers (e.g. Just In Time systems) or even with competitor firms. Several producers could establish partnerships in order to have a greater negotiating power when confronted with their distributors or they could share technologies to produce more efficient.

4. Marketing practices in Romanian organizations

4.1. Research objectives

The research is focused on the following aspects:

- determine the main orientation in the Romanian business environment (transactional or relational);
- identify the types of marketing present in the Romanian business environment;
- reveal the relationships that exist between these types of marketing and the companies' performance.

4.2. Methodology

This survey used the standard questionnaire of the CMP project, with some changes imposed by the particularities of the Romanian study. The questionnaire was presented to five university professors, specialized in marketing, and to six managers from Iaşi. After this pre-testing, some minor adaptations of the text were made, in order to better preserve the meaning of some expressions that were initially affected by the translation from English to Romanian. Most of the questions involve the evaluation of some sentences on a 1 to 5 Likert scale.

Each of the CMP's nine dimensions presented above was operationalised with a set of variables that corresponded to the five different types of marketing. In the end, TM, DM, eM, IM and NM were evaluated by calculating the arithmetic average of the nine formative items. In order to make the results more visible, the average was divided by 5 (the number of levels of the Likert scale used), obtaining an index with values in the 0 to 1 interval.

The performance of the companies was measured with subjective indicators. A comparison based on objective indicators would not have been relevant given to the variety of the organizations included in the survey (dimension, business sector, etc.). The respondents had to evaluate the measure in which their organization uses some performance indicators and the results compared to the expectations they had for those indicators, during the previous year.

4.3. Survey sample

In selecting the companies to be included in this survey the aim was to obtain a high degree of variability in terms of size, sector, age and geographical location. However, given the complexity of the questionnaire used, convenience sampling was preferred to probabilistic sampling. This method is in line with previous CMP studies.

The final sample totals 142 organizations based in Bucureşti, in Timişoara and in several counties of Moldova (Iaşi, Suceava, Botoşani, Vaslui, Neamţ, Bacău) and Transylvania (Cluj, Mureş, Alba, Bihor, Maramureş).

The small and medium enterprises are predominant (60.4% and 27.4%, respectively). Most of the companies have been present on the Romanian market for more than 10 years (48.6%) and 73.2% are owned by Romanian investors. 56.7% of the respondents claim that in 2007 their turnover increased by more than 10%.

With regard to the characteristics of the respondents, 84.4% occupy a managing position and another 10% are marketers. 61.4% occupy their current position since at least 3 years and 91.5% consider that their job is either directly or indirectly related the company's marketing. Furthermore, 84.6% of those interviewed are higher education graduates and 54.6% claim to have some form of marketing training. Therefore, it can be concluded that the data provided by them are relevant.

4.4. Results and discussion

The usage levels of the five types of marketing were estimated by calculating their indexes (values between 0 and 1, as previously mentioned). The results are presented in Table no. 2 and Fig. 2.

Table no. 2 – Indexes for the five marketing types

	Index	**Std. Deviation**	**Minimum**	**Maximum**
TM	.64	.12705	.33	1.00
DM	.62	.14534	.27	.93
eM	.61	.18904	.20	.93
IM	.74	.16153	.29	1.00
NM	.71	.14660	.24	1.00

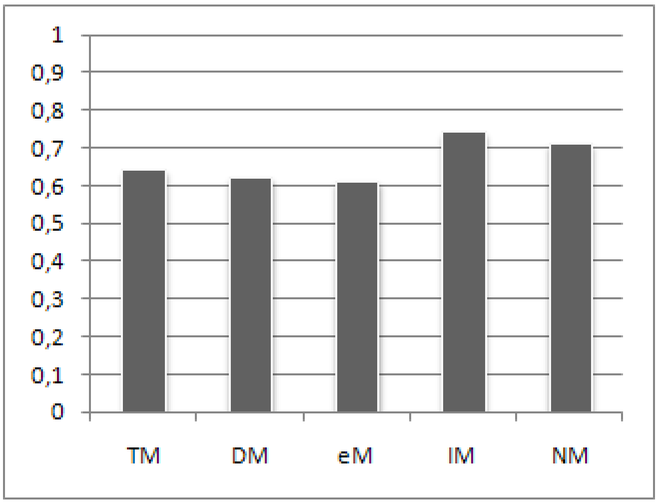

Figure no. 2. Index levels for the 5 marketing types

As it can be noticed, the surveyed companies use all five types of marketing. However, interaction and network marketing seem predominant.

Paired samples t tests were used to evaluate the differences between the five indexes. For each of these tests, the effect size was also computed. Field [2005] and Pallant [2007] recommend reporting this indicator as an objective measure of the test's importance. The fact that the test is significant does not mean that the effect it measures is important.

The effect was estimated using Pearson's correlation coefficient *r* which was computed using the following equation [Field, 2005, 294]:

$$r = \sqrt{\frac{t^2}{t^2 + df}}$$

r – Pearson's correlation coefficient
t – value of the t test
df – degrees of freedom

The effect size was interpreted according to Cohen's recommendations: r = 0.10 – small effect, r = 0.30 – medium effect, r = 0.50 – major effect [Field, 2005, 32].

The tests revealed that IM and NM levels are significantly higher than TM, DM and eM levels, the magnitude of the results being either medium or large:

- The IM level (*M=0.74, SD=0.16*) is significantly higher than:
  - the TM level (*M=0.64, SD=0.12*), $t(141)=5.32$, $p<0.05$, $r=0.40$ (indicates a medium effect).
  - the DM level (*M=0.62, SD=0.14*), $t(141)=6.87$, $p<0.05$, $r=0.50$ (indicates a large effect).
  - the eM level (*M=0.61, SD=0.18*), $t(141)=7.43$, $p<0.05$, $r=0.53$ (indicates a large effect).
- The NM level (*M=0.71, SD=0.14*) is significantly higher than:
  - the TM level (*M=0.64, SD=0.12*), $t(141)=4.71$, $p<0.05$, $r=0.36$ (indicates a medium effect).
  - the DM level (*M=0.62, SD=0.14*), $t(141)=6.32$, $p<0.05$, $r=0.46$ (indicates a medium effect).
  - the eM level (*M=0.61, SD=0.18*), $t(141)=6.77$, $p<0.05$, $r=0.49$ (indicates a medium effect).

Next, the distribution of the companies by their indexes levels for the five concepts was highlighted. The organizations were grouped into three categories according to their usage level of every marketing type:

- *low level*: index value up to 0.60, corresponding to a maximum average of 3 on the 1 to 5 scale;
- *medium level*: index value between 0.61 and 0.80 (an average of 3.1 to 4.0);
- *high level*: index greater than 0.80, or an average greater than 4.

Table no. 3 – Companies' distribution by marketing types and indexes levels (%)

Index level	**TM**	**DM**	**eM**	**IM**	**NM**
low	47.9	42.2	43.0	21.8	20.4
medium	40.8	49.3	44.3	37.3	50.0
high	11.3	8.5	12.7	40.9	29.6
Total	100%	100%	100%	100%	100%

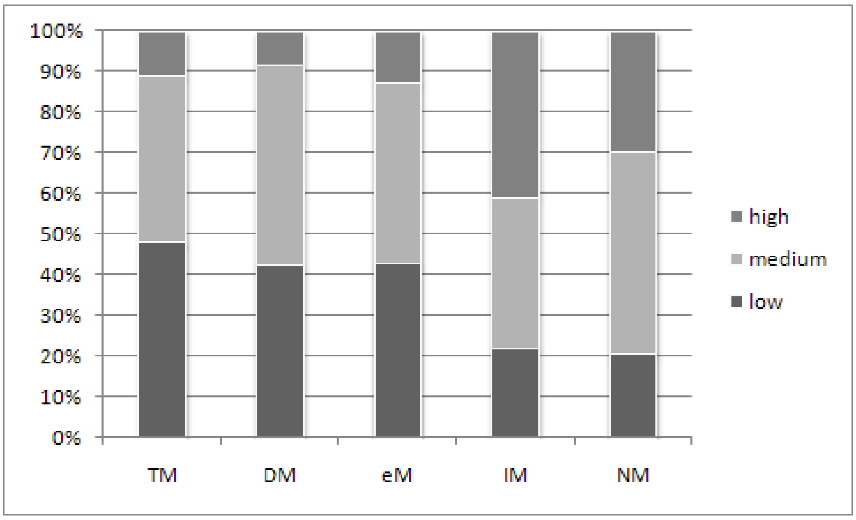

Figure no. 3. Companies' distribution by marketing types and indexes levels (%)

Table no. 3 and Fig. 3 provide some interesting information. Almost half of the firms (47.9%) have a *low usage* level for TM. DM and NM registered *medium usage* levels in most of the companies (49.3% and 50.0%, respectively). Network marketing and interaction marketing are predominant, as 79.6% (NM) and 78.2% (IM) of the companies use them at a medium or high level. As mentioned earlier, IM is more common than other types of relationship marketing. Most of the firms use IM at a high level (40.9%), while only 21.8% present a low IM level.

A correlation analysis of the five indexes was performed in order to see which marketing types are practiced together. The results are shown in Table no. 4 and Fig. 4.

Table no. 4 – Correlations between the five types of marketing

	TM	**DM**	**eM**	**IM**	**NM**
TM	1.000	.624**	.450**	-.103	.050
DM		1.000	.819**	.209*	.322**
eM			1.000	.330**	.407**
IM				1.000	.659**
NM					1.000

* correlation is significant at the 0.05 level
** correlation is significant at the 0.01 level

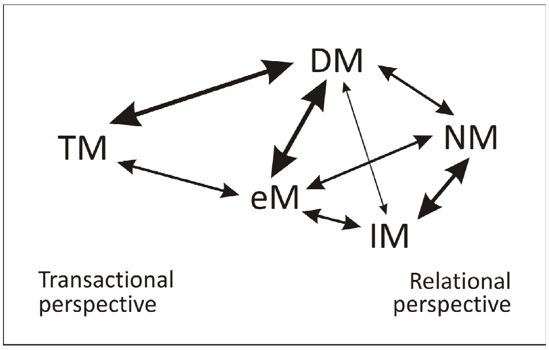

Figure no. 4. Correlations between the five types of marketing

There is a positive, strong and significant correlation between transaction marketing and database marketing (r=0.624, p<0.01). In the opinion of Coviello *et al.* DM could actually be considered a superior, "more intense" form of transactional marketing [Coviello *et al.*, 1997, 513]. TM also presents a medium, positive and strong correlation with e-Marketing (r=0.450, p<0.01). However, companies use TM independently of their IM and NM.

All relational practices are positively and significantly correlated among them, suggesting the fact that companies use them together, in diverse combinations. A very strong association can be observed between the two technology-based relational practices, i.e. DM and eM. These indexes share 67% of their variance (r=0.819, p<0.01). Other pairs, such as DM-NM, eM-NM and eM-IM, present medium correlations. There is also a weak relationship between DM and IM (r=0.209, p<0.05).

Another analysis was aimed at investigating the link between the usage of different marketing types and firms' performance. The performance indicators and the method used for measuring performance were described in a previous paragraph. The results of the bivariate correlation analysis are presented in Table no. 5.

First, it is apparent that the relational practices IM, eM and DM achieve their goal of retaining existing customers, as they are the only ones presenting medium-strength associations with this performance indicator (r>0.3). IM, eM and DM seem to have a positive impact on customer satisfaction as well.

Transaction marketing also achieves its main goal, that of attracting new customers. TM and the "technological" forms of relationship marketing (DM, eM) are correlated with customer acquisition (r>0.3).

Table no. 5 – Correlations between types of marketing and performance indicators

	Marketing indicators			**Financial indicators**		
	new customers	*customer retention*	*customer satisfaction*	*sales growth*	*profitability*	*market share*
TM	.324**	.298**	.235**	.080	.156	.242**
DM	.369**	.430**	.339**	.099	.142	.360**
eM	.332**	.439**	.395**	.101	.121	.346**
IM	.200*	.310**	343**	.142	.152	.183*
NM	.189*	.220*	.230**	-.053	.058	.101

* correlation is significant at the 0.05 level; ** correlation is significant at the 0.01 level

The marketing practices that have the strongest association with companies' performance in securing the desired market share are DM and eM (*r*=0.360 and *r*=0.346, respectively).

An unexpected result is the lack of correlations between any of the marketing practices and the other two financial indicators (sales growth and profitability).

5. Conclusions

Relationships and interactions are a constituent part of the human society and have inevitably accompanied the business practice since the beginnings of commerce. The supremacy of the transactional approach was a mere exception generated by the evolution towards mass production. Therefore, the present efforts in the field of relationship marketing are an attempt to theorize some situations that are already present in the economic life.

Many companies understood that their long-term competitiveness is conditioned by customer retention. In order to achieve this, there's a need to change the way the customer is perceived by implementing bilateral communication with him, by winning the customer's trust, by treating him as a partner that can contribute to value creation. Also, marketing must evolve into a company-wide preoccupation rather than remain isolated in a specialized department.

But in the end, can we claim that relationship marketing will become the dominant paradigm and that the transaction marketing will disappear?

The survey conducted in accordance with the CMP methodology reveals that the Romanian business environment does not appear to be dominated by a single marketing orientation. Companies use all types of marketing, the relational ones as well as the transaction marketing. However, interaction marketing and network marketing are more common than TM, DM or eM. Transaction marketing is used in combination with the thechnology-based types of relationship marketing (i.e. DM and eM) but independently of IM and NM.

The use of TM, DM and eM favors new customer acquisition. Companies' performance in satisfying and retaining those customers is associated with their level of relationship marketing (IM, DM and eM). Hence, both the transactional and the relational approaches fulfill their purposes.

We may conclude that relationship marketing has the potential to become the dominant paradigm without this implying a total rejection of the marketing mix theory. However, a paradigm shift has yet to occur in the in the practices of Romanian companies.

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