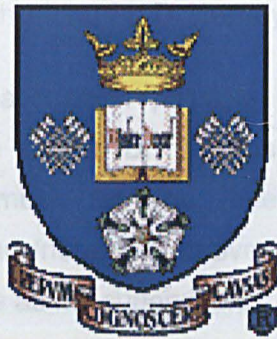


ACKNOWLEDGMENTS



SHEFFIELD UNIVERSITY MANAGEMENT SCHOOL

**CUSTOMERS' PERCEPTIONS ON THE ROLE OF
DIRECT MARKETING IN DEVELOPING EFFECTIVE
RELATIONSHIPS WITH TRAINING COMPANIES
IN A BTB CONTEXT IN PORTUGAL**

Volume I

*A thesis submitted for the degree of Ph.D. at the
Management School - The University of Sheffield.*

RAQUEL SARGAÇO REIS

DECEMBER 2008

ACKNOWLEDGEMENTS

It is difficult to express in words how grateful I am to several people who supported and motivated me so much in this long Ph.D. journey. I will do my best!

This thesis would not have been possible without the immense support of my Supervisors, Dr. Caroline Oates, Dr. Martina McGuinness and Professor Dominic Elliott. Thank you so much for your intelligent supervision, guidance, ideas, enthusiasm, motivation and friendship all over these years. I am really lucky to have had such wonderful people as my supervisors.

A big thank you to the company where I work for the flexibility and support given to this research process. Thanks also to all “my” interviewees/companies, who participated in this study, sharing with me their interesting thoughts, views and experiences.

This thesis is dedicated to my parents. Thank you ever so much for all the encouragement, support and help you gave me from the very beginning. To my Mother I thank all her inner happiness, optimism and sense of honesty. To my Father, the inspiration of my life, I thank the enormous sense of responsibility, hard-working, persistency and the idea of always pursuing my dreams... I have a profound love and admiration for both of you.

A warm thank you to the rest of my family, mainly to my dear grandparents, Avós Sargaço e Avós Reis, brother André, sister-in-law Ana Maria, and wonderful nephew João André and niece Francisca, who are all so important in my life.

A very special thank you to all my friends, especially to Ana and Cata, who were always there for me with their amazing and so unique friendship, in all the good and bad moments of my life. Also, to Joana, Inês, Cláudia, Maria João, Mónica, Gena, Cristina, Zu, Rita, Lorraine, Helen, André, Jiajia, Nicki, Juliana, Cláudio, Haslida, Simons and all the colleagues from Victoria Street, thanks for your friendly support in so many different moments.

To Moritz, my dear Schatzi, thanks for your love, dedication and patience... thanks for your stability and for teaching me what a true relationship really means.

To God and Nossa Senhora de Fátima (Our Lady of Fátima) for their protection.

To all of you, thank you very much with all my heart. I love you!

ABSTRACT

Relationships in business are and will always be of extreme importance. Marketing is not an exception to this generalised idea, developing relationships with customers being hence one of its key aims. Undoubtedly, relationship marketing (RM) is a major field of research nowadays, with a massive literature in this subject. The relevance of direct marketing (DM) as a powerful tool to achieve RM aims is also clearly recognised. Therefore, these two marketing areas are closely linked by many authors. Surprisingly, there is a significant lack of empirical evidence on how the relationship development through DM “really happens”. It is not sufficient to state that DM has an important role in RM. It is needed to understand how this link between DM and RM “works”, namely which are the activities and processes behind it. Moreover, the current literature linking DM and RM is almost entirely focused on business-to-consumer (BTC) markets, being more quantitative-oriented, and neglecting the customers' side of this “relationship” development.

This research covered these gaps found in the literature, exploring qualitatively customers' perceptions on the relationship development through DM, in a business-to-business (BTB) context, using a grounded theory approach. No empirical study was found examining this particular combination. 30 semi-structured interviews were conducted with training customers, specifically training directors and participants of 30 different companies in Portugal. This research contributes significantly to the DM and RM literature, both as a link and also to each of them individually. It explains which are the DM key roles in the relationship development, namely in its different stages of establishment, maintenance and enhancement. Moreover, differences among customers were found, some of them being more transactional others more relationship-oriented. Finally, customers have entirely different perceptions regarding DM received in a BTC or in a BTB setting. The research findings will be applied to the marketing practices of the training company where the author works in Portugal; the aim being to develop better and more effective relationships through DM with their customers.

TABLE OF CONTENTS

Volume I

Acknowledgements.....	I
Abstract.....	II
Table of Contents	III
List of Tables	IX
List of Figures.....	X
1 INTRODUCTION.....	1
1.1 Structure of the Thesis	1
1.2 Research Problem	1
1.3 Research Gaps.....	3
1.4 Research Context – Professional Experience	5
1.4.1 Training in Portugal	6
1.5 Research Question, Aim and Objectives	7
2 LITERATURE REVIEW.....	9
2.1 Introduction.....	9
2.2 Relationship Marketing - RM.....	10
2.2.1 Introduction.....	10
2.2.2 RM History.....	11
2.2.3 RM - Paradigm/Paradigm Shift (?).....	14
2.2.3.1 Proposed Paradigms/Shifts.....	14
2.2.3.2 Marketing Concept.....	15
2.2.3.3 Customer Concept.....	15
2.2.3.4 Is RM a new Paradigm?.....	17
2.2.4 RM Definitions and Gaps.....	22
2.2.4.1 RM Gaps.....	28
2.2.5 RM Studies.....	38
2.2.6 RM Perspectives - Market Type and Marketing Approach	43
2.2.6.1 Market Type in the Relationship Development: BTC/BTB	44
2.2.6.2 Marketing Approach in the Relationship Development: Transactional/Relational.....	45

2.3 DM – Direct Marketing	49
2.3.1 Introduction.....	49
2.3.2 DM Definitions	50
2.3.3 Empirical Studies – DM Reactions.....	57
2.3.4 Theoretical Link DM/RM and Gaps.....	64
2.3.5 Empirical Studies Link DM/RM	69
2.4 Summary	77
3 METHODOLOGY	79
3.1 Introduction.....	79
3.2 Research Context and Expected Contributions	79
3.3 Research Gaps.....	81
3.4 Research Question, Aim and Objectives	83
3.5 Research Design.....	84
3.6 Methodological Position.....	84
3.6.1 Type of Research	85
3.6.2 Research Philosophy.....	86
3.6.2.1 Ontology / Epistemology	87
3.6.2.2 Philosophical Paradigms: Positivism and Phenomenology.....	88
3.6.3 Quantitative / Qualitative Methods	89
3.6.4 Deduction / Induction.....	92
3.6.5 Research Strategy.....	94
3.6.5.1 Interviews.....	95
3.7 Implementation of Interviews.....	97
3.7.1 Pilot Study	97
3.7.1.1 Aim	97
3.7.1.2 Sample	98
3.7.1.3 Interviewees.....	98
3.7.1.4 Access	99
3.7.1.5 Reflection – Changes Made.....	99
3.7.2 Main Data Collection	100
3.7.2.1 Sample	100
3.7.2.2 Access	109
3.7.2.3 Interview Checklist Guide (ICG).....	114
3.7.2.4 Timing, Duration, Place and Transcripts	118
3.8 Analysis Approach – Grounded Theory (GT).....	120

3.8.1	Analysis Example of a Piece of Research.....	126
3.9	Reflection / Limitations	129
3.10	Credibility of Research Findings.....	130
3.11	Summary.....	131
4	CUSTOMERS' PERCEPTIONS ON THE RELATIONSHIP DEVELOPMENT THROUGH DM; ESTABLISHMENT, MAINTENANCE AND ENHANCEMENT	134
4.1	Introduction.....	134
4.2	How Customers Establish a Relationship with a Training Company through DM.....	135
4.2.1	Introduction.....	135
4.2.2	DM Directed at Customers' Training Needs.....	137
4.2.2.1	Receiving DM	138
4.2.2.2	Opening and Reading DM.....	142
4.2.2.3	DM Inertia	146
4.2.3	Interviewees' Training Needs.....	148
4.2.3.1	DM as a Trigger for Realisation of a Training Need.....	149
4.2.3.2	DM as a Creator of a Perceived Need.....	153
4.2.4	Credibility of the DM Source	155
4.2.5	Price	159
4.2.6	"Start" a Relationship Versus "Establish" a Relationship.....	160
4.2.7	Summary.....	161
4.3	How Customers Maintain and Enhance a Relationship with a Training Company through DM.....	164
4.3.1	Introduction.....	164
4.3.2	DM Directed at Customers' Training Needs.....	167
4.3.3	Past Training Performance.....	168
4.3.3.1	Quality	172
4.3.3.2	Satisfaction	177
4.3.4	Summary.....	186
4.4	Conclusions	188

Volume II

5 CUSTOMER SEGMENTS AND DIFFERENT DM PERCEPTIONS

REGARDING BTB AND BTC MARKETS	191
5.1 Introduction.....	191
5.2 Transactional / Relational Customer Segments	192
5.2.1 Introduction.....	192
5.2.2 Interviewees' Segments.....	192
5.2.2.1 Personal Contacts.....	195
5.2.2.2 Transactional Interviewees' Segment.....	198
5.2.2.3 Relational Interviewees' Segment.....	204
5.2.3 Summary.....	210
5.3 Different DM/RM Perceptions from Customers regarding BTB and BTC Markets.....	213
5.3.1 Introduction.....	213
5.3.2 DM Focus – Transactional / Relational	216
5.3.2.1 Level of knowledge of DM.....	216
5.3.2.2 Interviewees' DM Definitions – What is DM for interviewees?	217
5.3.2.3 DM Definition More Correct.....	219
5.3.2.4 Emerging Links	222
5.3.3 Context – Home/Personal DM (BTC) Versus Work/Professional DM (BTB) – Customers' Expectations	225
5.3.3.1 DM from Training Companies in a BTB context versus DM from Products/Services in a BTC context.....	225
5.3.3.2 Home DM versus Work DM	227
5.3.4 Relevance – DM Strength.....	229
5.3.4.1 DM Positive Aspects	229
5.3.5 Volume – DM Weakness	231
5.3.5.1 Negative DM Aspects.....	231
5.3.6 Time / Behaviour towards DM.....	234
5.3.6.1 DM from Training Companies	235
5.3.6.2 DM from Training Companies (BTB) versus DM from Products (BTC).....	236
5.3.7 Summary.....	239
5.4 Conclusions	241

6 DISCUSSION	243
6.1 Introduction / Key Points and Gaps	243
6.2 How Customers Establish a Relationship with a Training Company through DM	248
6.2.1 DM directed at Customers' Training Needs - Relevance.....	249
6.2.1.1 DM as a Trigger for Realisation or a Creator of a Perceived Need	249
6.2.1.2 DM Importance in the Relationship Establishment/ Development with a Training Company	250
6.2.1.3 Relevance, Privacy and Control – BTB / BTC Markets.....	251
6.2.1.4 DM Media and Times	253
6.2.1.5 Individualism, Segmentation, Personalisation and Customisation	255
6.2.2 Credibility of the DM Source	256
6.2.3 Price	257
6.2.4 Start versus Establish a Relationship.....	258
6.3 How Customers Maintain and Enhance a Relationship with a Training Company through DM	259
6.3.1 DM Roles in the Relationship Development.....	260
6.3.2 Key Empirical Studies in the Link DM/RM and My Findings.....	263
6.3.2.1 Jones and Chudry (2001).....	263
6.3.2.2 Ball et al (2006).....	265
6.3.2.3 Lindberg-Repo and Gronroos (2004)	266
6.3.2.4 Verhoef (2002).....	267
6.4 Transactional / Relational Customer Segments	269
6.4.1 Transactional/Relational Customer Segments and the Literature	270
6.4.1.1 Transactional/Relational Customer Segments and the Paradigm Shift in Marketing	273
6.4.2 DM Definitions	275
6.5 Different DM/RM Perceptions from Customers regarding BTB and BTC Markets	276
6.5.1 Key Themes in the Different Customers' Perceptions on DM received in BTB and BTC Contexts.....	277
6.5.2 Customers' Perceptions on DM received in BTB and BTC Contexts and the Literature.....	277
6.5.3 DM Definitions	281
6.6 Summary	282

7 CONCLUSIONS.....	285
7.1 Theoretical Contributions	285
7.1.1 Research Gaps and Aims.....	285
7.1.2 How Customers Establish a Relationship with a Training Company through DM	287
7.1.3 How Customers Maintain/Enhance a Relationship with a Training Company through DM	290
7.1.4 Transactional and Relational Customer Segments	293
7.1.5 Different DM/RM Perceptions from Customers regarding BTB or BTC Contexts.....	295
7.2 Practical Implications	297
7.3 Reflections / Limitations.....	301
7.4 Further Research	303
REFERENCES	306
Appendix 1: INTERVIEWEES' DETAILS: TRAINING DIRECTORS AND PARTICIPANTS.....	319
Appendix 2: INTERVIEW REQUEST E-MAIL.....	323
Appendix 3: INTERVIEW CONFIRMATORY E-MAIL.....	324
Appendix 4: MEMO.....	325
Appendix 5: LIST OF CODES.....	326
Appendix 6: TABLES "MILES AND HUBERMAN" – REDUCING DATA....	327
Appendix 7: DIAGRAM – KEY FINDINGS	333

LIST OF TABLES

Table 1: Research Question, Aim and Objectives	7
Table 2: TM and RM Paradigms.....	14
Table 3: RM Perspective/New Paradigm?	20
Table 4: RM Definitions (adapted by Harker, 1999)	24
Table 5: Perspectives on the Gap on RM Activities/Processes.....	30
Table 6: Perspectives on the Gap of RM Studies from the Customers' Stand-Point	34
Table 7: Reasons/Influences for Developing a Relationship - Companies' and/or Customers' Views.....	39
Table 8: DM Definitions - Aspect emphasised	54
Table 9: Empirical Studies on DM Customers' Reactions	57
Table 10: Empirical Studies on the link between DM and RM	70
Table 11: Epistemological and Ontological principles within the Objectivist and Subjectivist paradigms (Cassell, 2001).....	87
Table 12: Positivism and Phenomenology Main Characteristics	88
Table 13: Data Collection Samples	102
Table 14: Interviewees' Details.....	107
Table 15: Piece of Research – Analysis Example.....	127
Table 16: Interviewees' Definitions – Transactional / Relational Focus ..	217
Table 17: DM Definitions given in a Card to Interviewees	220
Table 18: Definition more correct – Transactional / Relational Focus.....	221
Table 19: Practical Recommendations for Training Companies	300

LIST OF FIGURES

Figure 1: Structure of the Thesis	1
Figure 2: Research Gaps in the Link DM/RM	3
Figure 3: Literature Review Structure.....	9
Figure 4: Methodological Position (adapted from De Wulf, 1999).....	85
Figure 5: Implementation of Interviews	97
Figure 6: Research Sample (Blaxter et al, 1996), adapted from De Wulf (1999)	101
Figure 7: Grounded Theory - GT within the Methodological Context.....	124
Figure 8: Establish a Relationship with a Training Company through DM.....	136
Figure 9: Process in Interviewees' Minds from DM Reception until Relationship Establishment through DM.....	138
Figure 10: DM as a Trigger for Realisation of a Training Need (Diagnosed or not) versus DM as a Creator of a Perceived Training Need.....	148
Figure 11: Maintain and Enhance a Relationship with a Training company.....	166
Figure 12: Maintain and Enhance a Relationship with a Training Company: Quality and Satisfaction Perceptions.....	171
Figure 13: DM Roles in the Relationship Establishment, Maintenance and Enhancement with a Training Company	187
Figure 14: Transactional and Relational Interviewees' Segments	193
Figure 15: Key themes in Interviewees' Perceptions of DM/RM according to BTB and BTC markets	214
Figure 16: Changes in DM Focus.....	220
Figure 17: Changes in DM Focus and Market	220
Figure 18: Suggested Change of the Marketing Research Focus - Customers instead of Companies (based on Schultz, CMC, 2008)	245
Figure 19: Key Findings Diagram.....	247

Figure 20: Practical Implications – DM, Databases, Segmentation, Personalisation and Customisation.....	256
Figure 21: Structure of the Conclusions Chapter.....	285

1 INTRODUCTION

1.1 Structure of the Thesis

The main aim of this research is to explore and understand customers' perceptions on the role of DM in developing effective relationships with training companies in a BTB context; the structure of this thesis being illustrated in Figure 1.

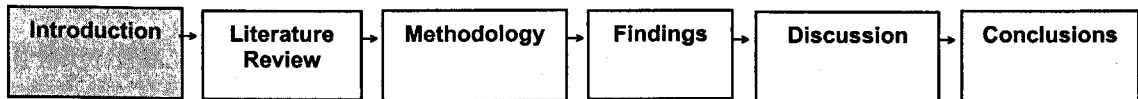


Figure 1: Structure of the Thesis

First the research problem, the key gaps found in the literature, the professional context and interest in the topic, and the research question, aim and objectives will be introduced. This is followed by chapter 2, which reviews the literature in DM and RM. Afterwards in chapter 3 the methodological position chosen in this research will be presented. In chapters 4 and 5 the emerging findings, results from using a grounded theory approach will be explored. These findings will be discussed in chapter 6, comparing them, whenever possible, with the existing literature. Finally, the conclusions of this research will be examined in chapter 7, highlighting theoretical and practical contributions, limitations and directions for further research.

1.2 Research Problem

There is an extensive literature both in DM and in RM. Looking carefully at the literature on these two important marketing areas, there is also a general theoretical agreement in that DM is a valuable tool to achieve RM aims. Statements such as "DM allows/helps marketers to develop relationships with their customers" are frequent. What is not clear is *how* this happens.

This way, considering the common assumption that DM is a useful and powerful means to develop relationships with customers (Ball, Coelho and Vilarés, 2006; Hochhauser, 2004; Arnold and Tapp, 2003; Verhoef, 2002; Jones and Chudry, 2001; Evans, O'Malley and Patterson, 2001; Hoekstra and Schijns, 1995), it is surprising the lack of qualitative empirical evidence about how this link between

DM and RM works (Powers and Reagan, 2007; Heinonen and Strandvik, 2005; Tapp, 2001; Moler and Halinen, 2000; Peltier, Schibrowsky and Davis, 1998). This research intends to understand the processes, activities and practices behind it.

In fact, I only found five empirical studies in this link between DM and RM (Ball et al, 2006; Lindberg-Repo and Gronroos, 2004; Verhoef, 2002; Jones and Chudry, 2001; Evans et al, 2001), and four in customers' reactions to DM (Heinonen and Strandvik, 2005; Page and Lunding, 2003; Alreck, 1999; Korgaonkar, Karson and Akaah, 1997).

This lack of empirical evidence in the activities/processes in the link DM/RM is extended to each of these areas individually. Although RM is considered "a key element in marketing, indeed the key element" (Saren, 2007:12), it is remarkable that RM is seen in an overly theoretical way (Kasabov, 2007). Thus, many authors are stressing the essential need of more research on how relationships are developed and processed; which are its rules and nature (Proenca and Carvalho, 2008; Ward and Dagger, 2007).

Most of the articles on DM are written from the company's perspective, in the sense of "how to capture/attract customers through DM", this being examined, the majority of the times, in a BTC context. As an example, reviewing the Journal of Interactive Marketing ("old" Journal of Direct Marketing, which changed its name in 1997), from 1998 until 2008, many articles are related to "how to improve response rates in DM". Thus, there are various DM studies testing several hypotheses and variables such as leaflet colours, envelopes, questionnaires, type of appeal, etc. (McCoy and Hargie, 2006; De Wulf, Hoekstra and Commandeur, 2000; Cavusgil and Elevey-Kirk, 1998). These studies are generally quantitative, intending to measure numbers and response rates in DM, the aim being to find out the "customers most likely to respond" (Heilman, Kaefer and Ramenofsky, 2003; Morwitz and Schmittlein, 1998). Another considerable part of the DM literature is focused on technology developments, investigating the Internet, electronic commerce and database optimisation engines (Cheung, 2008; McCarty and Hastak, 2007). Finally,

several DM studies are stressing confidently how DM is “good” and a “powerful tool” to develop relationships with customers, disappointingly most of them not being empirically based. Therefore, more research in how customers perceive DM, which are the DM processes in the relationship development context, is clearly needed (Stone and Liyanearachchi, 2007; Jenkinsson, 2006; Moller and Halinen, 2000; Peltier et al, 1998).

1.3 Research Gaps

It seems essential thus to understand the activities inherent to the relationship development between customers and companies through DM. In particular, to explore how customers perceive the role of DM in developing relationships with training companies. It is a literature need to examine this *link DM/RM qualitatively, exploring customers' perceptions, insights and processes, rather than numbers or response rates, in a BTB context*. This way, three important gaps in the link between DM and RM were identified in the literature (see Figure 2).

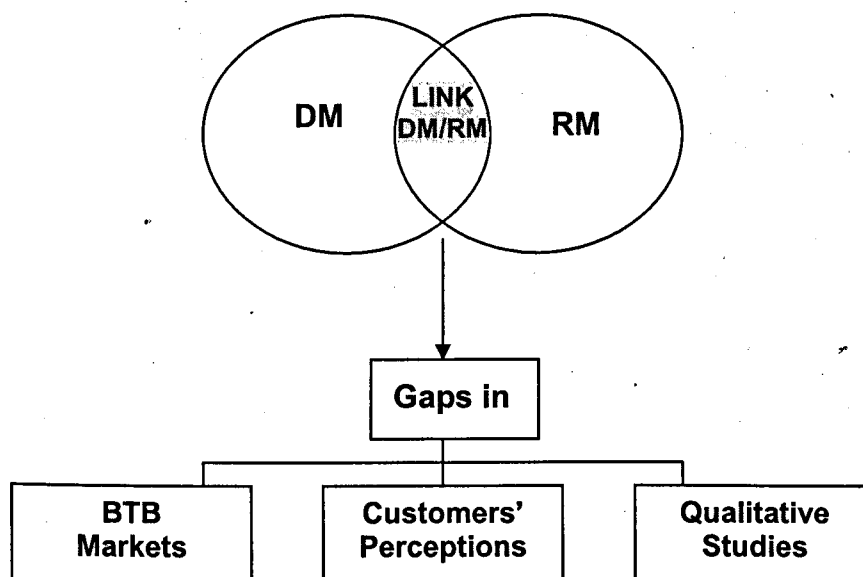


Figure 2: Research Gaps in the Link DM/RM

These three key gaps on the link between DM and RM will be briefly examined next and being developed further in the next chapter on the literature review.

Having in mind that relationships are easier to develop in business contexts (Metallo, Cuomo and Festa, 2007; Harker and Egan, 2006) it was quite

surprising to verify that almost all of the empirical studies linking DM and RM were made in consumer markets. In fact *only one* mixed BTB and BTC companies (Jones and Chudry, 2001). There is hence a strong lack of empirical studies in business markets (Ward and Dagger, 2007; Eiriz and Wilson, 2006). This gap may be explained by the difficulty in researchers having access to business contexts (Caceres and Papparoidamis, 2007). It seems that it is “easier” for researchers to conduct studies in consumer markets, many times in a quantitative way, especially through questionnaire surveys and confirmation, or not, of proposed hypotheses (Gummesson, 2002).

Moreover, looking at this link between DM/RM, and also to each of these areas separately, there is definitely a gap in studies exploring the customer’s side in the relationship development. It is quite amazing that when examining “relationships”, common sense saying that these consist (at least) in two parts, customers and companies, the former is clearly being forgotten (Fernandes and Proenca, 2008; Ford and Hakansson, 2006). Unfortunately, it seems that most of the studies on DM/RM are stressing mainly the companies’ side and goals, having in mind basically “what to do to have/attract more customers/profit?”.

Considering these gaps in the literature, this study examined these aspects, in an innovative way, exploring empirically the relationship development through DM, combining customers’ perceptions, experiences, views and insights, using a qualitative approach, in a BTB setting, specifically the training sector. It is important to highlight that, to the best of my knowledge, this “combination” was not examined previously.

Thus, it seems really interesting, besides a theoretical and empirical need to do research on *how customers perceive the role of DM in developing a relationship with them in a business context*. Making this study even more attractive is its applied nature, which means that in the end of this research the emerging findings will be applied to the training company where I work in Portugal. This professional context is explained in the next section.

1.4 Research Context – Professional Experience

It is important to contextualise my professional interest both in DM and RM, which in fact is the key reason why I chose this research topic. I work in external relations in a small training company in Porto, North of Portugal, since 1998. This company is the sponsor of this research and will be called TX (Training X) in this thesis in order to commit with confidentiality and anonymity issues agreed with the interviewees. The company TX has as its main activity the organisation of short courses, national meetings and European conferences in the general fields of energy conservation, environment and industrial engineering and management.

Moreover, the company TX publishes the proceedings of the conferences and the texts of the courses, and also does engineering consultancy. The main targets of TX are essentially engineers and managers from companies, private and public organisations, universities and professional associations. It is crucial to state that *all* the training and other activities of TX are promoted through *DM only*, specifically by e-mail and direct mail (complemented with a web site).

This professional context explains our deep interest, mine and of the company, to do research in this topic on the relationship development through DM. It is an attempt to understand how a training company may develop better and effective relationships with customers, having in mind not what “we”, companies, assume is better, but what *customers* really think about it. Our main aim is to find out how customers perceive the role of DM in the development of a relationship with a training company, exploring their experiences, minds' processes, feelings, preferences, interests, needs and wants. Thus, the research findings will be applied to TX, hopefully improving our DM/RM practices in the relationship development context, having in mind also the possibility of maximising the attendance to the company's training activities.

Finally, considering the extensive time that was needed to undertake this study, it is relevant to mention that I am working in this company and conducting the research part-time.

1.4.1 Training in Portugal

The major purpose of training is to improve or update skills (Budria and Pereira, 2004). The general idea is that people attend training in order to achieve a better integration in their jobs, through the development of their knowledge and competences. An example of a training definition is given by Matias, Evaristo, Jesus, Silva, Honório and Mateus (1998), who defined it as

the total of activities aimed at the acquisition of knowledge, skills, practices, attitudes and ways of behaviour required for the exercise of functions in a profession or group of professions in any branch of the economic activity (p. 128)

Training has more and more relevance and several measures have been established to encourage training in Portugal. One of them is that every employee (with a contract) is obliged, since 2006, to receive a minimum of 35 hours of training per year (Law 99/2003, Code of Work, article 125). Before 2006, this number was of 20 hours/year which reflects the growing importance given to training in Portugal. Moreover the European Social Fund increased considerably, allocating around one million Euros to training in the period between 1994 and 1999; this number increasing to around one and a half millions Euros in the period of 2000-2006 (Budria and Pereira, 2004).

Training in Portugal is divided between the public and private sectors. The former is led by the IEFP – Instituto de Emprego e Formacao Profissional (Institute of Employment and Professional Training), which is mostly supported by the European Social Fund. This Institute is then responsible to distribute these funds by several training centres and training companies spread out across the country. This is made through a highly bureaucratic system of applications to these funds.

The private sector includes small, medium and large training companies, which do what is called “risk training”, organising training activities by their own initiative, according to their particular mission, culture and objectives. Just as an example, this type of training has some “risk” since a private training company may organise and promote, making all the efforts in one course or seminar, and as result receive either 30 registrations/trainees or 5;

in the latter case having to cancel that course/seminar. This way, the company may have a profit or a loss depending only upon the people's interest and reactions to that course/seminar. The training company where I work is included in this private sector, which means that the training is organised by us only, according to our areas of activity, specifically in energy conservation, environment and industrial engineering and management. Obviously, this research intends to understand what training companies should do to increase customers' interest in their training activities, always in the context of the relationship development.

1.5 Research Question, Aim and Objectives

Having introduced the gaps found in the literature concerning the link between DM and RM and explained the professional motivation for the choice of this topic, the research question, aim and objectives of this research are presented in Table 1.

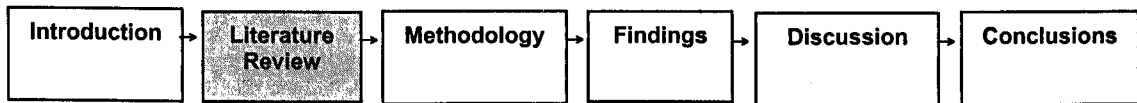
Research Question	<i>How do customers perceive the role of DM in developing effective relationships with training companies, in a BTB context?</i>
Aim	<i>If and how the relationship with training customers (training directors and training participants) may be developed through DM, in BTB markets, from the customer perspective and using a qualitative approach.</i>
Objectives	<ol style="list-style-type: none"> <i>1. Is there a role for DM in establishing an effective relationship with training customers?</i> <i>2. Is there a role for DM in maintaining an effective relationship with training customers?</i> <i>3. Is there a role for DM in enhancing an effective relationship with training customers?</i>

Table 1: Research Question, Aim and Objectives

It is important to state that the three research objectives follow the phases presented in the definition of Gronroos (1990), that of RM being aimed “to establish, maintain and enhance long-term customer relationships...” (p.8)

This study intends to answer the research question, aim and objectives above, filling the gaps found in the literature previously mentioned and providing both theoretical and practical contributions on this important and innovative theme: *the customers' perceptions on the relationship development through DM in business markets, particularly in the training sector.*

2 LITERATURE REVIEW



2.1 Introduction

Since the main aim of this research is to explore the relationship development through DM, it is important to introduce first RM, reviewing briefly its history, from the marketing mix and its 4 Ps of TM (transactional marketing), until RM is suggested as the new paradigm. This so-called "paradigm shift" in marketing will be discussed and several RM definitions will be presented next. This is followed by a discussion of some empirical studies on the reasons why a relationship may be developed, and then different RM perspectives will be examined. Afterwards, DM will be introduced and defined and some empirical studies on customers' reactions to DM will be examined. The theoretical link between DM and RM will then be discussed, the gaps of this research being established. Finally, the key studies on the link between DM and RM will be carefully analysed. This chapter will follow Figure 3, each of the shaded boxes being discussed.

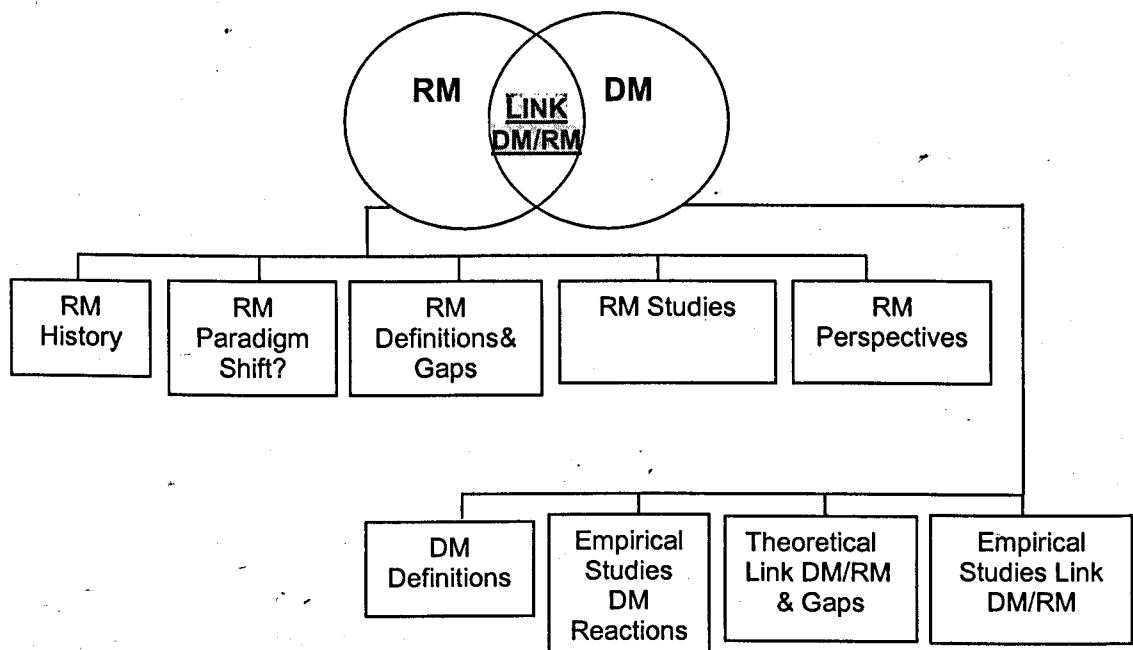


Figure 3: Literature Review Structure

This research explores *how customers develop a relationship with companies through DM*. It is very important hence to examine these marketing areas, both individually and as a link (DM and RM). Since the main research aim is to explore how relationships develop between customers and companies, the RM area will be the first one to be reviewed. Afterwards, DM and the link between DM and RM will be examined.

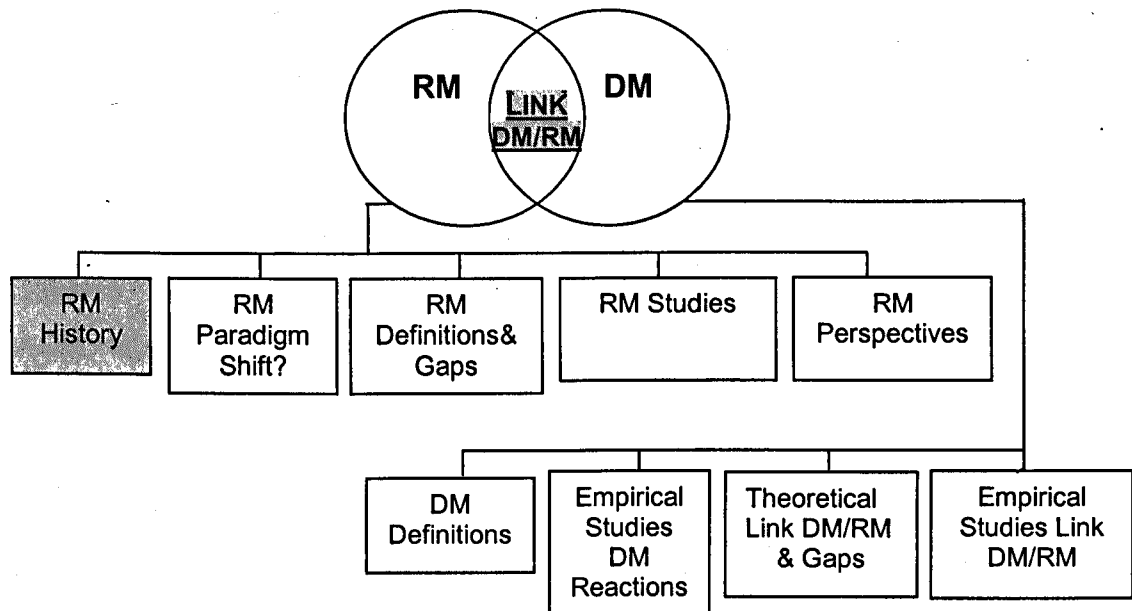
2.2 Relationship Marketing - RM

2.2.1 Introduction

While analysing the massive literature on RM two main gaps became noticeable. First, the majority of the articles on RM stress how relationships between companies and customers are vital nowadays, several of them emphasising the important "paradigmatic shift" from TM to RM, and several others testing quantitatively various RM and loyalty constructs. Moreover, several RM definitions are given, and some different ideas on how companies may develop relationships with customers are presented. However, it is surprising that many of the reviewed articles on the relationship development are not based in any empirical evidence. Thus, a gap in *which are the activities/processes inherent to a RM approach is clear*. This gap is unexpectedly even more evident in BTB markets. Second, it seems that most of the RM studies are focused on how companies may develop relationships with customers, emphasising the company's side in this relationship, but forgetting the customer, who is in fact the "other" side of that "relationship". There is hence a need to explore how *customers* develop a relationship with a company. In this context, it is essential to understand empirically *how customers and not only the companies perceive RM and its relationship development*.

In this section RM will be introduced reviewing briefly its history. Then this *apparent* "paradigm shift" from TM (marketing mix and its 4 Ps) to RM will be discussed. Afterwards, several RM definitions will be presented, the two main gaps being identified and explored. This is followed by a discussion of the empirical studies on how a relationship between companies and customers may be developed. Finally, different RM perspectives will be examined.

2.2.2 RM History



There was a great evolution in marketing approaches since the implementation of the marketing mix theory until RM appeared (Harker and Egan, 2006; Hoekstra, Leeflang and Wittink 1999; Gronroos, 1997; Gummesson, Lehtinen and Gronroos, 1997). RM emerged, with more emphasis in the Nordic School, as an alternative theory whose nature centred on relationships confronted the established marketing mix theory, the 4 Ps - product, price, place and promotion - focused on transactions. Therefore, it seems that the 4 Ps were an important opposition basis responsible for the RM theory birth.

The marketing mix theory and its 4 Ps were strongly criticised by authors who did not agree that a summary of a list of elements, initially built by Borden and then summarised to four by McCarthy (Borden, 1964; McCarthy and Perreault, 1984) turn into "the" universal theory (Gronroos, 1997; Gummesson et al, 1997). Thus, the 4 Ps were considered *transaction-oriented*, with its four elements directed "to" the customer, with the main purpose that the *product is sold*. This theory was seen as limited, being oriented only to the product; some authors trying to make it more complete, adding Ps to the list. As examples of these additions are the Ps of participants, physical evidence and process (7 Ps in the services context) by Booms and Bitner (1981), the P of people added by Judd (1987) or the P of personalisation by Goldsmith (1999).

The key point in all this criticism to TM and its 4 Ps is that it forgot one essential aspect, which was the relationship concept, based on the understanding of customers' needs and wants (Gronroos, 1997). Arguments such as "the customer has become the reference point" (Gummesson, 1994:7) or "customer relations is the key concept here" (Gronroos, 1989:56) appeared in the Nordic School, which proposed RM as the new marketing theory (Gronroos, 1989). Several relevant aspects emerged, such as the long-term vision on relationships, the part-time marketers and internal marketing. These three aspects will be succinctly summarised next.

The Nordic School introduced a new thought on relationships rather than on transactions and saw these relationships in a long-term perspective. This is a major point that distinguished the TM approach, aimed at building exchanges in the short-term, and the RM approach that aimed at building relationships in the long-term (Gronroos, 1996). This importance of building long-term relationships where both parties, customer and supplier, learn how to interact with each other in the best way has been continuously emphasised in RM (Lian and Laing, 2007; Ndubisi, 2006).

Moreover it was considered that "part-time marketers are at the heart of relationship marketing" (Gronroos, 1995:253). The term 'part-time marketers' was introduced by Gummesson (1994), consisting of persons who do not belong to the marketing department, yet having a decisive impact on customers' purchase behaviour, with a fundamental role for the relationship success. Examples of 'part-time marketers' are persons who work in services such as deliveries, telephone reception, customer invoicing, customer training, credit management, research and development, design, etc.

Part-time marketers were strongly linked with the internal marketing within the company. Internal marketing became a key element in RM, being considered of great importance that the whole organisation, not only the back-office and frontline employees but also supervisors, mid and top-level managers, are

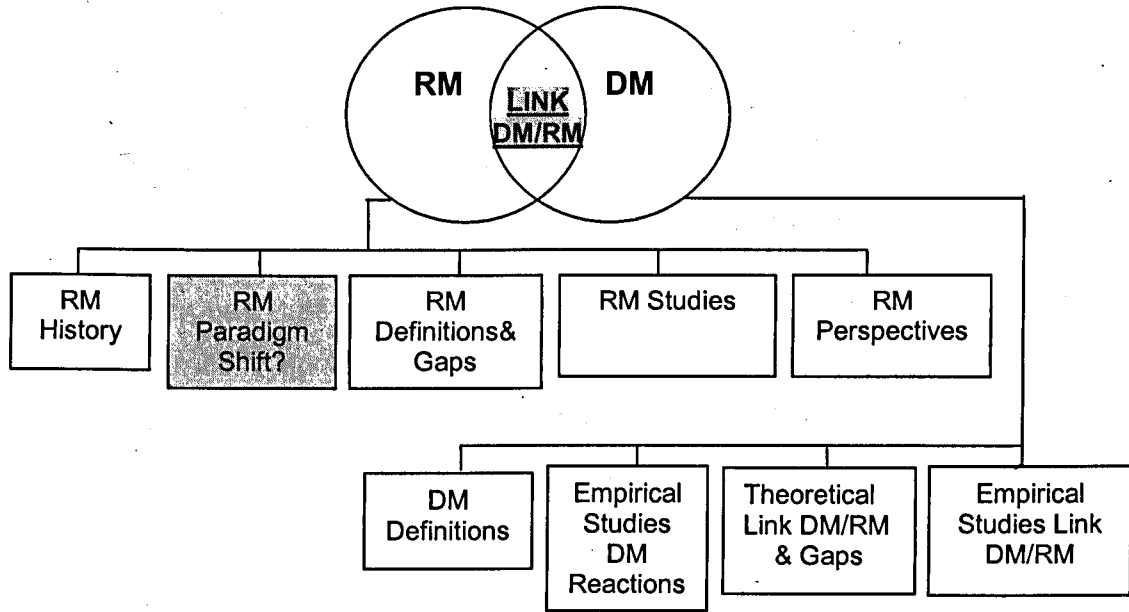
prepared, committed, informed and motivated to serve customers (Priluck, 2003; Gronroos, 1997)

RM appeared thus as a strong "opponent" to TM, many authors speaking in a "paradigm shift" from TM to RM. It is important however to notice that the 4 Ps have been helpful for a particular kind of market, mainly benefiting the marketers of consumer packaged goods (Gronroos, 1991). In fact the 4 Ps were born in a North-American environment, involving consumer packaged goods, huge mass markets, a highly competitive distribution system and very commercial mass media (Gronroos, 1989). This way, even the strongest critiques of the marketing mix suggested a marketing strategy, called "transactional relational continuum", in which each company could decide where to place itself; the 4 Ps theory being thus considered appropriate in specific contexts (Gronroos, 1995; Gummesson, 1994).

Already in 1985, Jackson, the RM term pioneer, advised companies to use TM or RM depending on their type of customers (Jackson, 1985). This combination between TM and RM approaches is an important suggestion and will be developed further later on.

The following section will examine RM as the "new marketing paradigm".

2.2.3 RM - Paradigm/Paradigm Shift (?)



As suggested in the previous section, RM is seen by several authors as the new marketing paradigm, opposed to TM (see Table 2).

Paradigm	Assumption	Focus
TM (4 Ps)	Marketing is <i>transaction-oriented</i>	<i>Company's sales/transactions</i>
RM	Marketing is <i>relationship-oriented</i>	<i>Customer's long-term relationships</i>

Table 2: TM and RM Paradigms

These paradigms will be discussed now. Nevertheless, this is a subject in which an agreement is not reached, some authors considering that there was a paradigm shift from TM to RM and others not.

2.2.3.1 Proposed Paradigms/Shifts

Although Gronroos's (1997) suggestion of a paradigm shift from the marketing mix theory to RM is the most widely known and quoted by other authors, Hoekstra et al (1999) also proposed a "similar" paradigm shift. While the former proposed a paradigm shift based on the marketing concept, the latter was based on the customer concept.

2.2.3.2 Marketing Concept

Gronroos (1997) pointed out that every marketing paradigm should follow the *marketing concept*, defined as

the notion that the firm is best off by designing and directing its activities according to the needs and desires of customers in chosen target markets (p.324).

Thus, it is argued that the 4 Ps do not follow the marketing concept, since these are based mainly on the product and transactions and not on the customers' needs and wants (Gronroos 1997).

2.2.3.3 Customer Concept

Hoekstra et al (1999) highlighted the *customer concept*, clearly wanting to distinguish it from the marketing concept proposed by Gronroos (1997), stating that the main difference between the marketing and customer concepts was that the former is characterised by customers *for whom* products and services were developed, while the latter is characterised by customers *with whom* products and services were developed.

Although there are some different aspects, it seems that both propositions converged to the same point, which is that customers' needs and relationships (and not transactions) should be the centre of attention in marketing.

This way, Gronroos (1997) suggested RM as a new marketing paradigm. The 4 Ps and the marketing mix theory (TM) were regarded as product-oriented, being criticised for being more concerned with managing the 4 Ps toolbox, instead of really exploring market relationships, taking care of the needs and wants of customers (Gronroos, 1997). This way, Gronroos (1996) stated that

a relationship marketing strategy is becoming a necessity for survival. Relationship marketing is the biggest paradigmatic shift marketing theory and practice has seen during the last 50 years (p.13).

Hoekstra et al (1999) argued that the marketing theory and practice developments were not reflected in well-known and articulated marketing

paradigms of the literature, clearly criticising the paradigm suggested by Gronroos (1997), arguing that

the 'marketing mix management paradigm' is losing its position, because it constitutes a product-oriented definition of marketing: the customer is somebody *to whom* something is done, not *for whom* something is done. It misses adaptability, flexibility and responsiveness. The organizational consequences (a separate marketing department) are no longer useful, even counterproductive. According to Gronroos the answer lies in building customer relationships, in *addition* to using the four P's (p.52).

Analysing both proposed paradigms shifts, the one by Gronroos (1997) and the one by Hoekstra et al (1999), the most important factor seems to be that the main focus of both are relationships. Nevertheless, three points should be stressed:

(1) although Hoekstra et al (1999) mentioned the opposite, Gronroos (1990) already had emphasised (firstly) the importance of marketing being spread out in the whole organisation and not restricted to a marketing department;

(2) Gronroos (1997) considered that the transactional marketing and the 4 Ps may be useful for very specific kinds of markets, mainly the ones of consumer packaged goods, and not to every situation/market as Hoekstra et al (1999) seem to suggest;

(3) and the most important, is the surprising gap appearing in this "RM as the new paradigm", in which there is a clear need to find out which are the *activities* part of RM. It is not enough to state that RM is the "best and the new marketing paradigm", it is needed to explain which are the *processes* behind it. Only Hoekstra et al (1999) tried to give some examples of these, when stating that the RM activities consisted of the

planning, implementation and control of production on order, of products or services that match the customers' preferences at prices they are willing to pay, with exchanges facilitated by two-way communication and just-in time promotions, and distribution based on customers' specifications (p.54).

However, these activities are vague and not based on any empirical evidence. This seems to be recognised even by these authors when Hoekstra et al (1999) emphasised the importance of conducting “empirical studies of various aspects related to the proposed paradigm” (p.69).

Most of these articles on “RM as the new marketing paradigm” are therefore purely theoretical (Kasabov, 2007). The key point is the noticeable lack of knowledge on how relationships are developed, which are the activities and processes of a RM approach (this important gap will be developed further later). It is interesting to notice that RM appeared more as a strong critique to the marketing mix and the 4 Ps, and not as a “new” marketing paradigm explaining in detail its “new” characteristics and practices (Zineldin and Philipson, 2007). According to Harker and Egan (2006)

much of the early RM literature was little more than a critique of the weaknesses now apparent in the Transactional Marketing paradigm (p.229).

Looking at all these arguments, it seems that an important aspect to analyse is whether RM is really a “paradigm shift” in marketing or not.

2.2.3.4 Is RM a new Paradigm?

Maybe paradoxically, considering the “paradigm shift” suggested by the Nordic School through Gronroos (1997), and also by Hoekstra et al (1999), Berry (1995) observed that the idea of winning the customer's loyalty through the satisfaction of their needs was already known by the first merchants. Similarly, the RM term pioneer Jackson (1985) already pointed out that “marketing has long emphasised the importance of being close to the customer” (p.120). Moreover, Gummesson et al (1997) considered that RM is a new term but an old phenomenon and Gronroos (2004) stated that the relationship approach “is as old as the history of trade and commerce” (p.99).

It seems contradictory that both Gronroos (2004) and Gummesson (1997), who provided some of the strongest contributions proposing RM as the *new* paradigm, also gave this kind of examples suggesting that RM is an “old”

phenomenon and not "new". This contradiction may be explained by Sheth and Parvatiyar (1995a) when stating that the

relationship focus in the post-industrial era is a clear paradigm shift from the exchange focus of the industrial era (p.399)

considering that RM is a rebirth of the marketing practices of the pre-industrial age. According to Sheth and Parvatiyar (1995a), in the pre-industrial era most farmers, artisans and other sellers sold their products directly to customers, developing cooperation, trust and strong individual relationships. The authors observed that in the industrial era with mass production and economies of scale distribution and promotion concepts appeared; transactions and sales becoming priorities, rather than relationships. Nevertheless, in the end of the industrial era marketers realised that, with the existent competition, they would benefit in concentrating on specific groups of customers, the focus on developing relationships with customers reappearing. It may be suggested that Sheth and Parvatiyar (1995a) proposed a "semi-paradigm shift", their key idea being that the RM paradigm shift existed but *only* compared with the industrial era, *not* with the pre-industrial one

Looking carefully to the latter argument, a major point seems to shine here, commented upon by De Wulf (1999), which is the different kind of relationship between the pre and post-industrial eras. It is difficult to understand that the relationship core of the pre-industrial era is the "same" as the post-industrial one, as Sheth and Parvatiyar (1995a) suggested. According to De Wulf (1999)

while relationships evolved in a natural way during the pre-industrial era, more conscious seller strategies aimed at enhancing relationships with buyers are followed in the current, post-industrial era (p.26)

Nowadays, relationships seem to result from a structured plan, carefully designed by companies, many times using advanced technology, being strategically prepared and not "natural" relationships (as in the pre-industrial era). Thus, from the perspective of De Wulf (1999), it seems that RM, in its

essence, is a new paradigm in marketing since it is not possible to compare the "type" of relationship between pre and post-industrial eras.

This way, RM may be old in its routes yet giving relationships a completely new and different perspective. However, the "confusion" remains.

Several authors (Coviello et al, 2002; Coviello, Brodie and Munro; 1997; Brodie, Coviello, Brookes and Little, 1997) gave an important contribution to this indecision of "RM is a paradigm shift or not". These authors conducted an empirical study, in which they concluded that companies were using both TM and RM approaches, and *not one or another*. Brodie et al (1997) stated that the paradigm shift proposed by Gronroos means that there was a change *from* TM to RM, which did not happen since the authors found that companies were employing both TM and RM. This way, Brodie et al (1997) argued that RM was not a paradigm shift, stressing that TM "should not be ignored or underestimated" (p.383). Moreover, Coviello et al (1997) stressed the "co-existence" of both TM and RM, pointing out that

the two general perspectives are not mutually exclusive, and are *all* part of the *same* paradigm; a paradigm which allows for Transactional and Relational marketing to coexist (p.516).

In fact, according to Kuhn (1962) the decision of rejecting one paradigm is always simultaneous to the decision of accepting another. Applying the arguments of Kuhn (1962) into this research theme, for a paradigm shift to exist, TM should be *replaced* by RM. Yet, these authors (Coviello et al, 2002; Coviello et al, 1997; Brodie et al, 1997) concluded that TM and RM were being used simultaneously by companies, a "replacement" not existing and logically considering that the proposed "paradigm shift" did not happen.

Following the same idea, Zineldin and Philipson (2007) claimed that TM is still valid and helpful, disagreeing with authors who "attack" TM and the marketing mix, considering that RM is not useful in every situation. Moreover, the authors criticised the Nordic School, arguing that

as far as we know, in Scandinavia, no comprehensive research has been conducted by authors from the Nordic School to reevaluate the relevance of the argumentation about this 'paradigm shift' (Zineldin and Philipson, 2007:230).

This way, Zineldin and Philipson (2007) conducted an empirical study aiming to contribute to this gap in existing research. The authors interviewed five companies (McDonalds, the Danish official hotel guide, an insurance company, a hairdresser, and a hostel) in Scandinavia (Sweden, Finland and Denmark), finding that most of them had a transactional focus, not taking retention as a priority in their businesses. Nevertheless, Zineldin and Philipson (2007) claimed that TM and RM are being used complementarily. Although the authors claimed that the perspective is more transactional, the relationship concept is used to some extent, namely through messages sent to customers. However these seem to fail due to being impersonal and sent to mass segments without any personalisation. This way, as Coviello et al (2002), Zineldin and Philipson (2007) concluded that there is no evidence that RM is a paradigm shift, since companies "were blending a relationship and transactional marketing mix" (p.229).

In conclusion, the paradigm shift from TM to RM seems to be based in a theoretical perspective (Gronroos, 1997; Gummesson, 1997) which is contradicted by these empirical studies (Coviello et al, 2002; Zineldin and Philipson, 2007) (see Table 3).

RM	Gronroos, 1997; Gummesson, 1997	Coviello et al, 2002; Zineldin and Philipson, 2007
Perspective	Theoretical Studies	Empirical Studies
New Paradigm?	Yes, RM is the new marketing paradigm	No, both TM and RM are being used by <i>companies</i>

Table 3: RM Perspective/New Paradigm?

This way, not every author is defending "RM as the new marketing paradigm", TM still being considered important to several of them. Having in mind these

contrasting ideas (seen in Table 3), if there was a paradigm shift to RM or not remains inconclusive.

Interestingly, without having this particular aspect in mind (an advantage of employing grounded theory) this research contributes significantly to this uncertainty *between TM and/or RM paradigm(s)*. Yet this contribution is based on the *customers'* point of view and not on the *companies'* perspective, as these studies of Coviello et al (2002) and Zineldin and Philipson (2007). This will be explored further in the findings chapter.

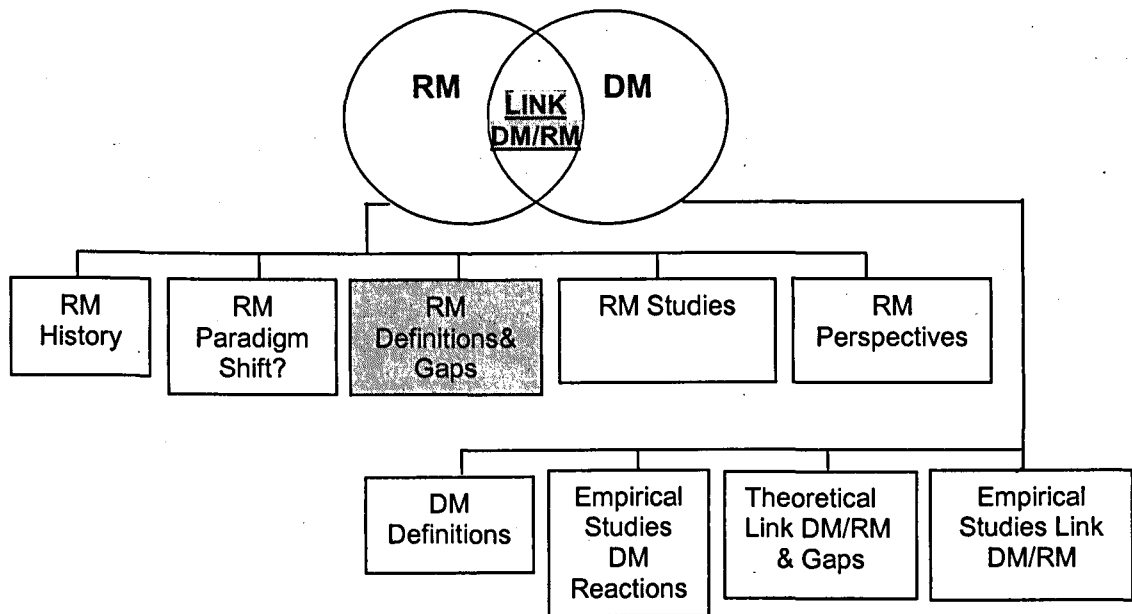
Having in mind this contradiction between authors, a reasonable argument to follow seems to be the one by Harker and Egan (2006), who stated

RM is here to stay, whether or not it is recognised as the dominant logic/paradigm of marketing (p.215).

Undoubtedly, RM and the relationship development are of key importance nowadays. The main question seems to be how these relationships are developed and if these are applied to every situation, context (e.g. companies versus customers' view), or market (e.g. BTB versus BTC).

In the next section, RM definitions will be presented and consequent gaps found will be discussed.

2.2.4 RM Definitions and Gaps



The RM term appeared for the first time in industrial marketing, used by Barbara Bund Jackson, in the 1970s, and in services marketing by Berry in 1983. Some authors criticised that there is not one clearly accepted RM definition (Harwood and Garry, 2006; Heffernan, 2004; Zontanos and Anderson, 2004). Coviello et al (1997) considered RM definitions too broad, noticing that RM is a “catch-all phrase” (p.502), similarly to Harker and Egan (2006) who observed that the RM aim is “the Holy Grail of ‘one-size-fits-all’” (p.232). This way, the RM concept still lacks clarification, without a consensus over what RM really is (Eiriz and Wilson, 2006; Zolkiewski, 2004; Blois, 1998; Barnes, 1994). Nonetheless, Gummesson (1997) argued that social phenomena do not allow a “precise and all-inclusive” (p.270) RM definition. In contrast, Harker (1999) stressed that a general RM definition would be beneficial in order to “establish areas of conceptual ‘agreement’” (p.13).

The fact is that several researchers have defined RM, and although there is not one generally agreed definition, there are mainly similarities among the different definitions. Basically, all of them emphasised the relationship development as the main focus; many of them highlighting that both parts of the relationship should benefit from it, a sense of continuity being built, and relationships seen in

a long-term perspective. Emotions and the dissolution of the relationship were also aspects added in other RM definitions.

In Table 4 the key points of these RM definitions are presented. These RM definitions, according to each author or authors, stress a variety of aspects: (1) the relationship development, namely its beginning, maintenance, enhancement, development, and in a few cases the dissolution; (2) the time perspective, several of them emphasising the long-term aim of relationships; (3) the need of interaction between parts, companies and customers; (4) the outcomes of RM, such as profit and/or mutual benefits; and (5) other aspects also mentioned by some authors. The order of this table was chosen considering the similarities among definitions. Some of the criteria/categories were adapted from Harker (1999).

RM Definitions	Beginning	Maintenance	Development	Dissolution	Time	Interaction	Outcome	Other Aspects
Gronroos (1990)	establish	maintain	enhance		long-term		profit mutual benefit & exchange	promises fulfilment
Harker (1999)	create	maintain	develop		long-term	interactivity	profit	commitment selected customers
Peterson, Blattberg and Wang (1993)			develop					specific customers' needs and wants
Morgan and Hunt (1994)	establish	maintain	develop				successful exchanges	
Gummesson (1997)			develop			interaction		networks
O'Malley and Tynan (1998)					long-term	interaction	emotional or social bonds	
Peterson (1995)		maintain	develop	dissolution				
O'Malley, Patterson and Evans (1997)	identification specification initiation	maintain		dissolution	long-term		mutual benefit & exchange	key customers promises fulfilment
Copulsky and Wolf (1990)							reach consumers	general advertising sales promotion direct marketing

Table 4: RM Definitions (adapted by Harker, 1999)

It is important to recall that this research aims to understand the *relationship development through DM*. This way, it is important first to examine carefully how RM was defined in the literature, and secondly to identify possible problems/gaps in these RM definitions.

The most recognised and often-cited definition is by Gronroos (1990), who defined RM as

to establish, maintain and enhance long-term relationships at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of promises (p.8).

Several aspects were included in this definition, such as the relationship development with customers, its different stages of establishing, maintaining and enhancing, the long-term perspective, the aim being the profit, understanding what customers want, benefiting both parts, and focusing on concepts such as promise and mutual change. It is relevant to note that this RM definition of Gronroos (1990) was used in this study in the interview checklist guide on the data collection, since it seems to be the most known, accepted and quoted by other authors, hence also adequate to this research. Selnes (1998) analysed the different phases of this Gronroos (1990) definition of RM, observing that when the buyer decides to make the first purchase a relationship is established, if the buyer decides to repurchase the relationship is maintained and, finally, if the buyer increases the commitment with the supplier the relationship is enhanced. The establishment, maintenance and enhancement of the relationship were also analysed in this research, in the context of exploring which is the role of DM in these three relationship phases (corresponding to the three objectives of this study).

Similarly to Gronroos (1990), Harker (1999) stated that

an organization engaged in proactively creating, developing and maintaining committed, interactive and profitable exchanges with selected customers [partners] over time is engaged in relationship marketing (p.16).

Therefore, in this RM definition Harker (1999) added the concepts of commitment, interactivity, and the customers' selection idea.

Other RM definitions emphasised mainly the relationship development, such as Peterson et al (1993) who defined it as

developing individualised relationships with customers based on their specific needs and wants (p.41);

or Morgan and Hunt (1994) who defined RM as

all marketing activities directed toward establishing, developing and maintaining successful relational exchanges (p.22);

Whilst, interestingly, Gummesson (1997) argued that

I do not use my definition of RM - 'RM is marketing seen as relationships, networks and interactions' - as a clearly delimited construct, a 'box'. The definition provides a perspective - 'Let's look at marketing through the relationship eyeglasses' (p.270).

The importance of the emotional side in relationships is stressed by several authors (Bloemer and Ruyter, 1999; Sheth and Parvatiyar, 1995a; Bagozzi; 1995). Emotional bonds was a concept added by O'Malley and Tynan (1998), who stated that RM "focuses on long-term interaction leading to emotional or social bonds" (p.802).

A different perspective from the above definitions is provided by Peterson (1995), who claimed that the possibility of customers leaving the relationship should also be included in RM definitions, observing that

thought should be given to a definition of relationship marketing that stresses the development, maintenance, and even dissolution of relationships between marketing entities, such as firms and consumers (p.279).

Also including the dissolution aspect in RM, O'Malley et al (1997) argued that

RM involves the identification, specification, initiation, maintenance and (where appropriate) dissolution of long-term relationships with key customers and other parties, through mutual exchange, fulfilment of promises and adherence to relationship norms in order to satisfy the objectives and enhance the experience of the parties concerned (p. 542).

Finally, RM is defined by Copulsky and Wolf (1990) in a more simplistic and descriptive way as

relationship marketing combines elements of general advertising, sales promotion, public relations, and direct marketing to create more effective and more efficient ways of reaching consumers (p.16).

It is relevant to notice that these authors (Copulsky and Wolf, 1990) are practitioners, this definition being focused more on a managerial and executive approach of RM.

Looking carefully at all these RM definitions, there is a clear consensus among authors in that RM is aimed at developing (either beginning, establishing, initiating, creating, maintaining or enhancing) relationships between companies and customers. Moreover, aspects such the long-term view in relationships, its need of interactivity, profit, mutual benefits or even dissolution are stressed (see Table 4). However, this is obviously not enough in such an important marketing area, as two crucial points are not dealt with extensively within the literature:

(1) the noticeable limited coverage given to the *activities* inherent to a RM approach, i.e., what are the *activities/processes* behind the relationship development between customers and companies?

(2) the majority of RM definitions are written from a company perspective, seeming to *forget the customer* side in the "relationship", i.e., what is the *customer's opinion* on the relationship development with a company?

These two important gaps in the RM literature will be discussed next.

2.2.4.1 RM Gaps

2.2.4.1.1 (1) Gap on Empirical Studies on RM Activities/Processes

According to the RM term pioneer Jackson (1985) to build successful relationships with customers "involves doing a number of things right, consistently over time" (p.128), while Barnes (1994) emphasised that the RM concept

has been embraced by many companies and organizations. There is little consensus, however, on what the concept means and even less consistency in how it is practised. What is relationship marketing? (p.561).

There is hence an evident gap in the literature around the processes/activities part of a RM approach. A key argument is stated by Blois (1996) when arguing that

several of the definitions which do exist are couched in terms of desired outputs, and do not indicate the required inputs or features which would enable an observer to determine if a relationship marketing policy was being followed (p.161).

More than ten years later this argument of Blois is still valid. Saaksjarvi, Hellen, Gummerus and Gronroos (2007) pointed out that the reasons why a customer engages in a relationship are not revealed yet, arguing that "it would be valuable to know what a relationship is based on" (p.46). It seems a bit "strange", to say the least, that Gronroos, the main pioneer of RM as the new marketing paradigm in the 1990s, recognises in 2007 this gap on "what is the basis of a relationship". Yet this was seen already in the argument of Gummesson (2004), another strong defender of RM as the "new paradigm", when stating that

we know too little about how relationship marketing should be best integrated into the planning of a company (p.145).

Other authors noticing this lack of clarity in RM are Zineldin and Philipson (2007) who argued that

relationship marketing is one of the oldest approaches to marketing, yet one of the least understood (p.229)

or Fernandes and Proenca (2008) who questioned

what are the relationships behind RM?... in fact, the term RM, although very popular, seems to neglect the nature of relationships (p.154)

According to the argument of Blois (1996), RM definitions are too open-ended, not giving a coherent set of characteristics, and importantly stressing that the aim of RM is well defined but not the activities that might be used in its implementation. Thus, one of the key gaps in RM is explicit in this argument of Blois (1998)

little work seems to have been undertaken on establishing what the activities are which lead to the creation and maintenance of a 'relationship' (p.261).

This way, although the theoretical agreement is that relationships are essential nowadays, there is a lack of empirical evidence into understanding which are the factors influencing buyer-seller relationships (Powers and Reagan, 2007; Ball et al, 2006). As Fournier, Dobscha and Mick (1998) stated, RM seems to be "powerful in theory but troubled in practice" (p.44). This lack of RM empirical studies is also stressed by Kasabov (2007) who pointed out that the

concepts central to the understanding of relationships remains underdeveloped or insufficiently empirically tested (p.99).

Other authors agreeing with this need of more knowledge on relationships are Harker and Egan (2006) when arguing that

it is suggested that the most immediate requirement for RM to truly become a paradigm, and the greatest challenge facing RM academics, is the necessity of a substantial body of knowledge of integrated theory, possessing shared and agreed understanding of all important conceptualisations. Such a *lingua franca* could in turn be used to operationalise RM, such that practitioners can learn and implement its ideas (p.229).

From the presented RM definitions and arguments, ranging from 1990 to 2008, (in fact almost 20 years) it may be concluded that “everybody” knows that the RM main goal is to develop relationships with customers, mainly in a long-term perspective. What is not known yet is which are, in practice, the activities/processes/operations needed to achieve this difficult goal; the key question being how relationships between customers and companies are developed?

Since there are so many arguments agreeing on such an important gap on studies on the RM activities and processes, the table below encapsulates the general awareness of this significant gap.

Authors	Perspectives on the Gap of RM Activities/Processes
Ward and Dagger (2007)	“there is as yet no known set of ‘rules’ that indicate when relationship marketing techniques should, or should not, be used” (p.281)
Ford and Hakansson (2006)	“an interesting question then is why has the idea of relationships been (relatively) easy to accept, but that the processes that lie behind them have received so much less attention?” (p.253).
Tzokas and Saren (2004)	“we need to address knowledge in relation to the scope, processes and technologies of relationship marketing” (p.126)
Claycomb and Martin (2002)	“little research has been conducted to find out what ‘relationship building’ means in a service marketing context or what service firms systematically do to build relationships with customers” (p.616)
Sheth and Parvatiyar (1995a)	“we need to explain the conditions that encourage the marketing actors to enter relationships; the purpose of engaging in such relationships; the processes of managing the relational engagement; process for evaluating the performance of such relational engagement; the process and conditions of terminating the relationship; and the process of the enhancement of the relationship” (p.414).

Table 5: Perspectives on the Gap on RM Activities/Processes

It seems thus that the discussion on RM has been characterised more rhetorically, rather than by a rigorous examination of what the concept really involves (Moller and Halinen, 2000). There is no doubt that more research on

the processes through which relationships are developed is needed (Edvardsson, Holmlund and Stranvik, 2008; Fernandes and Proenca, 2008; Ferguson and Hlavinka, 2007; Palmer, 2007; Liang and Wang, 2007; Eiriz and Wilson, 2006, Gummesson, 2002; Blois, 1998).

2.2.4.1.2 (2) Gap on Empirical Studies on RM from the Customers' Perspective

The second major gap found in the RM literature and definitions was in studies from the customers' point of view. It is remarkable that the emphasis of most of the RM research is on the company's perspective, while the *customer side* in the relationship is neglected. Although some RM definitions stress the importance that both sides of the relationship benefit from it (mutual benefit), the focus is more on the company's dynamic role in the relationship, seeming that the customer is the "inactive" side of it.

It is essential to remember that customers are not passive and they have the role of resource-integrators (Baron and Harris, 2008, Vargo and Lusch, 2004). This argument is based on the new service-dominant (s-d) logic for marketing, which stresses the role of the customer in the *co-creation of value* (Lusch, Vargo and O'Brien, 2007). Thus, the s-d logic is primarily customer oriented, aiming at

collaborating with and learning from customers and being adaptive to their individual and dynamic needs. A service-centered dominant logic implies that value is defined by and cocreated with the consumer and rather than embedded in output (Vargo and Lusch, 2004:6)

This interesting suggestion of co-creation of value from the s-d logic is "closely tied to 'value-in-use' and is inherently relational" (Lusch et al, 2007:11), marketing being viewed as a process of doing things through interaction *with* the customer (Vargo and Lusch, 2004). Thus, customers are seen as co-producers and not "things" to be captured or segmented" (Baron and Harris, 2006:292). The fact is that it is the customer who decides if there is a relationship or not (Saaksjarvi et al, 2007), this meeting the arguments of Schultz and Bailey (2000) when observing that "as the old saying goes, 'it takes

two to tango” (p.305), or the one by Fournier et al (1998) who questioned “is it possible that we have forgotten that relationships take two?” (p.44). Supporting the latter observation, Schultz and Bailey (2000) stated that

marketers have made one glaring omission. They seem to have forgotten the customer (p.304)

This seems quite an amazing fact: “forgetting the customer” when speaking about marketing “relationships”, where there are at least two parts on it, the customer being definitely one. Following the same idea, an interesting question was made by Blois (1998), when asking

what is the customer’s opinion of the desirability of developing a close relationship with its suppliers? (p.266)

According to Oates, Tomes and Armstrong (1997) it is important to see relationships as a partnership between customers and companies based on “honesty, flexibility, helpfulness and a willingness to forge a relationship” (p.5), and where both parts gain from the relationship. Thus, companies should not act independently, Ford and Hakansson (2006) pointing out that

the marketing literature is written from this single-company perspective. It is based on that individual company’s view of the world... customers (plural) have their own separate stories that can be told in terms of their attitudes, requirements and behaviour (p.253)

Other authors criticised this emphasis on the companies’ side of the relationship not including the customers’ side of the “RM story”. Zolkiewski (2004) questioned “do both parties really believe they are in a relationship?” (p.25), and Liljander and Roos (2002) pointing out that

past research has focused mainly in the advantages of RM for companies, while less attention has been paid on relationships from the customer’s point of view (p.593).

Recently an interesting argument was made by Fernandes and Proenca (2008) when stating that in RM

customer's interests should be at the heart of the equation and to ignore it might mean a new kind of marketing myopia (p.156)

Thus, studies have been "seeing" mostly the companies' view on the relationship development, missing the other part of the relationship, the customers. As an example of this focus on companies, Odekerken-Schroder, De Wulf and Reynolds (2000) defined a relationship

as one or more exchanges between a consumer and a store that are perceived by the consumer as being interrelated to potential past and future exchanges with the store (p.4)

Yet, seeming contradictory, these authors considered

one exchange as a necessary and sufficient condition for a relationship to exist as it marks the beginning of a continuum of relationships (p.4).

Analysing the last two arguments, from one side, Odekerken-Schroder et al (2000) stressed that a relationship should be perceived by the customer, but from another side, the authors considered one exchange as sufficient for a relationship to exist; remaining the doubt if the customer *really* perceives that a relationship already exists after one transaction only. In contrast, Verhoef and Langerak (2002) argued that

from an economic perspective, customer relationships are often defined as a series of repeated transactions between a customer and a supplier. From a social perspective, customer relationships also include repeated social interactions between a customer and a supplier (p.72)

Verhoef and Langerak (2002) emphasised hence the need of repeated transactions and interactions for a relationship to exist. Besides a literature need, it seems really appealing to explore what *customers* think about all this, when does a relationship exist, mainly how that relationship is developed, for example through the different stages of the RM definition of Gronroos (1990), those of "establishing, maintaining and enhancing a relationship".

This way, several authors pointed out the need of more research in RM, and its relationship development process, specifically from the customers' point of view. Some other arguments agreeing in this gap are presented in Table 6.

Authors	Perspectives on the Gap of RM Studies from the Customers' Stand-Point
Fernandes and Proenca (2008)	"few authors have considered the question of what type of customers are expected to be interested in, or more prone to form a relationship with their company"(p.158)
Baron and Harris (2006)	"the focus of learning should move towards an understanding of interactions and relationships from a consumer experience perspective, rather than from the perspective of a supplier of goods and/or services" (p.292)
Zolkiewski (2004)	"more research is urgently needed, from both a customer perspective and also from a dyadic perspective (p.27)
Schultz and Bailey (2000)	"build relationships from both sides, not from just one or the other" (p.305)
Rich (2000)	"knowing the customer for effective relationship marketing will eventually involve a better understanding of his or her thought process associated with their daily decisions" (p.177)
Fournier et al (1998)	"companies claim that they're interested in the customer. But the focus is not on the customer – it's on the company" (p.46)
Blois (1996)	"the appropriateness of relationship marketing can only be discussed by understanding the customer's viewpoint" (p.162)

Table 6: Perspectives on the Gap of RM Studies from the Customers' Stand-Point

Therefore, there is a clear need to find out (1) *which are the activities/processes inherent to a RM approach*; (2) *how customers perceive RM and its relationship development*. This research contributes to the literature by exploring these two important aspects (among others).

In addition, the market type (BTB/BTC) and the methodology employed (qualitative/quantitative) were also pointed out as contributing to these two gaps found in the RM literature/definitions. These will be briefly presented now and explored later.

2.2.4.1.3 BTB Markets and the Need for Qualitative Research

It seems that (1) the type of market and (2) the methodology used are also important aspects contributing to this lack of empirical studies on RM activities/processes, mainly from the customers' perspective. Several authors pointed out that most of the existing studies on RM are conducted within a BTC context; some authors also emphasising that these RM studies are more quantitative-based.

(1) Regarding the market type, it is surprising that RM studies have been focused more in BTC markets since, as Barnes (1994) pointed out,

it is in the field of business-to-business marketing that the idea of establishing long-term relationships has had a long history of acceptance and effective practice (p.562).

Recently, Cacereres and Paparoidamis (2007) pointed out that RM issues are unexplored in BTB markets, which the authors found peculiar since one of the most critical elements in a BTB context is the development of relationships with clients. Others authors pointed out this need of more RM research in BTB markets (Edvardsson et al, 2008; Lian and Laing, 2007; Eiriz and Wilson, 2006; Lam, Shankar, Erramilli and Murthy, 2004, Verhoef et al, 2002). As an example, Ward and Dagger (2007) stated that

it is imperative that firms clearly understand what relationship marketing is and the ramifications of its application in varied business situations (p.286)

Following the same line of thought, Edvardsson et al (2008) claimed that

little explicit attention from empirical studies is given to how business relationships come about or start (p.339)

Ironically, Saren (2007) considered that there is a need to understand better the relationship drivers in business, arguing that

considering that interaction between parties is one of the most important drivers in relationships, it seems astonishing that 30 years of evolution have resulted in little more than references to the "Nordic School" and the concept of interaction in the business-to-business literature (p.13)

Fernandes and Proenca (2008) suggested as further research RM studies in BTB markets, stating that

more in-depth knowledge of the nature of relationships in other contexts is needed, like business markets or industrial goods (p.165)

This lack of RM empirical studies in a BTB context may be explained by the difficulty of gaining access to business companies/customers. This important suggestion was given by Caceres and Paparoidamis (2007), who argued that

the measurement of the real behaviour of industrial clients proves to be very difficult from a practical point-of-view (p.858)

Thus, Caceres and Paparoidamis (2007) considered that RM research in a business context is unexplored since it is difficult to have access to BTB contexts. This argument may justify this significant gap in studies in a BTB setting in the RM literature.

(2) Regarding the methodology employed, it seems that there are several authors who consider that there is a need for more qualitative research in marketing (Gummesson, 2005; Baron, Patterson and Harris, 2006; Brodie, Coviello and Winklhofer, 2008). Parker, Bridson and Evans (2006) stressed the importance of exploring relationships within their "real-life context" (p.125), arguing that

research within this literary field [RM] is largely quantitatively based (p.121)

Other authors pointing out the need of more qualitative research in marketing were Fournier et al (1998), who stated

to get inside people's heads, marketers need to turn to the tools of ethnography and phenomenology: qualitative social-science methods dedicated to richly describing and interpreting people's lives (p.50)

Following the latter idea, Gummesson (2002) argued

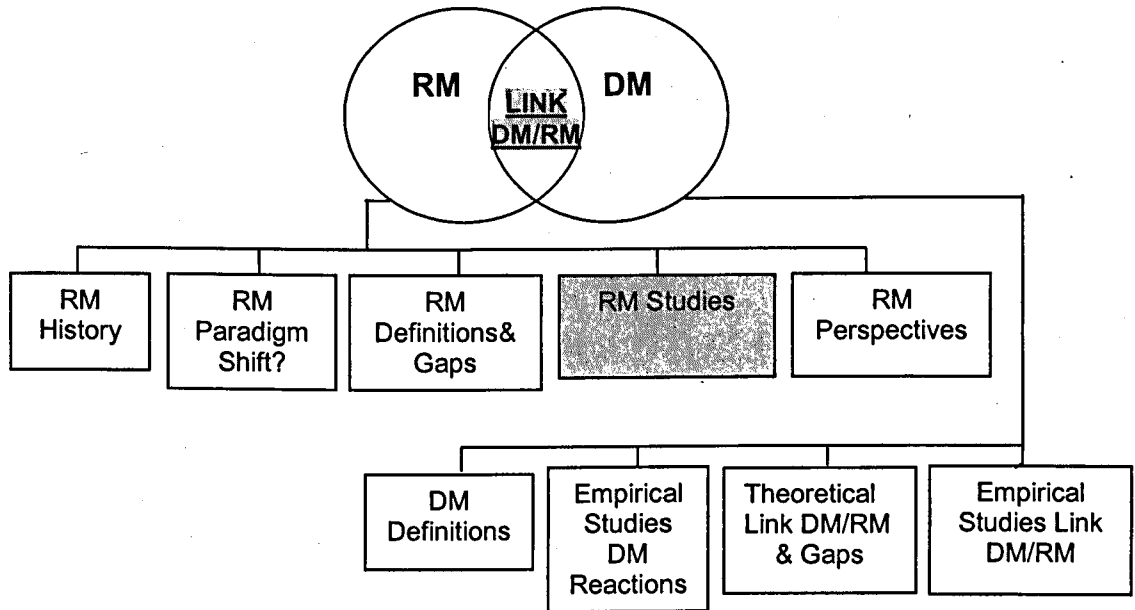
the word is bewildering and so is marketing. It is complex and ambiguous. Research in marketing must put a halt to the excessive, even obscene indulgence in quantification and surveys. We need less deductive hypotheses-testing of isolated concepts out of context, and more inductive research where true observation is encouraged (p.589)

It is obvious that there is an agreed lack of research on RM processes, mainly in exploring which are the processes/activities behind RM, understanding customers' perceptions and insights. All these terms, "processes", "exploring", "understanding", "perceptions" and "insights" seem to "ask loudly" for more qualitative-oriented studies.

In summary, more empirical research is undoubtedly needed on the *RM activities/processes, from the customers' point of view, mainly in BTB markets, and using a qualitative approach.*

It is important now to examine some existent RM studies in the literature, precisely on which are the reasons/influences for developing a relationship; some being empirical, others theoretical-based; either being focused on customers, companies or both.

2.2.5 RM Studies



According to Fournier et al (1998) "relationship marketing is in vogue" (p.43), Barnes (1994) commenting that "everyone is developing relationships" (p.561). The key importance of relationships in marketing is thus strongly emphasised (Ndubisi, 2007; Eiriz and Wilson, 2006, Lindberg-Repo and Gronroos, 2004, Priluck, 2003, Hoekstra et al, 1999, Garbarino and Johnson, 1999, Oates et al, 1997; Gronroos, 1996, Sheth and Parvatiyar, 1995a). Nonetheless, and as stated before, it is not clear yet how these relationships are developed. An interesting argument is given by Tzokas and Saren (2004) who pointed out that

from a practical point of view firms should acknowledge that the trip to dialogue building and knowledge creation through relationships with customers resembles an Odyssey, which requires good preparation but also a climate and culture that allows continuous learning throughout the trip (p.133).

Several studies were found examining the reasons/influences leading to the creation of a relationship between companies and customers, these studies examining the companies' and/or the customers' views. Only some of them were based on empirical research, supporting the argument of Kasabov (2007) when stating that RM studies are "overly theoretical" (p.99). These studies will be discussed next, key findings presented in Table 7. The studies are presented in order of importance to this research, from the least to the most important.

Author(s)	Reasons/Influences for Developing a Relationship- Companies' and/or Customers' Views
Bitner (1995)	<i>companies</i> making, enabling and keeping promises
Dolnicar and Jordaan (2007); Tzokas and Saren (2004); Gronroos (2004); Schultz and Bailey (2000)	dialogue between <i>companies and customers</i>
Claycomb and Martin (2002)	communications, service quality, personalisation and service differentiation (the four most important relationship-building means to <i>practitioners/ companies</i>)
Oates et al (1997)	flexibility, honesty, helpfulness, similar philosophical background, <i>both parts</i> explicitly sought a strong relationship and mutual benefits
Powers and Reagan (2007)	mutual goals, adaptation, trust, performance satisfaction, cooperation, reputation (the six most important factors motivating <i>buyer-seller</i> relationships)
Sheth and Parvatiyar (1995b); Gronroos (2004); Bitner (1995)	<i>customers'</i> need to reduce choices
Bagozzi (1995)	<i>customers'</i> fulfilment of an important individual goal and emotional aspects
Saaksjarvi et al (2007)	3 <i>customers'</i> groups: passive and active relational modes; and the firm champions

Table 7: Reasons/Influences for Developing a Relationship - Companies' and/or Customers' Views

In order to develop a relationship, the need of making realistic promises to customers, and to keep those promises, enabling employees and service systems to deliver them is emphasised (Bitner, 1995). This way, dialogue appears as an important condition in the relationship development between companies and customers (Dolnicar and Jordaan, 2007; Tzokas and Saren, 2004; Vargo and Lusch, 2004; Gronroos, 2004; Gummesson, 1997; Blattberg

and Deighton, 1991). Schultz and Bailey (2000) stressed the need of customers giving inputs to the companies, arguing that

building a relationship means creating dialogue whereby the customer has a chance to express his or her views and to relate to the product or service being offered, the organisation that provides them and to evaluate ongoing contacts with the marketing firm over time (p.305).

Also related to dialogue importance in the relationship development, Claycomb and Martin (2002) investigated what relationship-building means to practitioners (companies' view), namely what they do to build relationships with their customers. Interestingly, the most important relationship-building to more than 50% of the respondents was the continuity of communications. Service quality, personalisation and service differentiation were also considered important relationship-building motives (among others with less importance). It was stressed the need of companies using personal and non-personal media such as: newsletters updating customers about new products, regular personal letters and telephone calls, targeted direct mails, calling customers, and mass media advertising. It seems important thus, from the companies' point of view, to make communications meaningful, avoiding lengthy gaps in contacts, creating an interactive process with their customers, Claycomb and Martin (2002) observing that

providing friendly, professional, courteous service that was consistent, fair and reliable is one of the best ways to establish and maintain customer relationships (p.622).

Moreover, the authors pointed out that there are essential factors for practitioners to build a relationship with their customers. These are to make on-time deliveries, to supply a wide range of good and services, to have knowledgeable staff, to provide technical competence, to know the market, to listen, to understand and to treat each customer as a unique person.

An important aspect in the relationship development is hence that both customers and companies benefit from the relationship. Oates et al (1997) carried out a case study of an ideal charity affinity card partnership. The authors

concluded that the ability to build a relationship between the bank and charity was based in aspects such as: the bank's flexibility in marketing the card; both parties explicitly sought a strong relationship, sharing a similar philosophical background, being honest in their expectations; and finally the bank was prepared to be helpful beyond the affinity card. The most crucial aspect though was the importance of mutual benefits in the relationship development.

Mutual goals were considered essential also in the study of Powers and Reagan (2007), who pointed out a lack of research on the factors that influence buyer-seller relationships. Therefore they decided to test the importance of several variables in the relationship. The authors concluded that the most important factors motivating buyer-seller relationships were mutual goals, adaptation, trust, performance satisfaction, cooperation and reputation (among others with less relevance).

Sheth and Parvatiyar (1995b) had a different perspective, concluding that the major reason for customers to develop a relationship with a company is that they need to reduce choices, based on personal, social and institutional motives. Thus, it seems that customers stay in a relationship in order to reduce their choices, simplifying their buying process (Gronroos, 2004; Priluck, 2003; Bitner, 1995). Bagozzi (1995) agreed with this importance of reducing choices, initially proposed by Sheth and Parvatiyar (1995b), yet not considering it the real motive for a relationship to be created. Bagozzi (1995) stressed that customers enter in a relationship mainly in order to fulfil an important individual goal (similarly to Oates et al, 1997 and Powers and Reagan, 2007), pointing out that

people have goals to acquire a product or use a service and a relationship then becomes instrumental in goal achievement (p.273).

Moreover, Bagozzi (1995) emphasised the importance of emotions such as empathy, kindness, sociability, loyalty, self-restraint and gratitude as important factors in the relationship development.

Finally, Saaksjarvi et al (2007) tested several hypotheses, examining several types of relationships and the drivers to engage in them. The authors confirmed the existence of three customers groups, one denominated as being in a "passive relational mode", the other in an "active relational mode", and the last one being the "firm champions". Saaksjarvi et al (2007) pointed out that the former do not need to be catered for, since this type of customers will contact the firm if something is needed. The authors stated that these customers in the passive relational mode do not want to have intimate relationships, comparing them to lifelong bachelors, arguing that

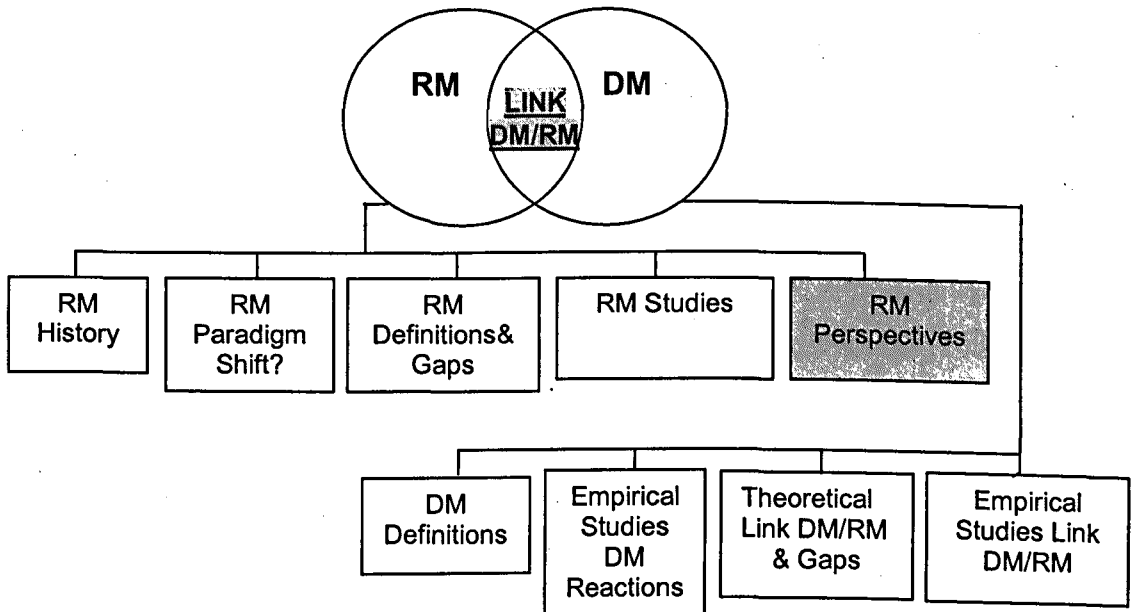
targeting these customers may backfire, as they do not wish to be pushed into a relationship, or bombarded with marketing messages (p.59)

In contrast, customers in an active relational mode want more intimacy with companies, being receptive to relational tactics and marketing messages, being happy if the company knows their preferences. These customers continue to buy based on high quality and service. Finally, a third group of customers is found by Saaksjarvi et al (2007) and is called the "firm champions", being the most intimate group of customers, who "prefer the firms' products across different brands to those of the competition" (p.59).

As suggested in the last studies, there are several reasons and influences on how a relationship between companies and customers may be developed (see Table 7). The findings of this research will be compared with these studies in the discussion chapter.

Next, some RM perspectives will be examined, namely regarding to the relationship development according to different contexts such as the market type (BTB/BTC) and the marketing approach (TM/RM).

2.2.6 RM Perspectives - Market Type and Marketing Approach



As observed in the previous sections, it is noticeable that RM is seen by many authors as a “hot” topic. In contrast, there are several authors not so supportive of this relationship emphasis, being particularly critical about this idea of “using RM in every situation/context” (Fernandes and Proenca, 2008; Zineldin and Philipson, 2007; Liang and Wang, 2007; Ward and Dagger, 2007; Saaksjarvi et al, 2007; Coviello et al, 2002; Peltier et al, 1998; Fournier et al, 1998).

Another of these authors was Blois (1998), who pointed out that there is no clarity in the RM concept and criticised, even being a little ironical, the idea that everybody is stressing the need of changing from a transactional approach to RM, arguing that a relationship can also be a disadvantage, not an opportunity, advising companies to understand if their customers really want it (a relationship). It is important thus to determine what type of relationship is appropriate to each particular customer. The appropriateness of RM to all buyer-seller relationships is hence questionable, being suggested that some services may not need customers’ relationships, depending mainly on the customers and suppliers individual characteristics (Blois, 1996).

The type of market, BTC or BTB, and the marketing approach used, either transactional or relational, are considered important aspects in the relationship

development between customers and companies. Both market type and marketing approach are developed next.

2.2.6.1 Market Type in the Relationship Development: BTC/BTB

Relationships may occur with business customers as well as for end-consumers (Bitner, 1995). Yet, the relationship development may be dependent on the type of market (Priluck, 2003). Blois (1998) differentiated the RM development between business and consumer markets, stressing that

in consumer markets the term is often used where a relational database is used to underpin a supplier's marketing activities with the customers not necessarily being conscious that they are participants in a relationship marketing campaign. In comparison, in many organisational markets relationship marketing involves the establishment of a 'relationship' which is explicitly recognized by both buyer and seller (p.256).

This way, and as already mentioned in the "BTB RM gap" section, it is considered easier to develop relationships in BTB than in BTC markets (Harker and Egan, 2006; Coviello et al, 2002; Barnes, 1994). According to Barry and Terry (2008) long term partnerships are more common in a BTB than in a BTC context. Metallo et al (2007) pointed out that in BTC markets the emotional involvement with consumers is very limited or even non-existent, while in BTB markets relationships are seen as very important. Furthermore, Gronroos (1996) pointed out that

in some situations, such as business-to-business situations and for services industries, this approach [RM] is easier to implement; in others (for many consumer goods industries), it is more difficult (p.12).

Relationships however are not applied in all BTB markets, Zolkiewski (2004) arguing that

relationships are evident and persistent in many business-to-business contexts, but not all (p.25)

The author pointed out that even in a BTB context it is recognised that there is a limit to the number of close relationships that a firm can have with its customers.

The latter idea is supported by Vargo and Lusch (2004), yet in a BTC context, when stating that

as individual people continue to progress toward finer degrees of specialization, they will find themselves increasingly dependent on the market, both service provision and for the ability of self-serve. Consequently, consumers will seek to domesticate or tame the market by adopting and developing a relationship with a limited number of organizations (p.13)

Eiriz and Wilson (2006) interestingly suggested more research comparing both types of markets, observing that

when analysing the rationale for relationships, their structures, and processes, one might also ask, for example, whether there are significant theoretical differences with respect to relationship marketing issues between the contexts of organisational and consumer markets (p.287)

Similarly, Coviello et al (2002) noticed that the literature indicated that BTB and BTC markets differed from each other in the RM implementation, however arguing that "little empirical data demonstrating their distinctiveness are available"(p.33). This way, more research on how business and consumer relationships are developed is stressed. Furthermore, in this study of Coviello et al (2002), already examined partially (in the section on the paradigm shift), the authors concluded that business companies are more relational while consumer companies are more transactional. Therefore, a significant link between the market type (BTB/BTC) and the marketing approach (RM/TM) was identified by Coviello et al (2002). In the next section this important study will be reviewed further.

2.2.6.2 Marketing Approach in the Relationship Development: Transactional/Relational

It seems important that companies have in mind not only the market type (BTC or BTB), but also the kind of marketing approach that they are using, mainly more relational or transactional. Walsh, Gilmore and Carson (2004) stressed that

there is growing acknowledgement that companies are engaging in both transaction and relationship marketing activity (p.468)

Moreover, Walsh et al (2004) argued that there is a lack of research in what is involved when both types of marketing activities are implemented at the same time.

Interestingly, Jackson (1985) already advised to use RM, TM or even a mix of both depending on the type of customers. Following the same idea, almost 20 years later, Gronroos (2004) argued that

in the literature relationship marketing is often offered as a solution for all customers in all situations where such a relationship approach is suitable. This is probably not the case. Some customers may be more willing to accept a relational contact with a firm, whereas others may want to have a transactional contact. Moreover, a person may in one situation be interested in a relationship and in other situations not (p.110).

As stated before, an empirical study was carried out by Coviello et al (2002), in which the aim was to understand how companies related to their markets, observing their actual marketing practices, including both transactional and relational aspects of marketing. Importantly, Coviello et al (2002) claimed that there is no empirical research comparing TM and RM, which is a valid argument since most of the existing suggestions are theoretically based. In fact, the only empirical study also contributing to this research on TM/RM was the one by Zineldin and Philipson (2007), where the authors also concluded that companies were using both TM and RM.

Coviello et al (2002) considered four types of marketing: TM, and three constructs of RM: database marketing, interaction marketing and network marketing. Two major conclusions were found out: (1) the majority of consumer firms were classified as transactional and business companies as relational. Nevertheless, one fourth (25%) of the latter also used TM, while only 11% of the former employed RM; (2) marketing was dominated by the practice of transaction and interaction marketing (one half), while database and network marketing were implemented to a lesser degree (one third). The most important

though was the association found between the market type and the marketing approach, business companies being mostly relational and consumer companies mostly transactional.

Moreover, companies were using TM and RM *simultaneously*, the authors observing that "firms seek a balance between the transactional and relational approaches" (p.42). Coviello et al (2002) stressed the need of understanding better how *companies* relate to these two types of marketing, transactional and relational. It could be added that it would be also interesting to understand how *customers* relate to the same topic; which in fact is an emerging finding of this research.

This way, it seems that companies do not have to choose between RM and TM, since they may be used at the same time. Thus, suggestions that RM is suitable to every customer do not correspond to the reality. One example of this "RM offered as a solution for all customers" is given by Copulsky and Wolf (1990) who pointed out that

the threats and the opportunities facing marketing companies are clear: those that exploit these new technologies and techniques will be able to defend their current positions and will be prepared to capture new revenue opportunities; those that don't develop effective relationship marketing strategies will risk loss of market share (p.16).

Thus, these authors considered RM so important to companies that if they do not apply it they can even lose their market. However, this argument is not substantiated with any evidence. Ward and Dagger (2007) pointed out that there are many assumptions made in the RM literature without any empirical support, observing that "generalisations cannot be strictly applied" (p.287)

This way, it is stressed that different market segments may need different RM approaches, Berry (1995) pointing out that

importantly, some customers may be profitable as transactional customers, even if they are not profitable as relationship customers. Thus certain companies may wish to mount dual strategies: relationship marketing for some market segments, transactional marketing for other segments (p.239).

Segmentation appears thus as an important tool in the relationship development, since companies may segment customers according to their individual preferences. Blois (1998) pointed out that companies should regularly consider the relationship they have with each customer, suggesting that companies may segment the market "on the basis of the type of relationship customers would prefer" (p.267). Interestingly, ten years later a very similar argument is stated by Fernandes and Proenca (2008), when arguing that

markets should be segmented according to the type of relationship the customer desires (p.165)

This way, companies can segment their market according to its type (business or consumer markets), but mainly considering the kind of dialogue and marketing approach that customers want, or do not want. It is important to notice however that these arguments on the relevance of segmenting "customers' preferences" are purely theoretical; the remaining question being which criteria should be used in this segmentation process.

The only empirical studies analysing transactional/relational approaches were carried out looking at the *companies'* point of view, being found that companies were using both TM and RM practices to their customers (Coviello et al, 2002; Zineldin and Philipson, 2007). This research contributes to this important theme TM/RM, yet from the *customers' perspective*.

In the next sections DM individually and then its link with RM, the heart of this research, will be examined.

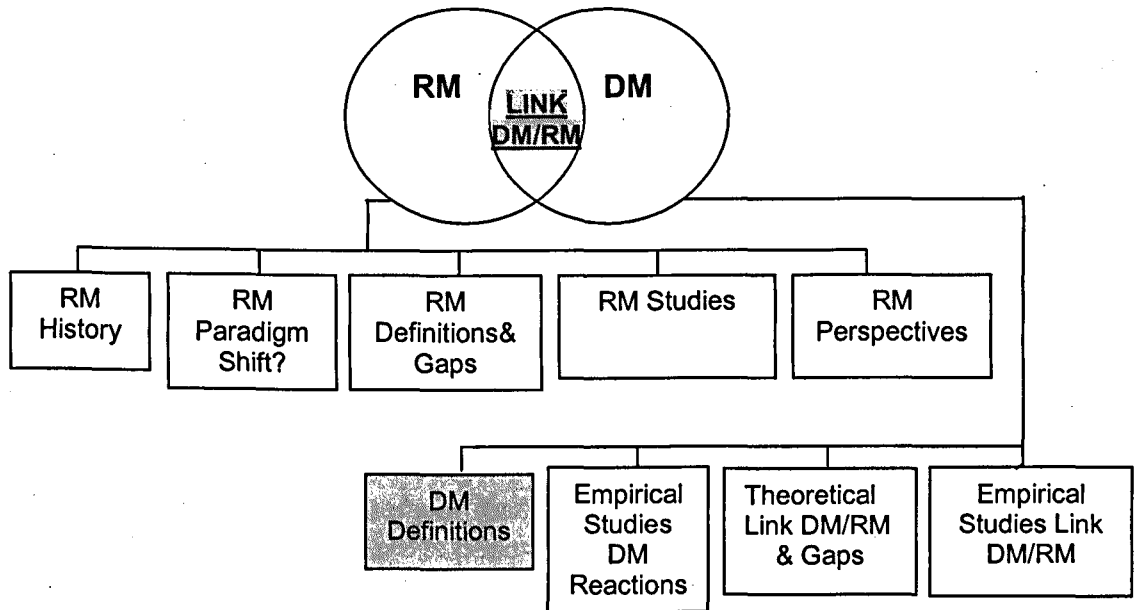
2.3 DM – Direct Marketing

2.3.1 Introduction

As seen in the previous sections, to establish, maintain and enhance a relationship with customers has become one of the key objectives in marketing. Although the scarce knowledge/evidence on how this difficult purpose is achieved the importance of dialogue, communication, personalisation, technology, and segmentation are recognised. The DM ability of collecting individual customer's information in order to target chosen segments with customised offerings is seen as a powerful way to create dialogue and to develop relationships with customers. Thus, there is a consensus in that DM is a valuable tool to develop a relationship with customers, the link DM/RM being clearly established in the literature. However there is a noticeable lack of empirical studies on how this link between DM and RM works. This research is an attempt to fill this gap in the literature, aiming to find out how customers perceive the relationship development through DM, namely to understand the activities/processes behind it in business markets, using a qualitative approach on customers' perceptions.

In this section, DM will be introduced and defined. Then, some empirical studies on how customers react to DM contact will be examined. Afterwards, the theoretical link between DM and RM is discussed. Finally, the key empirical studies found on this link between DM and RM will be carefully analysed, the major gaps of this research being highlighted.

2.3.2 DM Definitions



Having in mind the market dynamics and the intensifying competition, several changes have been noticed in marketing. Among these

few have been more dramatic than the ways marketers have addressed and viewed their customers (Peterson et al, 1993:27).

DM was not an exception in this changing environment and several authors emphasised its increasing importance over time (Greenyer, 2006b; Evans et al, 2001; Belch and Belch, 2001). Jenkinson (2006) pointed out that

twenty years ago a revolution in marketing was in full flow. Direct marketing was growing aggressively and rapidly and accounting for a larger proportion of the mix of communication methods because of its promise of 'accountable marketing' and the emerging concept of database marketing. Twenty years on, that revolution is still on full flow and audit reports suggests that there are still considerable opportunities to improve (p.248).

According to the DMA - Direct Marketing Association (2005) DM continues to move steadily, the expenditure in BTB growing faster than in BTC markets. Ng (2005) stressed that "the fastest growth in marketing activities has been in the area of direct marketing" (p.629), DM becoming hence "a serious research topic in the last 10 years in the marketing research literature" (Piersma and Jonker, 2004:173).

Besides its growing importance, DM is considered difficult to define, a consensus in definitions not existing (Evans, O'Malley and Patterson, 1995a; Hoekstra and Schijns, 1995; Murrow and Hyman, 1994; Schultz, 1991b). Analysing the existing DM definitions, it is clear that there are two types of DM definitions, authors focusing either on the creation of transactions or on the creation of relationships. Both types of DM definitions will be presented next.

Belch and Belch (2001) defined DM, stating that

direct marketing is a system of marketing by which organisations communicate directly with target customers to generate a response or transaction (p.47).

Bennett (1995) in the Dictionary of Marketing Terms, defines DM as

total of activities by which the seller, in effecting the exchange of goods and services with the buyer, direct effort to a target audience using one or more media (direct selling, direct mail, telemarketing, direct-action advertising, catalog selling, cable selling, etc) for the purpose of soliciting a response by phone, mail or personal visit from a prospect or consumer (p.84).

Similarly, the DMA (2005) in UK defined it as

communications where data are used systematically to achieve quantifiable marketing objectives

and the DMA (2005) in USA defined DM as

any direct communication to a consumer or business recipient that is designed to generate a response in the form of an order (direct order), a request for further information (lead generation), and /or a visit to a store or other place of business for purchase of specific product(s) or service(s) (traffic generation)

Thus, in all these DM definitions the response/transaction aspect is emphasised, DM being seen as a means of communication between companies and customers aimed at creating quantifiable sales.

Several authors strongly criticised this kind of definition, in which the main focus of DM is generating transactions. Hoekstra and Schijns (1995) claimed that this type of definition does not distinguish DM from advertising and general marketing, even considering that it downgrades it, arguing that

in practice, direct marketing is (too) often considered as being an instrument for communication mainly aimed at getting a response.

The authors considered that DM is a distinct and separate type of marketing, supporting the DM definition by Raaijmakers, Hoekstra, Leeflang and Wedel (1992), who defined DM as being

directed at establishing and maintaining a long term, structural, direct relationship between a supplier and his customers within a certain product market combination (p.1383).

Seven DM definitions were examined by Murrow and Hyman (1994) who found out that although five of them considered DM a form of marketing

only three of these definitions imply a long-term relationship between buyers and sellers. A definition of direct marketing that implies relationship marketing can help ethical direct marketers to divorce themselves from the few unscrupulous practitioners who poison the image of direct marketing; thus, a good definition of direct marketing should imply a long-term relationship between buyers and sellers (p.51).

Following the idea of Murrow and Hyman (1994), DM is defined as

a form of marketing that aims at establishing and maintaining long term, structural, direct relationships between a supplier and its customers
(Vriens, Scheer, Hoekstra and Bult, 1997:323)

or as

a form of marketing that is aimed at obtaining and maintaining direct relations between individual suppliers and buyers within one or more product/market combinations (Jonker, Franses and Piersma, 2002:1).

Thus, in this kind of DM definition, the relationship aspect is emphasised stressing its long-term perspective and interaction in the sense of DM being a two-way communication means, aimed at developing relationships between customers and suppliers.

It is relevant to notice that this research followed the DM definition of Raaijmakers et al (1992), namely in the interview checklist guide used in the data collection. This DM definition was chosen since it is representative of the definitions focused on creating relationships, mainly in the long-term view, hence having the same aims of the RM definition of Gronroos (1990), also used in this research. Moreover and significantly, this DM definition of Raaijmakers et al (1992) was chosen since it stresses the key importance of the "product/market combination" in the relationship development. This aspect seems relevant having in mind a few studies indicating that the relationship development may vary according to the product/service or market type (Zineldin and Philipson, 2007; Heinonen and Strandvik, 2005; Coviello et al, 2002). Moreover, the DM definition of Belch and Belch (2001) was also used in the interview checklist guide, being representative of the DM definitions focused on creating transactions.

This way, going back to the RM sections, it was suggested, theoretically, that there are customers more prone to RM and others to TM (Walsh et al 2004; Gronroos, 2004; Berry, 1995; Jackson, 1995). Moreover, it was concluded, empirically, that companies are using TM and RM approaches simultaneously (Zineldin and Philipson, 2007; Coviello et al, 2002). In relation to DM, there is no agreement regarding its main aim, either on transactions or on relationships. Thus, what is clearly lacking is *more empirical research on how customers perceive (or not) the relationship development through DM*. This research contributes significantly to this gap in the literature, with customers' views and perceptions on this important topic being explored.

DM is therefore defined either as a system of marketing aiming to communicate directly with customers in order to create a transaction, or as a separate form of marketing, aiming to develop a relationship with customers (see Table 8, which

follows the order of the presented definitions). Transactions are defined as tactical marketing (O'Malley and Tynan, 1998), or as discrete exchanges in which there are not personal relationships or intentions of future exchanges (Garbarino and Johnson, 1999). Relationships are defined as long-term interactions leading to emotional or social bonds (O'Malley and Tynan, 1998), or as cooperative actions with mutual adjustment and planning of future intentions (Garbarino and Johnson, 1999).

DM Definitions	Aspect emphasised
Belch and Belch (2001)	Transaction
Bennett (1995)	Transaction
DMA – UK & USA (DMA, 2005)	Transaction
Raaijmakers et al (1992)	Relationship
Jonkers et al (2002)	Relationship
Vriens et al (1997)	Relationship

Table 8: DM Definitions - Aspect emphasised

It seems significant to notice that even the DMA, both in the UK and in the USA, emphasised only the transactional aspect in their DM definitions. Maybe these important DM Associations did not understand that relationships between customers and companies are considered one of the key aspects nowadays. Perhaps the "explanation" to this type of DM definitions, focused only in transactions, is given by Jenkinson (2006), who observed that

the focus has not been on 'understanding the importance of information in providing excellent customer experience' but on 'understanding the importance of information systems in reducing customer service costs' or 'understanding the importance of information in pushing sales and marketing efforts' (p.258).

This idea seems to be followed by Baron et al (2006), when examining the key constructs of a technology acceptance model – TAM in a consumer technology-based service, specifically the SMS (short message service) behaviour, the authors considering that

research continues to view consumers as information processing computers who make decisions based in their efforts to maximise the relations between attitudes, beliefs, and attributes with little acknowledgement of the social and cultural context of the process... we question whether the current conceptualisations of technology acceptance based on predominantly quantitative modelling approaches emanating from TAM, can capture the subtleties of marketplaces that owe much to consumer creativity and innovation (p.112)

This way, according to Baron et al (2006) much of the research in TAM (technology acceptance model) in consumer markets is quantitative-oriented, related for example to the eventual acceptance of customers to the World Wide Web and to e-commerce.

Looking to the DM literature there is a considerable amount of articles, written mostly from the company's perspective, focusing on "how to capture/attract customers through DM" in the sense of increasing their sales. As stated in the introduction chapter, when researching the Journal of Interactive Marketing, from 1998 until 2008, many of the articles are on "how to improve response rates in DM campaigns", testing several DM aspects such as the type of envelope, questionnaire characteristics, type of appeal, topic interest, etc. This means that authors tested several hypotheses, the majority of times in a quantitative way, measuring numbers and response rates in DM, generally in consumer markets. Other DM articles are focused on technology developments, investigating the Internet, electronic commerce and database optimization techniques such as RFM, CHAID or logistic regression, also having in mind increasing DM campaigns sales, targeting the customers most likely to accept the DM offers, either by mail, e-mail, telephone, SMS, catalogues, etc.

An example of a quantitative- and campaign-oriented argument is given by Berry (2006), when stating

most direct marketing activity, all around the world, works off the concept of a campaign (p.319).

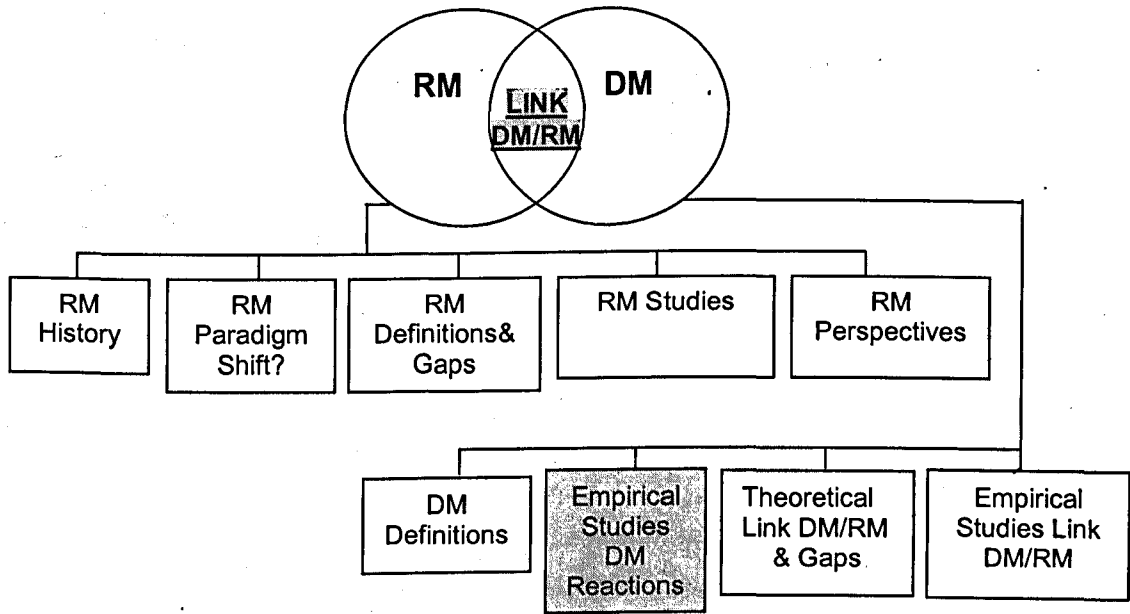
Another example is the one of Morwitz and Schmittlein (1998), when pointing out the main characteristics of DM: (1) the individualised nature of customer contact allowing firms to focus on the customers more likely to respond; and (2) to individualise the nature of the customer response, building a customer history allowing directing and individualising the next customer contact. Similarly, Heilman et al (2003) examined the appropriate amount of data for classifying consumers for DM purposes, using statistical models to predict which customers are more likely to respond, aiming to maximise DM purchases.

These are a few examples, between many, of quantitative studies considering DM only as a creator of sales/transactions, through the targeting of the "customers most likely to respond".

This DM capability of using databases and segmentation approaches to target "the best"/most profitable customers is a vital tool for companies and therefore should not be underestimated. However, it seems that one part of the story is missing, namely how customers perceive this DM targeting. Important questions are whether they want it at all, how and when they want it, and which are their characteristics in terms of receptiveness to DM. It seems really necessary to complement both points of views, the company and the customer, in order to improve DM and database efficiency. Moreover, companies only "concerned" with this transactional/sales approach may be missing out an opportunity to go a bit further with customers; mainly with the ones who may be interested in more than just transactions, probably being more relationship-oriented.

Empirical studies on DM customers' reactions are discussed next.

2.3.3 Empirical Studies – DM Reactions



Four empirical studies were found aiming to understand how customers react to DM contact; their major relationships being presented in Table 9 and discussed after.

Authors	Studied Variables	Major Relationships Found
Heinonen and Strandvik (2005)	Direct Mail, E-mail and SMS Content Relevance Media Acceptance Consumer Responsiveness	Products/Service Content Relevance and Media Acceptance → Consumer Perceived Value → Consumer Responsiveness. Consumer Responsiveness: 1 st -Direct Mail; 2 nd -E-mail; 3 rd -SMS. Positive/Negative Attitudes towards DM
Page and Lunding (2003)	Mail, Telephone and E-mail Response Channels Consumer Attitudes DM Purchases	Negative Attitude to unsolicited DM Positive Attitude to Response Channels (solicited DM) Preference to Face-to-Face Contact.
Alreck (1999)	DM Purchases - Attitudes Product/Service Value	Positive/Negative Attitudes toward DM Consumers start DM contact (solicited DM) → DM Purchases. Product/Service Relevance → DM Purchases.
Korgaonkar et al (1997)	DM Purchase - Motivators Segments: Age, Income, Occupation and Education	3 Segments: Pro (54%), Critics (16%) and Ambivalent (30%) of DMA. Age, Income, Occupation and Education → DM Purchases.

Table 9: Empirical Studies on DM Customers' Reactions

Heinonen and Strandvik (2005) explored consumers' perceptions on the relevance and acceptance of marketing communications of several (15) products/services, namely in three different media, traditional direct mail, e-mail and SMS. The authors considered that these media-based communications received little attention in the literature. In this study, Heinonen and Strandvik (2005) clearly pointed out that the consumers' relationship to the company was excluded. Yet the authors stated that communication

form and influence the customer perceived value of the service. This perspective is even more accentuated when customer relationships are considered (p.187).

This leaves an important point apart since customer relationship perceptions were found to have an important effect on customers' behaviour and loyalty (Hewett, Money and Sharma 2002; De Wulf, Oderkerken-Schroder and Iacobucci, 2001). Heinonen and Strandvik (2005) recognised this limitation when stating that in their study

the focus was only on a part of what would constitute communication value in, for example, an ongoing service relationship. Further research needs to address the customer relationship perspective (p.195).

Importantly, this customer relationship perspective on DM communications, suggested as "further research" by Heinonen and Strandvik (2005), was the central focus explored in this research.

Heinonen and Strandvik (2005) examined thus the effects of direct mail, e-mail and SMS on consumers' perceptions, namely relevance and media acceptance. The authors found that the overall responsiveness was low for the offerings in the three media. Furthermore, consumers' attitudes towards communication varied considerably depending on the offerings/industries; hence different media resulting in different responsiveness for particular services and products. Heinonen and Strandvik (2005) argued that overall the customers' responsiveness was higher using direct mail, then e-mail and finally SMS. However, the authors stated that marketers should notice that these media should be used according to the different products/services. Their most

important conclusion though was the main differences in customers' responses to different DM offerings, depending both in the products/services relevance and in the communication media acceptance (direct mail, e-mail or SMS). Thus, the combination of the DM offers' relevance with the media used led to different customers' responses to those offers.

Moreover, it is interesting to notice that Heinonen and Strandvik (2005) called direct mail, e-mail, and SMS "marketing communications" and not DM. Although DM is a form of communication, it seems that there is a tendency among several authors to replace the term "direct marketing" with other ones, namely "marketing communications", which was also followed by other authors (Ball et al, 2006; Lindberg-Repo and Gronroos, 2004; Rich, 2000). Alternative terminology for DM were "responsive marketing" (Greenyer, 2006b), "contact services" (Spencer-Matthews and Lawley, 2006) or "touch points" (Hochhauser, 2004). This tendency of using "substitute" names for DM may be explained due to its negative image in certain products/markets. Maybe this is also the reason why the Journal of Direct Marketing changed its name to Journal of Interactive Marketing. It seems that DM does not have the best of reputations, many times being seen as "annoying and intrusive" (Page and Lunding, 2003; Alreck, 1999). Following this idea, Tzokas and Saren (2004) pointed out that nowadays dialogue between companies and customers is essential, yet arguing that some of the technologies used to this purpose

create distance among the firm and its customers. Research towards reconciling this paradox is needed (p.133).

Interestingly, Baron et al (2006) examined qualitatively the consumers' acceptance to SMS, finding that consumers valued, embraced and embedded this technology-based service, pointing out that

the idea that consumers can embrace, rather than simply accept technology-based services, suggests that theory development should concentrate on increasing understanding of what communities of consumers do with the technology, in addition to counting the frequency of use and rate of adoption (p.128)

It seems thus that more qualitative research is required in order to understand better this communication and dialogue creation processes.

Other studies were made exploring customers' reactions to DM.

Page and Lunding (2003) investigated customer attitudes towards DM strategies employed by banks, namely mail, telephone and e-mail. The authors stated that customers found unsolicited DM negative, considering it annoying, an invasion of privacy, risky, banks' mail promotions not being considered trustworthy. Telephone promotions were considered particularly irritating. Page and Lunding (2003) pointed out that

services and products promoted by direct marketing tend to fail to meet the expectations of customers who purchase them (p.156).

Customers preferred face-to-face interaction considering it safe, secure, informative, and solving problems accurately and in time, enhancing their confidence in the product/service. Accordingly, Hewitt (2006) and Harwood and Garry (2006) stated that face-to-face interaction was the best way to achieve successful relationships. Personal relationships are hence a key communication means (Lian and Laing, 2006; Zontanos and Anderson, 2004).

Moreover, Page and Lunding (2003) found that consumer attitudes towards response channels were seen positively, given their convenience, simplicity and reliability. The authors explained that customers are used to these for goods and services other than banks, arguing that there is a

difference between receiving an unsolicited and often unwanted communication, whereas using response channels is a matter of personal choice and timing (p.155).

In conclusion, Page and Lunding (2003) found a negative attitude towards unsolicited DM and a positive attitude if customers use response channels as a personal choice (solicited DM).

Alreck (1999) was another author examining consumer beliefs and reactions to DM contact. The author identified several positive DM characteristics such as being interesting, helpful, truthful, entertaining, informative and attractive, but also several negative DM aspects such as being annoying, deceptive, aggravating, misleading, dishonest and irritating. Regarding preferences in the DM used, Alreck (1999) found that consumers preferred catalogues and web pages, followed by direct mail and lastly telemarketing. Moreover, the author observed that customers react positively to DM when they are starting the contact. Otherwise, if DM is unsolicited, consumers perceive it negatively (similarly to Page and Lunding, 2003).

This way, it is suggested that companies use DM resulting from customer-initiated contact (Tapp and Hughes, 2004; Tapp, 2001; Evans et al, 2001; O'Malley et al, 1997). Yet Alreck (1999) added that if the DM offer is important to the recipient the DM contact may be appreciated, arguing that

the greater the value of importance that the product or service offered has to the message recipient, the more hospitably the contact will be greeted. If that is the case, then the more information marketers have about those they might contact, the less likely they will be to annoy or irritate people who have no need or interest in what they are selling (p.340).

In order for marketers to have more information about their customers, to send them adequate/relevant DM offers, Alreck (1999) argued that

the appropriate message marketers may fruitfully direct to consumers is simple: 'the better we know you, the less likely we are to annoy you with unwanted contact' (p.340).

This argument meets the thinking of Schijns and Schroder (1995) who suggested that customers could be asked their preferred type of relationship and of Vargo and Lusch (2004) who stated that

promotion will need to become a communication process characterized by dialogue, asking and answering questions (p.13)

However, Tapp (2001) commenting specifically about DM in consumer markets, ironically observed that

asking customers what they feel about relationships with companies is as likely to provoke puzzlement or maybe derisive laughter than anything more positive (p.12).

This argument of Tapp (2001) is not based on any evidence, hence seeming important to explore what *customers really think* about the relationship development through DM, namely in business markets. Unfortunately, DM studies seem to be focused almost always in BTC contexts.

Finally, a lack of knowledge on how customers evaluated direct marketing advertising (DMA) was suggested by Korgaonkar et al (1997), who questioned if

all consumers evaluate DMA as being informative, entertaining, and useful or do they think of it as being useless, lacklustre or primarily junk? (p.41).

As in the previous studies, the authors concluded that consumers had both positive and negative beliefs towards DMA. Three segments based on these beliefs appeared. The first segment, pro-DMA (54%) was the one ordering and spending more money through DM purchases, Korgaonkar et al (1997) stating that

this, the largest of the three segments, has members, who are highly enthusiastic about the positive contributions of DMA. They agree that DMA provides useful product information, is enjoyable, and is good for the economy (p.46).

This segment was not concerned with privacy issues, customers were younger, and with less income, skilled occupations and education than the other two segments; the second segment, critics-of-DMA (16%) was the one ordering and spending less money through DM purchases, Korgaonkar et al (1997) pointing out that it was the

least convinced that DMA provides information and feel that DMA corrupts the moral values of society, provides false information, and is an invasion of privacy (p.46).

In this segment there were more men, with technical or management occupations and with a higher education and income than in the first segment. Paradoxically, Korgaonkar et al (1997) found out that even this segment, critics-of-DMA, used DM to purchase. The third segment, ambivalent-DMA (30%) was neither critical nor enthusiastic about DMA, customers considering that DMA was not important. In terms of age, income, occupation and education this segment was in the middle of the other two. Thus, Korgaonkar et al (1997) found three relevant segments, based on customers' reactions to DMA, either being positive, negative or ambivalent; and in which age, income, occupation and education influenced those DMA reactions.

From the analysis of these studies it may be concluded that customers have both "good" and "bad" reactions to DM, which supports the argument of Baron et al (2006), when stating that

consumers often have mixed feeling regarding technological products or services (p.118)

Although the growing relevance of DM is recognised (Dolnicar and Jordaan, 2007; Greenyer, 2006b; Ng, 2005; Evans et al, 2001; Belch and Belch, 2001; Petrisson et al, 1993), there are not many empirical studies on customers' reactions to DM. Looking to Table 9, the studies' results show that DM is either seen as positive or negative, not being clear how customers really perceive it. Moreover, it seems crucial to notice that *all* these four studies were conducted in BTC markets, leaving doubt about how customers perceive DM in a business context, i.e., what are the customers' reactions towards DM in BTB markets?

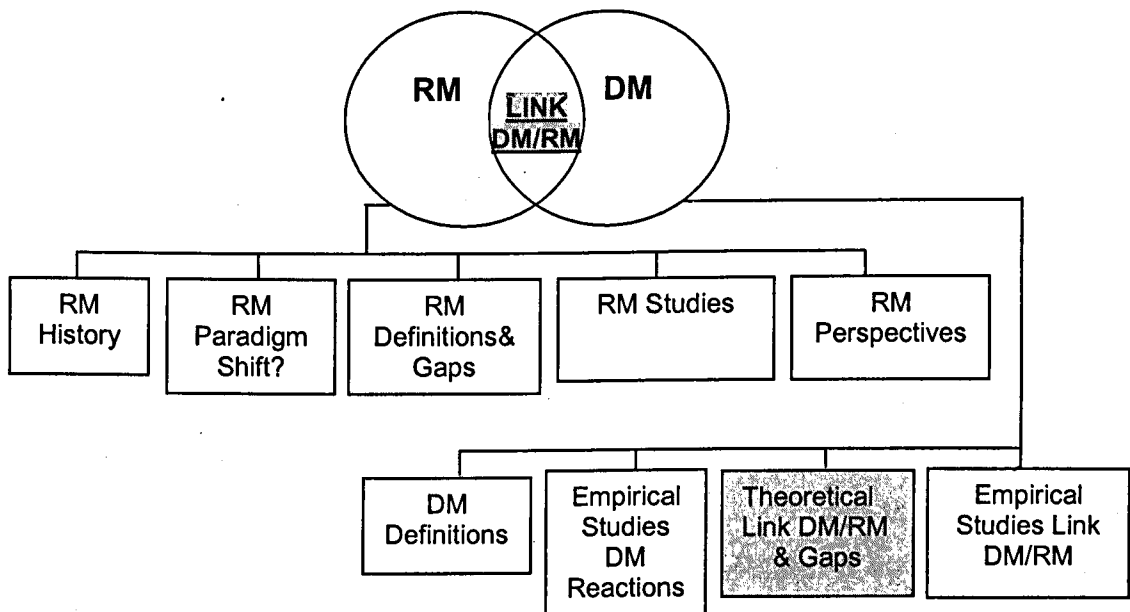
It seems important however to consider the argument of Rich (2000) who pointed out that

if relationship marketing is to be fully embraced, a greater understanding of the way the customer thinks must be undertaken and one should not be satisfied simply with how he or she reacts to various stimuli (p.177).

Thus, Rich's perspective will be followed in the sense that the DM customers' reactions were *one of the aspects* examined in this research. The main focus though was to *explore these DM customers' reactions in the context of relationship development, in business markets, namely in the training sector.*

Next, the theoretical link between DM and RM will be examined.

2.3.4 Theoretical Link DM/RM and Gaps



The bond between DM and RM is strongly emphasised in the literature. A comical example, dated from 1870, is given by Petrison et al (1993), in which, surprisingly, a concern is already perceptible in individualising relationships through DM:

During the 1870s Montgomery Ward received the following letter from a customer: 'I suppose you wondered why we haven't ordered anything from you since the fall. Well, the cow kicked my arm and broke it, and besides my wife was sick, and there was the doctor bill. But now, thank God, that is paid, and we are well again, and we have a fine new baby boy, so please send plush bonnet number 29d8077...'. The customer immediately received a personal reply: regrets about the broken arm and the wife's illness, congratulations over the son, thanks for the order for the bonnet – and an inquiry as to whether the customer had noticed the anti-cow kicker in the catalog (p.41).

Looking at this example, it seems that this type of personalisation would be very difficult to achieve currently, considering the amount of customers that companies have, adding to the diversity of characteristics among them.

This way, facing the growing globalisation, general competition and market fragmentation, it is noticeable that customers have more and more different individual characteristics (Lindberg-Repo and Gronroos, 2004; Bauer, Grether and Leach, 2002; Hoekstra et al, 1999; Evans et al, 1996). Moreover, customers want to be treated in different and individualised ways (Ball et al, 2006; Evans et al, 2001; Pitta, 1998; Gronroos, 1996), being emphasised the need of updating continuously those customers individual needs (Singh, 2003; Wedel, 2001). Thus, marketers' lives are not easy, as customers' preferences, needs and wants are becoming each time more complex (Ng, 2005). This customer individualism is emphasised in almost every article covering DM as a strong motivator to its growth. DM may concentrate customers' individual information through the database and consequent segmentation, hence doing an appropriate targeting, providing a two-way communication means, and allowing the personalisation and customization of each offer to each individual customer (Dolnicar and Jordaan, 2007; Spencer-Matthews and Lawley, 2006; Singh, 2003; Wyner, 2001; Goldsmith, 1999; Pitta, 1998). The importance of communication as a helpful tool able to personalise and meet these customers' individual characteristics was stressed by Kestnbaum, Kestnbaum and Ames (1998) who observed that

when media such as solo mailings, telephone calls, electronic mail, or even sales visits are used, the message conceivably can be altered to fit each separate customer (p.59)

Personalisation is thus an important DM characteristic (Vesanen, 2007; Ball et al, 2006; Rich, 2000; Goldsmith, 1999), also emerging in the findings of this research.

This way, many authors emphasised the need of individualising relationships through DM communications (Ball et al, 2006; Hochhauser, 2004; Jonker et al,

2002; Arnold and Tapp, 2003; Verhoef, 2002; Jones and Chudry, 2001; Evans et al, 2001; Kestnbaum et al, 1998; Vriens et al, 1997; Hoekstra and Schijns, 1995; Raaijmakers et al, 1992). Several interesting arguments on this link between DM and RM will be examined next.

While investigating the evolution of RM, Sheth and Parvatiyar (1995a) stressed the importance of DM in it, arguing that

the growth of relationship orientation of marketing in post-industrial era is due to the rebirth of direct marketing between producers and consumers (p.408)

DM was also considered one of the main contributors of RM appearance by Moller and Halinen (2000) and O'Malley and Tynan (1998). Hochhauser (2004) advised companies to build customer "touch points", defined as

those at which a company representative has contact with individual customers. These points can range from a direct mail package or telemarketing call to customer service calls, billing questions, e-mail, Web pages, and public relations. Each touch point represents an opportunity to use data to build upon a current relationship – to cement a relationship (p.228).

Other authors stressing the link between DM and RM were Jonker et al (2002) who noticed that

firms understand the importance of developing good relationships with current and new customers. Direct marketing is an important tool in this process, because its goal is to develop and maintain long-term relationships with (individual) customers (p.1).

This way, many are the authors drawing the close relation between DM and RM. Potharst, Kaymak and Pijls (2001) considered that developing DM relationships with customers is possible through the use of databases, arguing that large amounts of customer data are available, which may be used by companies to develop a direct relationship with customers, through an appropriate individual targeting. Also emphasising the major role of databases in DM, O'Malley and Prothero (2004) stated that relational strategies may be communicated through advertising, customer care, and customer loyalty

programs, being managed through DM and databases. Interestingly, Hoekstra and Schijns (1995) compared DM with a game between companies and customers, where

playing along each other, direct relationships develop and become more profound. In direct marketing the process of action and reaction may consist of offering a special treatment to good customers based on analyzing buyer behaviour of the target group (p.6).

Looking carefully at all these last arguments, the theoretical link between DM and RM is clearly established, authors agreeing in that DM communications are a "good" way to develop relationships with customers. However the majority of these arguments are written from the company's perspective, in the sense that DM, through databases, is an important tool to develop relationships with customers with the ultimate goal of improving their (companies) profitability. The crucial point though is that little is known about *how this relationship development through DM happens*. Moreover, it seems that this may only be understood analysing the *customer's* point of view on this link DM/RM; thus more qualitative research in this topic being needed. This follows the interesting argument of Schultz (1991a), who suggested that

if we really are going to build direct marketing into relationship marketing, maybe we'd better get started researching a bit in this area of our profession. Maybe we need to find out what creates relationships? What really builds long-term purchasing habits? What people like and don't like about the way direct marketers do business? What they would like more of and would like less of? (p.5).

These important questions are still valid nowadays since it is not known yet how customers perceive this relationship development through DM, mainly which are the processes behind it. Several authors agreed in this gap on research in the relationship development through DM. Stone and Liyanearachchi (2007) pointed out the need of further research in understanding customers' needs for a better management across all channels/media. Peltier et al (1998) stressed the importance of more knowledge on DM buyer-seller relationships, pointing out that

understanding how and when to establish and maintain buyer-seller relationships is becoming paramount for direct marketing in competitive markets (p.43).

According to Moller and Halinen (2000) DM

has no clear disciplinary background, no clearly defined methodologies not a premised theory of markets... relationships are seen as long-term in nature, but conceptual or other efforts to tackle the dynamism of customer relationships have been limited (p.38).

Tapp (2001) was ironical regarding the link between DM and RM observing that companies make little or no effort to build relationships with customers, arguing that

over the last decade, surely little has generated more misunderstanding in the marketing field than the relationship marketing/direct marketing overlap (p.12).

The author claimed that RM has its roots in business markets, pointing out that there is very little evidence about the relationship value in consumer markets, due to the large number of anonymous consumers, limited opportunities for personal interactions, and the dominance of low value/involvement purchases. Thus, Tapp (2001) stated that TM is the most appropriate approach to DM in consumer markets, not being clear what is the author's position regarding DM in business markets. Nevertheless Tapp (2001) observed that DM may be an opportunity to raise the profile of database marketing within business, considering that

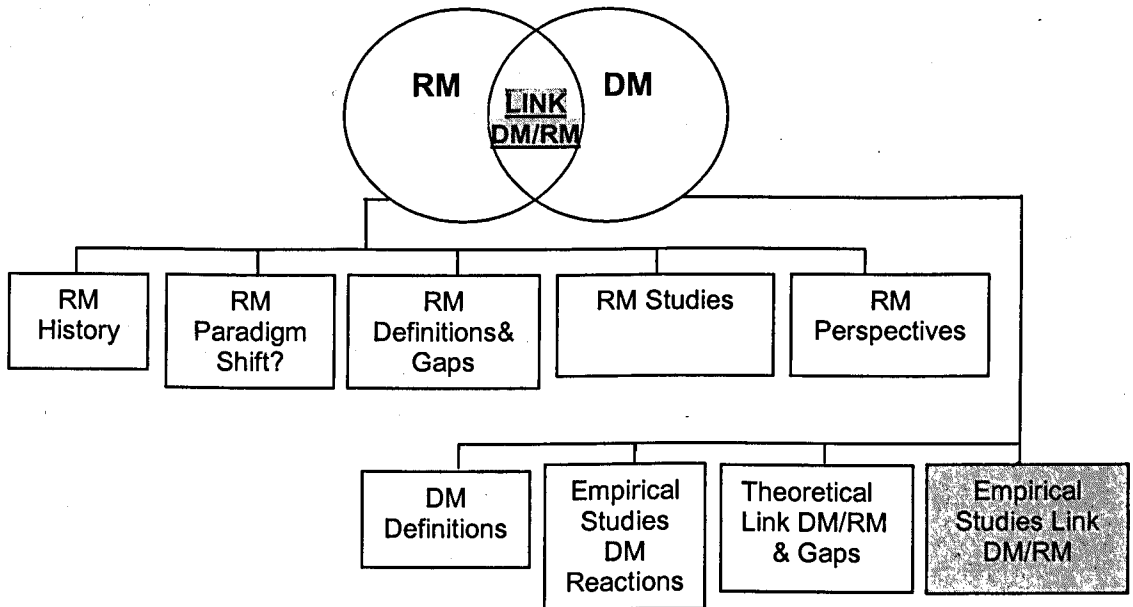
in the light of these doubts, the idea of customer data and subsequent direct marketing being used to build relationships should be examined (p.13)

Clearly, there is a gap in the literature on the *relationship development through DM*; existent studies being conducted mostly in consumer markets, within the company's perspective.

It is essential now to review the few existing empirical studies found in the literature linking DM and RM, and which contributed in some way to this

research. These key studies will be examined in the next, and last, section of this chapter.

2.3.5 Empirical Studies Link DM/RM



The core of this research is to explore qualitatively how customers establish, maintain and enhance a relationship with a training company through DM in a BTB context. This way, it is extremely important to analyse carefully the existing studies on the link between DM and RM.

The paucity of empirical studies on the link between DM/RM has already been stressed, mainly in BTB markets and using a qualitative approach on the customers' perspective. Nevertheless, five empirical studies were found, linking DM (sometimes direct mail and/or e-mail) and RM (or loyalty, the ultimate goal of RM); these ranging from qualitative to quantitative, business to consumer markets, and customers' to companies' perspective. The major relationships found in these studies are presented in Table 10. This table identifies the method used, quantitative or qualitative; the market type, either BTC or BTB; and the companies' or the customers' perspective. The studies are presented in order of importance to this research, from the least to the most important.

Authors	Methodology	Market	Perspective	Studied Variables	Major Conclusions / Relationships Found
Verhoef (2002)	Quantitative	BTC	Consumers' view	Direct Mailings Customer share-Loyalty (RM) Loyalty Programmes	Direct Mailings → Customer Share-Loyalty (RM).
Lindberg-Repo and Gronroos (2004)	Qualitative	BTC	Consumers' view	Planned Communications-Direct Mail with low interactivity with customers Customer Value-RM	Planned communications-Direct Mail with low interactivity with customers → not influencing Loyalty (RM).
Jones and Chudry (2001)	Qualitative and Quantitative	BTB and BTC	Companies' view	Direct Marketing Database Marketing Relationship Marketing Size of the Company	DM (and DB) → Establish and Maintain a Relationship-RM. with Size of the Company (number of customers) influencing this relationship between DM and RM.
Ball et al (2006)	Quantitative	BTC	Consumers' view	DM Communications, Direct Mail and E-mail included Personalisation Loyalty (RM)	DM Communications → Personalisation → Trust and Satisfaction → Loyalty (RM)
Evans et al (2001)	Qualitative	BTC	Consumers' View	Direct Marketing Relationship Marketing	Relevance, Privacy and Control in DM → Relationship-RM

Table 10: Empirical Studies on the link between DM and RM

Note: the similarities between these empirical studies and this research are in yellow while the differences are in blue.

Looking carefully at this table, and analysing similarities and differences, two points should be stressed:

- the first two studies explored the role of direct mail in loyalty/relationship development. It is important to mention that loyalty is considered by many authors the central concept in RM (Rundle-Thiele, 2006; Parker et al, 2006; Rowley, 2005; Ravald and Gronroos, 1996; Dick and Basu, 1994). Furthermore, both studies were conducted in a BTC context. From these only the one of Lindberg-Repo and Gronroos (2004) was qualitative.
- the last three studies explored the relationship development between customers and companies through DM. All three were conducted in BTC markets, except the one of Jones and Chudry (2001), who combined BTB and BTC companies.

These five important studies contributed to this research, and will be discussed next.

Verhoef (2002) studied the effect of relationship marketing instruments (RMIs), such as direct mailings and loyalty programmes, in customer share development, considered the best measure of behavioural loyalty. According to the author this was one of the few studies investigating the impact of RMIs on loyalty. Verhoef (2002) noticed that many companies use direct mailings and loyalty programmes to affect both customer purchasing behaviour and customers' perceptions of the relationship; yet the author clearly states that in this study it is investigated only

the effect of RMI on customer behaviour and do not study the effect of these instruments on perceptions of the relationship (p.9).

In contrast to the study of Verhoef (2002), the effect of DM (namely direct mail and e-mail) on customer relationship perceptions was "the heart" of this research.

In the quantitative study of Verhoef (2002), several hypotheses were tested, being found that both loyalty programmes and direct mailings were tactics which should be used by marketers to increase customer loyalty. Thus, the author gave an important contribution concluding that

we also show a positive direct effect of the number of mailings sent on customer loyalty. To our knowledge, this has not been shown in prior research (p.30).

This way, Verhoef (2002) linked positively direct mail and loyalty, yet not examining the customers' relationship perceptions on this link. In fact, it seems that these types of customers' perceptions would be quite difficult to explore having in mind that this is a quantitative study.

Lindberg-Repo and Gronroos (2004) carried out a qualitative study aimed at understanding better customer service communication processes and how these could improve value creation. Lindberg-Repo and Gronroos (2004) considered that there are three communications modes in order to create relationship value:

(1) planned communication – the stage of initially establishing the brand identity and starting a relationship with the customer; (2) contact creation – the stage in which the service firm approaches the customer directly and in this way provides more personalised messages; and (3) connectedness – the stage at which value is created through shared meaning as a consequence of dialogue and participation by both parties in a relationship with one another (p.237).

In this study, communications were defined as media and *direct mail with a low level of interactivity with customers*, these being included in the first communication mode only, planned communications and not in contact creation or connectedness modes. These planned communications were found to create value expectations, being an important source for image building in customers' minds, making the brand awareness stronger. Thus, Lindberg-Repo and Gronroos (2004) considered that planned communications, the e-mail with a low level of interactivity with customers, play a role in relationship building. However the authors argued that

although bonds might be developed partly through planned communications, loyalty and trust cannot. Loyalty and trust are more closely linked with contact and connectedness modes of communication that require more direct communication, interactivity, and participation by the customers (p.236).

This conclusion of Lindberg-Repo and Gronroos (2004) contrast with the results of Jones and Chudry (2001) and of Ball et al (2006), who found out the positive role of DM (the latter study also using direct mail) in developing loyalty and relationships with customers (these two studies will be investigated next). It is relevant to notice however that this contrast in results may depend on the level of interactivity of the DM used. As Raaijmakers et al (1992) argued many times direct communication activities are only

linked with so called 'traditional' communications activities (communication without the possibility of respond) (p.1384).

This seems to be the case of the study of Lindberg-Repo and Gronroos (2004), who considered planned communications as media and direct mail with a low level of interactivity with customers; therefore and maybe logically being difficult to develop trust, loyalty and relationship value. Thus, doubt remains if their results would be different using media and direct mail with some or a high level of interactivity with customers. This low/high level of interactivity of DM also emerged in this research, namely understanding if customers prefer DM as a one or two-way communication media or whether there are differences among customers.

An empirical study, both qualitative and quantitative, focusing in the usage, benefits and barriers to the adoption of direct and database marketing in UK Small and Medium-Sized Enterprises (SMEs) was conducted by Jones and Chudry (2001). In this study, the authors examined the companies' perspective, investigating several aspects such as the level of concept of DM, who uses DM, how it is used, which are the perceived benefits, the usage of and attitudes towards customer databases, and identifying barriers to DM use and related databases. Jones and Chudry's (2001) major conclusion was that most of the

companies employed DM just for the acquisition of new customers, not using it also to retain them, with an even fewer number of companies employing it for both aims. This way, the authors argued that

when examining the type of relationship that a company had with its customers and linking this with its use of DM, just under a quarter of respondents reported using a database and DM to build a 'long distance' type of relationship (p.316).

Jones and Chudry (2001) pointed out that this conclusion depends on the company size, in terms of number of customers (and not number of employees) since the more customers a company has, the more interested it is in using DM not only to attract customers, but also into retain them. Moreover, Jones and Chudry (2001) observed that companies using DM and databases evaluated their performance better than the non-users, in terms of increased sales, return of investment and new product success. This way, Jones and Chudry (2001) advised companies to use DM and databases since these may bring them several benefits such as

developing customers relationships, triggering sales opportunities, response and campaign evaluation (p.315).

Thus, the link between DM and RM was supported empirically by Jones and Chudry (2001).

Ball et al (2006) explored the effects of communication and personalisation in loyalty. The study was quantitative, in consumer markets, with a focus on the consumer perspective. The major conclusion of Ball et al (2006) was that communication was a strong antecedent of personalisation, which affected positively both satisfaction and trust, these leading to customer loyalty. The authors defined communication as

personalised letters, direct mail, web site interactions, other machine-mediated interactions, and e-mail, or in-person communications with service personnel before, during, and after service transactions (p.392).

Analysing this “communication” definition, it is noticeable that it includes some of the means included in the presented DM definitions, for example, the one by Bennett (1995). Thus, as Heinonen and Strandvik (2005), Ball et al (2006) preferred to use the term “communication” instead of “DM” when referring for example to personalised letters, direct mail or e-mail.

Ball et al (2006) also found that customers considered DM communications from the service provider positive, which followed the empirical conclusions of Alreck (1999) and Korgaonkar et al (1997). Communication was hence seen as

helpful, positive, timely, useful, easy, and pleasant; it leaves the customer feeling not only satisfied with the service, but with a positive effect towards the provider (Ball et al, 2006:393).

Thus, the authors’ foremost finding was the link between DM communications and consequent personalisation and the loyalty/relationship development, this link being mediated by satisfaction and trust; Ball et al (2006) concluding that

a personalized relationship, built on communication, is more trusting and satisfactory – in short, a ‘closer’ relationship, and more likely to endure (p.398).

Thus, in contrast with Lindberg-Repo and Gronroos (2004) the link between DM and loyalty was supported empirically by Ball et al (2006). Yet, it is important to mention again that these contrasting results may be based in the different type of direct mail used in both studies, depending on its level of interactivity with customers.

Last but not least, Evans et al (2001) conducted one of the few qualitative empirical studies linking DM and RM. The study was made also in consumer markets and investigated the appropriateness of RM and consumer reactions to DM. The authors found three key concerns for customers: (1) Relevance of the product/service to the customer; (2) Privacy, which was considered a substantial worry among consumers; and (3) Control, in the sense that consumers only wanted to receive DM if they have solicited it, wanting to know how their data information was obtained and used. Moreover, Evans et al

(2001) observed that consumers preferred the telephone rather than direct mail. This conclusion was not supported by Page and Lunding (2003) who concluded that between direct mail, e-mail and telephone, customers found the telephone particularly annoying. Similarly, Alreck (1999) was another author finding that consumers put telemarketing in last place, preferring catalogues, web pages and direct mail. This DM media customer preference was also an emergent aspect in this research; findings being compared with these studies in the discussion chapter.

Evans et al (2001) pointed out the DM main advantages such as convenience, giving information, extensive product assortment, offers, promotions and discounts; the DM main disadvantages being privacy invasion, perceived risk and being excessive. Regarding the negative DM aspects found, Evans et al (2001) suggested that there is some

cynicism derived from marketers claiming to be in a relationship with individual consumers and saying they are being treated in this way, yet providing offers which are not received as being relevant or timely (p.23).

The authors considered thus that the next step for DM is to individualise relationships more and more, pointing out that

direct marketing has perhaps not reached (for most companies) the stage of being able to treat each customer as an individual and should revert to a segmentation approach until it can (p.23).

This way, the authors stressed the major importance of DM offers being relevant and interesting to customers, therefore not being seen as privacy invasion, advising direct marketers to clarify customers how their data is used, using permission (opt-in) marketing, and providing the means for customers to contact them. DM relevance, respect for customers' privacy and control are hence keywords in the relationship development in this important study of Evans et al (2001).

All these studies analysed aspects of the relationship development through DM, the major conclusions being presented in Table 10.

In short, looking carefully at these five empirical studies linking DM and RM, it is surprising that almost all of them were conducted in consumer markets (four out of five). *None of them combined a qualitative approach, in a BTB context, within the customers' perceptions, which was done in this research.* It is important to mention that all these studies contributed in some way to the semi-structured interview checklist guide used in the data collection and which will be presented in the next chapter on methodology.

2.4 Summary

Developing relationships with customers is one of the key aims in marketing. However, looking at the immense literature in RM, it is not clear yet which are the activities inherent to a RM approach. Moreover, considering that arguments are written mostly from the company's perspective, there is a clear need to find out how customers perceive RM and its relationship development.

Many authors emphasised the major role of DM in order to develop a relationship with customers, making the theoretical link between these two important concepts, DM and RM. However, if there is an agreement in that DM is a useful tool to achieve RM goals, it seems that there is also a lack of empirical evidence about how this link DM/RM works, mainly what are the activities/processes behind it, within the customers' view.

Some empirical studies contributed to a limited understanding of this link between DM and RM, ranging from qualitative to quantitative, business to consumer markets, and customers' to companies' perspective (Verhoef, 2002; Lindberg-Repo and Gronroos, 2004; Jones and Chudry, 2001; Ball et al, 2006; Evans et al, 2001). Nevertheless, analysing these empirical studies, it is not clear yet what is the role of DM in the relationship development between customers and companies.

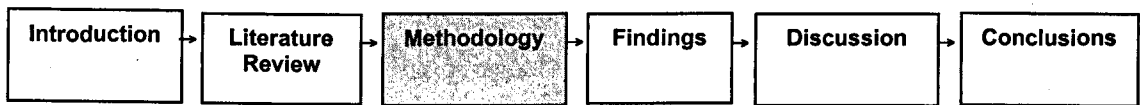
It is surprising that although RM is considered to be more efficient in business markets, the majority of these empirical studies linking DM and RM were conducted in consumer markets. Perhaps, as suggested in the literature, empirical research in business contexts is unexplored since it is a difficult task to have access to BTB markets (Caceres and Paparoidamis, 2007).

Finally and very importantly, looking to all this literature either in the link DM/RM or in each of these areas separately, most of it appears to ignore the customer's side in the relationship. It seems unbelievable that while exploring "relationships", consisting of customers and companies (at least), the former is clearly being neglected. Thus, more studies on the relationship development through DM are clearly needed, especially understanding customers' perceptions in this important subject. Related to this need of exploring customers' perceptions, more qualitative research is logically needed not only in this link DM/RM but in marketing in general (Gummesson, 2002).

This research will contribute both theoretically and empirically to enlighten how customers perceive the relationship development through DM. The research question, aim and objectives of this study will be answered, filling these gaps on the link between DM and RM specifically in a BTB context, using a qualitative approach, within the customers' views. To my knowledge, this combination is innovative, since it was not made in any of the empirical studies found in the literature.

In the next chapter, it will be explained in detail the methodological position chosen in this research, being examined how and what was done in order to address and answer to the research question, aim and objectives of this study.

3 METHODOLOGY



3.1 Introduction

This chapter makes the link between the previous literature review and the research findings presented in the next chapter. First the study's context, the gaps found, and the research question, aim and objectives will be recalled. These are associated with the research design and the methodological position followed in this study. According to Oliver (2004)

the term 'methodology' is used in a general sense to refer to both theoretical and practical aspects of the conduct of the research (p.121)

Thus, several theoretical and practical issues are discussed such as research types, philosophical paradigms, methods, and approaches. The position chosen in each of these topics is justified in the corresponding section. Afterwards, the interviews' implementation is explained, starting with a brief description of the pilot study. This is followed by examining several aspects of the main data collection, such as sample, access, checklist guide, and interviews' timing, duration, place and transcriptions. Finally, the methods of analysis chosen, specifically grounded theory, and how the credibility of the research was assured, are discussed.

3.2 Research Context and Expected Contributions

Recalling in part some points already mentioned in the introduction chapter, the findings of this research will be applied to the training company where I work in Portugal, and which sponsors this research. This training company will be called TX (Training X) in order to commit with confidentiality and anonymity issues arranged with the interviewees. TX has as main activity the organisation of short courses, national meetings and European conferences in the general fields of energy conservation, environment and industrial engineering and management.

Since these terms will be mentioned later, it is relevant to distinguish between two types of training organised by this company:

- External, where the training is carried out in an appropriate room in a hotel (usually in Porto or Lisbon), with participants coming from various companies, of all over the country/world. Logically, the dimension of a short-course, a national meeting or a European conference is considerably different. While a short course may have between 15 and 30 participants on average, a national meeting has about 100-120, and a European conference usually around 150-200 participants coming from many countries in the world. Moreover, the work associated with these three types of training varies considerably. To give an idea a short-course may be prepared/organised in two months, a national meeting in six months, and a European conference in one and a half years.
- In-house, where the training is carried out in one company, for a group of employees. This type of training is carried out all over the country.

All the training and other activities organised by TX are promoted through DM *only*, namely by e-mail and direct mail (complemented with a web site). This explains our profound motivation into researching how a training company may develop better relationships with customers through DM. Having in mind the scarce knowledge in this area, we are specifically interested in understanding how customers really perceive the role of DM in the relationship development with a training company; exploring their experiences, mind's processes, feelings, preferences, needs and wants in this important topic.

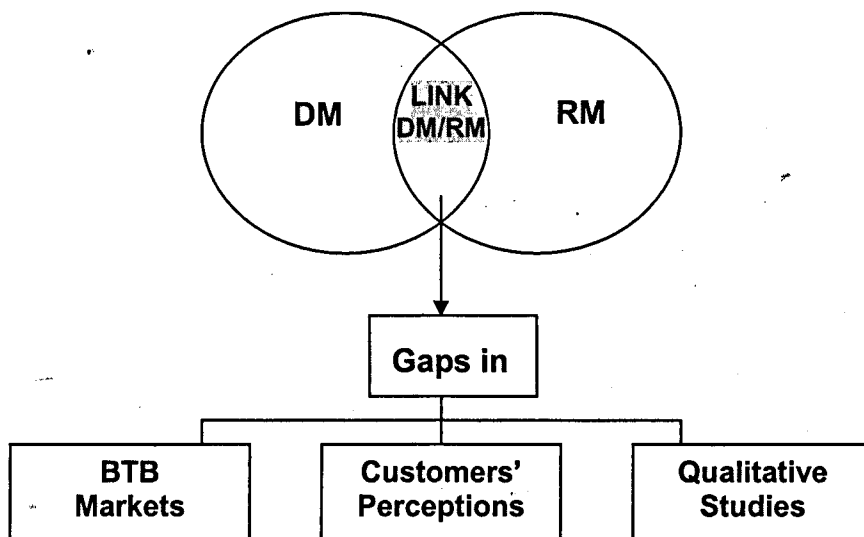
Thus, this research contributes both to the DM and RM literature mainly to its link, but also to each of them individually (*theoretical contribution*). Moreover, the findings of this research will be applied to TX, aiming to improve its DM practices in the context of the relationship development with customers (*practical contribution*). Finally, to my knowledge there is no study in exploring customers' perceptions in this link DM/RM combining a qualitative methodology with a BTB setting (*methodological contribution*).

3.3 Research Gaps

The nature of the research problem will be recalled briefly, mainly outlining the gaps found in the literature review.

From the literature review of the preceding chapter, developing relationships with customers is nowadays one of the key aims in marketing. DM has an important role in this relationship development, and an agreement in that DM is a useful means to achieve RM goals is noticeable. There is however a lack of empirical evidence on how this link, between DM and RM, works, mainly what are the process behind it. As discussed previously, since arguments are mostly written from the company's perspective, there is a need to find out how customers perceive the role of DM in the relationship development. Moreover, the majority of the (few) empirical studies linking DM and RM were conducted in consumer markets, many of them using a quantitative approach.

This way, a clear gap in the literature on the link between DM and RM was found out, namely exploring customers' perceptions, using a qualitative approach in business markets.



In the previous chapter these gaps in the link between DM and RM were carefully examined. Yet it is interesting to notice two articles specifically about qualitative research in marketing in general, and not on DM and/or RM

specifically, in which these precise three methodological gaps are emphasised by Gummesson (2005, 2003).

Regarding the lack of qualitative studies in marketing Gummesson (2005) pointed out that

research in marketing is often limited to collecting standardised data on consumers, competitors and others without getting beyond statistical or verbal description (p.318).

Moreover Gummesson (2005) considered that marketing seems to be reduced to customer satisfaction studies and planning, not being "really" customer-oriented and, in 2003, arguing that

although most companies confess to the marketing concept claiming they are customer-centric with customers' needs and customer satisfaction as their prime goal, few seem to act that way (Gummesson, 2003:483)

In the same article, Gummesson (2003) emphasised also the gap in studies in BTB markets, observing that "marketing education and 'textbook theory'" (p.483) are still mainly based in BTC markets. The author makes an interesting argument, pointing out that

B2B marketing is estimated to be at least as big as consumer marketing, perhaps even bigger. B2B marketing has partly been forced to interpret its reality from allegedly general concepts and models derived from B2C marketing and which may or not fit the B2B environment (p.488)

Thus, Gummesson (2005; 2003) stressed the methodological gaps either in qualitative, customer-oriented, and business markets research.

This study will be hence exploratory, examining the link between DM and RM, within this mix of qualitative methodology, exploring the customers' perspective, in BTB markets.

3.4 Research Question, Aim and Objectives

With the research gaps clearly established in the previous figure, the research question, aim and objectives of this study are also recalled in the following table.

Research Question	<i>How do customers perceive the role of DM in developing effective relationships with training companies, in a BTB context?</i>
Aim	<i>If and how the relationship with training customers (training directors and training participants) may be developed through DM, in BTB markets, from the customer perspective and using a qualitative approach.</i>
Objectives	<ol style="list-style-type: none"> <i>1. Is there a role for DM in establishing an effective relationship with training customers?</i> <i>2. Is there a role for DM in maintaining an effective relationship with training customers?</i> <i>3. Is there a role for DM in enhancing an effective relationship with training customers?</i>

The objectives of this research are divided according to the definition of RM of Gronroos (1990)

to establish, maintain and enhance long-term relationships at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of promises (p.8).

This definition was used, in the interview checklist guide of the data collection (presented later), since it seems to be the most known, accepted and more quoted by academics, thus also adequate to this research. This way, it seems important to understand how customers perceive the role of DM in these three phases of the relationship development with a training company: the establishment, maintenance and enhancement.

As shown in the last table to find out if there is a role for DM in maintaining and enhancing a relationship with a training company were initially considered as

separate objectives of this research. However, findings point out that interviewees perceive these two objectives (maintain and enhance) as integrated. This way, it was not possible to disconnect them, being mixed in one:

Is there a role for DM in *maintaining and enhancing* an effective relationship with training customers?

This change was possible to make since a grounded theory approach was employed, allowing modifications across interviews due to emerging data.

3.5 Research Design

The research design was formed based on the literature review and gaps found, combined with the professional interest in the research topic. Therefore, in order to answer the research question, aim and objectives, this study was exploratory, using semi-structured interviews as the research method.

The interviews took place with training customers, mostly with training directors (24 interviews) and to some training participants (6 interviews) of 30 companies in Portugal. The samples were taken from the database of TX. The fieldwork was in Portugal and the interviews conducted in Portuguese (except one, made in English since the training director was Dutch).

3.6 Methodological Position

Methodology is considered the “overall approach to the research process” (Hussey and Hussey, 1997:54). Similarly, Easterby-Smith et al (2002) defined it as the “combination of techniques used to enquire into a specific situation” (p.31). Thus, the methodological position will be examined in the next sections. Key points are illustrated in Figure 4, the shaded boxes representing the positions/methods chosen in this study.

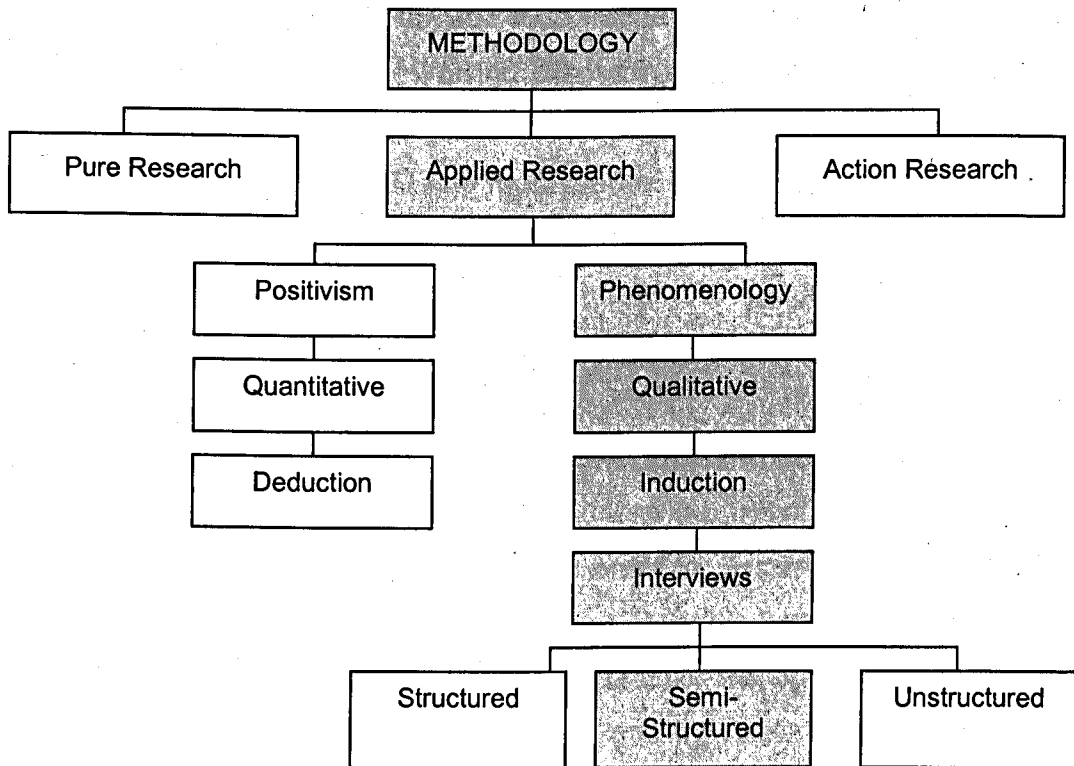
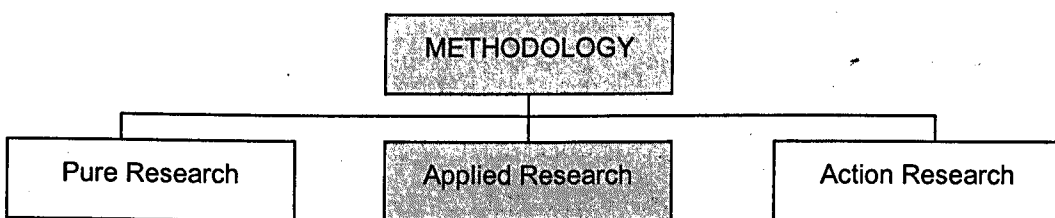


Figure 4: Methodological Position (adapted from De Wulf, 1999)

Figure 4 will be developed next, each of the choices made being justified.

3.6.1 Type of Research



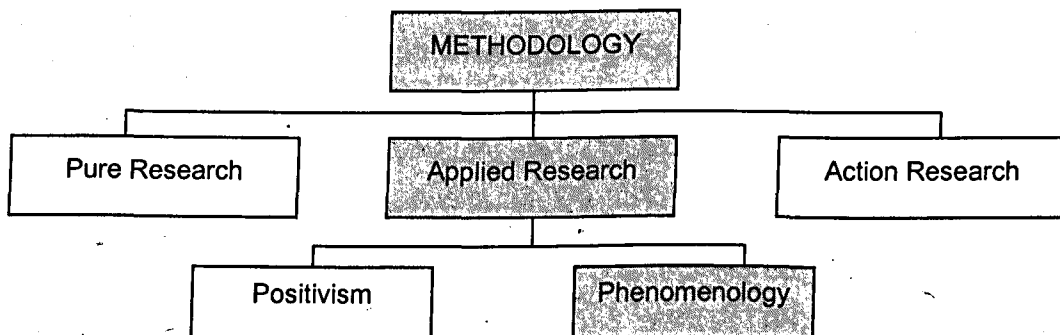
The importance of classifying research as pure, applied or action research is emphasised. The choice between these research types is dependent on the “outcomes that are assumed to emerge” (Easterby-Smith et al, 2002:8). Thus, the authors distinguished the three types of research according to its aims.

(1) The aim of *pure research* is to develop theory with or without practical implications. In short, there are three forms of pure research: discovery, when a new idea emerges from the research; invention, when a new idea is created to

a particular problem; and reflection which consists of applying an existing idea into a different context. (2) *Applied research* is concerned with the solution of a particular problem, usually involving clients from organisations who pay for the project. Thus, the most important focus in applied research is the application of the theory to the practice. (3) The main idea of *action research* is that in order to understand a particular phenomenon the researcher should try to change it; an active involvement between researcher and the process being researched existing (Thompson and Perry, 2004; Hussey and Hussey, 1997).

Based on these arguments, and according to the specific aims of this study, *applied research* was undoubtedly considered the most appropriate in order to generate theory which can be applied in practice. According to Hart (1998) the key idea of this type of research is “to take theoretical insights and apply these in real-world situations” (p.46), which is precisely the purpose of this research. This research aims to contribute (theoretically) both to the DM and RM literature, mainly to its link, yet not forgetting its practical nature, that of applying the findings of this research to the company TX. Thus, applied research was considered the most suitable having in mind the reality of the professional context of this research. Findings will be applied to the training company where I work, the main intention being to improve the DM/RM practices in order to develop more effective relationships with our customers.

3.6.2 Research Philosophy



Having decided to employ applied research, the ontological and epistemological positions adopted in this study will be discussed now. This is followed by a discussion on the research paradigms, stating which one was chosen and why.

3.6.2.1 Ontology / Epistemology

The researcher's beliefs about the world are fundamental, consisting in the ontological and epistemological positions when choosing the research methodology. Traditionally, ontology and epistemology are considered the twin terms of methodology (Clough and Nutbrown, 2002:30). Ontology is related with the assumptions people make about the nature of reality, while epistemology is concerned with the general set of assumptions that people make about the best ways of inquiring into the nature of the world (Oliver, 2004; Thompson and Perry, 2004; Bryman and Bell, 2003; Easterby-Smith et al, 2002; Hart, 1998; and Hussey and Hussey, 1997). Cassell (2001) emphasised the epistemological and ontological principles within the objectivist and subjectivist paradigms (see Table 11). The objectivist paradigm relates to positivism, and the subjectivist paradigm to phenomenology (Hussey and Hussey, 1997)

	Objectivist	Subjectivist
Epistemology	Social scientific approaches are similar to those of the natural sciences. Researchers seek to explain and predict by searching for regularities and causal relationships	Unlike natural sciences there is no privileged vantage point that leads to understanding. We all interpret and make sense of the world in different ways. All the researcher can do is report their interpretations without any claim to privilege.
Ontology	The social world exists externally to us. It is made up of hard tangible structures and exists before we enter on it.	There is no real structure to the world. It does not exist independently of us. Names for things are just artificial creations.

Table 11: Epistemological and Ontological principles within the Objectivist and Subjectivist paradigms (Cassell, 2001)

In this study a subjectivist/phenomenological epistemology and ontology were followed, interviewees giving freely their own interpretations, meanings, feelings and experiences on the research topic (semi-structured-interviews were the method employed and will be developed later). The main purpose of this research was to explore perceptions and differences among training customers; how these interviewees perceive the "world" of the relationship development with training companies through DM; to understand their mind processes and real experiences in the field. Moreover, using a grounded theory approach, an

open mind was always kept along the data collection and analysis, findings emerging from interviewees' insights/data only.

The philosophical paradigms presented in Table 11 will be developed now.

3.6.2.2 Philosophical Paradigms: Positivism and Phenomenology

The choice of the philosophical paradigm is a vital point in conducting a research project. According to Saunders, Lewis and Thornhill (2000) the “research philosophy depends on the way you think about the development of knowledge” (p.84). Basically, there are two major paradigms in the research process: positivism and phenomenology. The main characteristics of each of these philosophical paradigms are summarised in Table 12 (Oliver, 2004; Bryman and Bell, 2003; Easterby-Smith et al, 2002; Saunders et al, 2000; Hussey and Hussey, 1997; Cassel and Symon, 1994; Bryman, 1984). Afterwards it will be discussed which of them, positivism or phenomenology, was considered more suitable to this research.

Positivism	Phenomenology
test theoretical hypotheses which provide material for the development of laws - similar to the natural sciences	understand a phenomenon through the ways that people make sense of the world - more common in social sciences
reducing the problem to its simple elements	reality is determined by people
researcher is independent from the subject being studied	researcher is part of the subject being studied
objective and structured in order to facilitate replication	subjective, the world being socially constructed
outcomes may be generalised	generalisation of findings is not important since the world is in permanent change
sample with large numbers selected randomly – associated with quantitative methods	sample with small numbers chosen for specific reasons – associated with qualitative methods

Table 12: Positivism and Phenomenology Main Characteristics

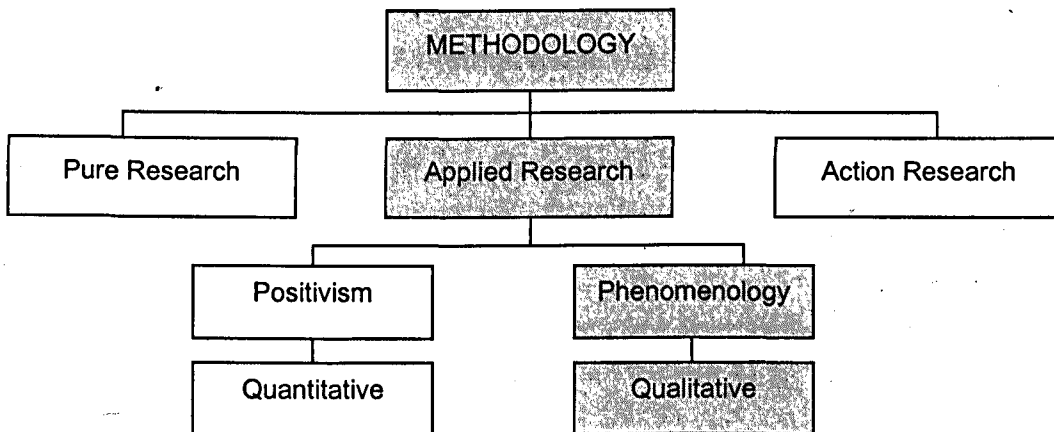
According to Thompson and Perry (2004) researchers should work with the paradigm which is consistent with their “ultimate presumptions” (p.403). Clearly, the aim of this research was not to test any hypothesis or to quantify interviewees' answers about any specific aspect. In fact, as seen in the previous

chapter, this was already substantially done, particularly in the DM literature with a massive amount of quantitative studies. This research focuses on how interviewees “perceive, think and feel” (Saunders et al, 2000:86), aiming to understand their perceptions on DM and in its role in the relationship development with training companies.

Considering all this, the philosophical paradigm chosen was logically the phenomenological. The key point was thus *to explore the process, meanings, experiences and insights* that these training directors and participants gave to the research topic. It is expected that this phenomenological approach combined with the applied nature of the research will contribute to the development of better and more effective relationships between TX and its customers.

As illustrated in Table 12, positivism is associated to quantitative methods while the phenomenological paradigm is related to qualitative methods.

3.6.3 Quantitative / Qualitative Methods



The choice between quantitative and qualitative methods is closely related to the philosophical approach chosen (Saunders et al, 2000; Hussey and Hussey, 1997; Cassell and Symon, 1994). Considering the decision of adopting the phenomenological paradigm in this study, a qualitative approach was rationally followed. More specifically, qualitative semi-structured interviews were used as the research method; the implementation of these interviews, correspondent

sample, access issues, checklist guide and other aspects will be discussed later in the chapter.

Moreover, the need of more qualitative research in the relationship development through DM was stressed by several authors (Powers and Reagan, 2007; Parker et al, 2006; Gummesson, 2005, 2003). Thus, besides being a literature need, when exploring customers' perceptions the most effective methodology to apply is definitely qualitative. It seems quite difficult, probably impossible, to "measure" experiences, meanings and insights in a quantitative way.

It is however important to examine briefly the debate between this qualitative/quantitative research methods. Cassell and Symon (1994) distinguished qualitative and quantitative methods, arguing that quantitative research is generally considered more rigorous and objective, being quantifiable and involving statistical analysis; while qualitative methods are more flexible but also controversial, with the analysis being complex considering its subjectivity in understanding meanings. Adding to the former idea, Avis (2003) is critical about positivists claiming that the "empirical scientific method provides the only secure foundation for knowledge" (p.996). Another author strongly criticising this idea of positivism, and quantitative methods, as "the best" was Gummesson (2006), who argued that

it lets customers express satisfaction/dissatisfaction on structured alternatives to already structured questions so that these data are amenable to instant statistical computer processing and transformation into colourful, animated PowerPoint presentations. Such data can only be useful in select instances. They are neither addressing complexity, nor offering dense answers (p.171)

and continuing with an ironical argument

the behaviour is 'rationalised' by groupthink mantras such as 'keeping the high standards of science', 'doing rigorous research', providing 'evidence-based research' and 'unambiguous empirical tests'. What it means in practice is numbers; old mathematics; unrealistic assumptions; discarding of disturbing data and anomalies; defence of the currently reigning paradigm; suppression of new knowledge; and preoccupation with details, often trivia (p.174)

This way, Cassell and Symon (1994) pointed out that the adoption of qualitative approaches may be risky, however considering that qualitative methods are the most suitable when carrying out research in organisations, either to understand individual or group experiences at work. Several authors are thus arguing that qualitative methods allow the collection of more deep data than with quantitative methods. For example, Goulding (2005) emphasised the need of more qualitative research "in order to gain valid insights, develop theory and aid effective decision making" (p.295) while Easterby-Smith et al (2002) observed that quantitative studies describe only situations in the present or in the past, while qualitative research is more concerned with the real life. Thus, it is considered that qualitative researchers may show the richness of their works, mainly through the deep nature of the meanings that people give to a particular subject, which "would be impossible to access through other means" (Cassell and Symon, 1994:9).

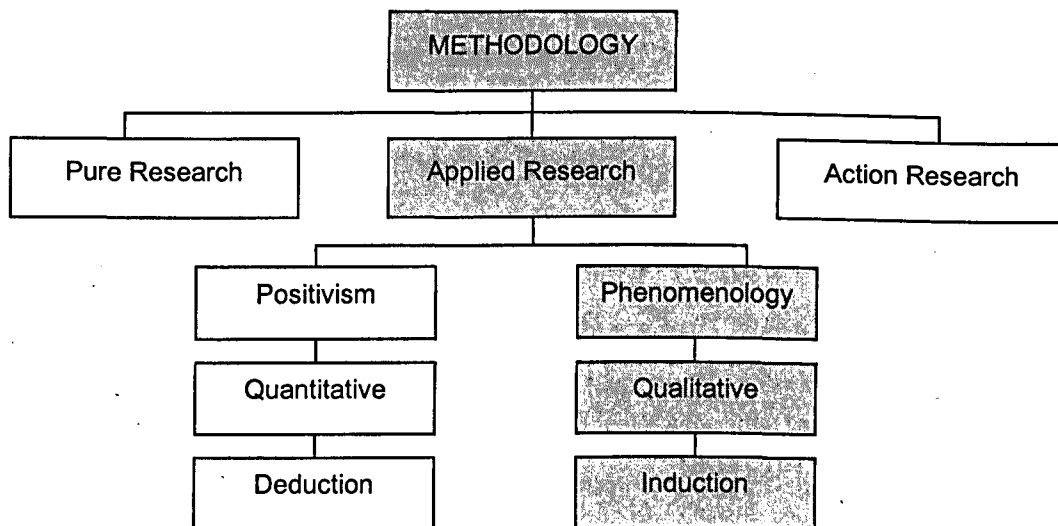
A reasonable argument seems to be that of Saunders et al (2000) who emphasised that the choice of the philosophical paradigm and corresponding method depends mainly on the research questions to be answered. It seems that the key point is that *both* quantitative and qualitative methods are very important and useful *depending* on the research aims. Considering the nature of this study, a qualitative approach, within the phenomenological paradigm, was adopted being considered the most adequate choice to answer the research question, aim and objectives.

To explore and to understand customers' perceptions and meanings on the link between DM and RM in the training sector, and how these interviewees/customers see the role of DM in developing a relationship with a training company are the core of this research. The main intention was filling the gap in the literature in this topic, therefore generating theory, based on the views, experiences, perceptions, opinions and insights of these training directors and participants; the aim clearly not being to count or quantify their opinions. Theoretical findings will then be applied to the training company where I work, which makes this research quite motivating. Thus, besides the contributions both to the DM and RM literature, this possibility of applying the

theoretical findings of this study into the practices of TX is considered extremely appealing; to be able to implement in reality “the final product” of this research.

In the next section deductive and inductive approaches will be discussed, the former being related to quantitative methods, while the latter associated to qualitative methods.

3.6.4 Deduction / Induction



Another important methodological selection is between a deductive and an inductive approach. This choice is related to the previous ones on the philosophical paradigm and the research method. The deductive approach is usually associated to positivism while the inductive is related to the phenomenological paradigm (Perry, 1998). Looking at the figure above, having in mind the choice of the phenomenological paradigm and qualitative methods, an inductive approach was followed. Moreover, another choice would not be logically possible since grounded theory was employed as the analysis method (Easterby-Smith et al, 2002). The analysis procedure will be explained later in this chapter.

Basically, in the deductive approach *data follows theory*, while in the inductive approach *theory follows data*. In the latter, the researcher is involved with what is being studied, the most important being to make sense of the data collected by analysing it, the analysis results generating theory.

This inductive process was pursued in this research, where findings emerged completely from data. The main aim was “letting the story” to come out on its own terms and not on the terms of the received theory and accepted concepts (Gummesson, 2003). I must say that I thought that this would be more difficult than in fact was. Perhaps for being a practitioner, especially in the beginning of this research, I “confess” that I had some expectations and ideas about the research topic based in my professional experience. However I must say that these were all overcome. It seems that the “recommendations” of my supervisors to “forget” my job experiences, having an open mind to the whole research process worked out! I can say with confidence that the findings presented in the next two chapters pursued an inductive approach, the seven stages grounded analysis method of Easterby-Smith et al (2002) being carefully followed. Furthermore, using grounded theory brought immense advantages to this research, not only in chapter 4, where my research question, aim and objectives are answered but also in chapter 5, where important and quite unexpected findings are presented.

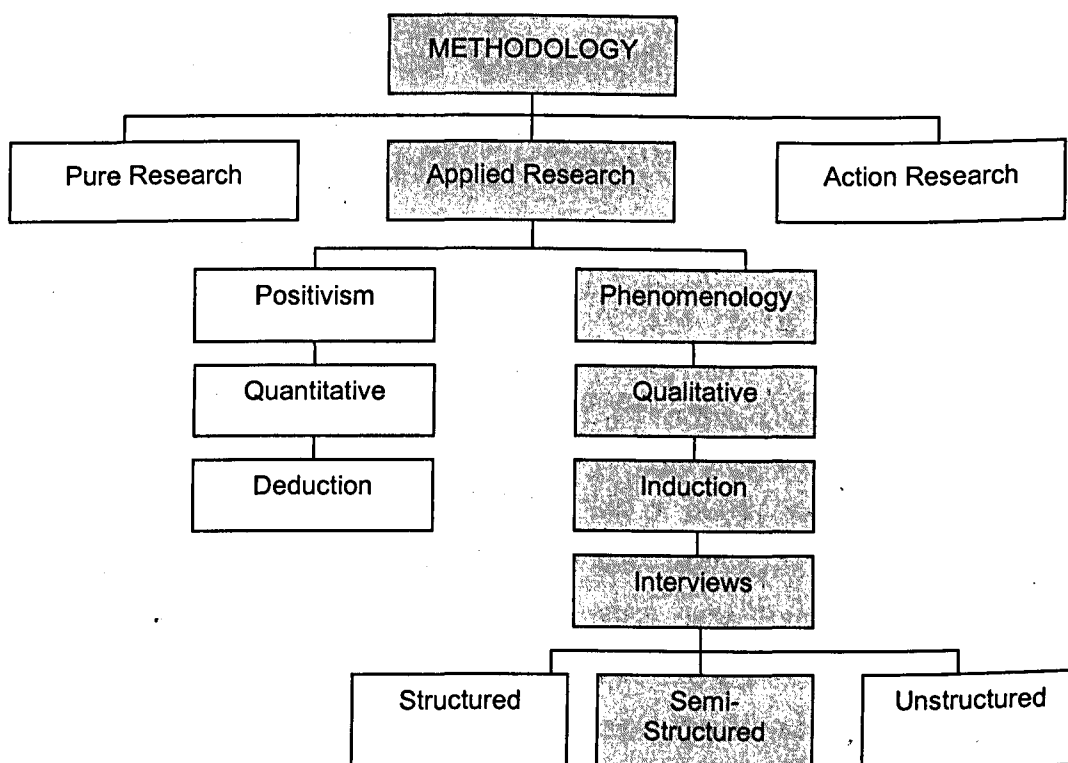
Furthermore, this choice of an inductive approach follows the argument of Saunders et al (2000), who stated that researchers

particularly interested in understanding why something is happening rather than being able to describe what is happening, it may be more appropriate to adopt the inductive approach than the deductive (p.89).

Nevertheless, choosing an inductive approach does not mean that some deduction of prior literature was not made, namely to build the checklist guide used on the semi-structured interviews. Researchers may have some ideas deducted from the theory, helping as a starting point, and then adopting an inductive approach, aiming to gain new and rich insights from the qualitative data (Bryman and Bell, 2003; Saunders et al, 2000). This idea was followed while designing the interview checklist guide used in this study, which is based in the literature review, in the consequent gaps found, and in the professional context of this research. However, and as just explained, in the data collection

and analysis, an open mind to interviewees' answers and perceptions was kept from the first to the last interview, entirely following an inductive approach to data, the checklist being seen as a guide only. The research approach chosen was hence inductive, letting interviewees explain freely how they develop a relationship with a training company through DM, mainly which are the activities and processes behind it.

3.6.5 Research Strategy



After deciding to employ applied research, the phenomenological paradigm, qualitative methods and an inductive approach, it is important to explain now the research strategy used. This is defined as the "general plan of how you will go about answering the research question(s) you have set" (Saunders et al, 2000:92). Thus, *methods*, defined as the means used to collect and analyse data (Hussey and Hussey, 1997), will be discussed now.

As already mentioned in the research design section, semi-structured interviews were chosen as the research method in this study. Next the several types of

interviews are succinctly examined, being justified why semi-structured interviews were considered the most adequate method to this study.

3.6.5.1 Interviews

Interviews are considered the most important qualitative method (Easterby-Smith et al, 2002), West (1999) pointing out that an interview

seeks information on respondents' actions, reactions, preferences, perceptions and requirements (p.93).

Interviews can be structured, semi-structured or unstructured (Hussey and Hussey, 1997; Saunders et al, 2000; Blaxter, Hughes and Tight, 1996). These vary from a formal verbal interaction with a closed and structured set of questions prepared beforehand (structured interviews), to an open and free exchange of ideas without any prepared questions (unstructured or in-depth interviews). In the middle ground of these two interview types are the semi-structured interviews, chosen for this research.

In semi-structured interviews there is a list of questions developed from prior research to be followed, yet in a flexible way. In this research a checklist guide was designed, (1) aiming to understand how customers perceive the relationship development through DM, (2) covering the main gaps found in the literature on DM and RM, and (3) adding some questions related to the interests of the company TX. In this type of semi-structured interviews the researcher is allowed to change the guide, either eliminating or adding questions, in and across interviews. This proved to be an important feature since many times I added questions, following emerging ideas, thus interviews building upon each other.

The main advantage of semi-structured interviews is the possibility of combining theoretical questions from the literature review done previously, with an open interview approach, where the interviewee has the possibility to speak freely about the research topics, important meanings and insights being given to the research. The disadvantage is that they may be time-consuming, both in the

data collection and analysis (Hussey and Hussey, 1997). This latter aspect was definitely confirmed in this research since both phases, data collection and analysis, were really time-consuming; especially considering that these were made in part-time. Furthermore, the rigour of the seven stages grounded analysis approach of Easterby-Smith et al (2002), used in this study, also "contributed" to the substantial amount of time needed in this process.

Interviews may also be carried out face-to-face, by telephone or by e-mail. Face-to-face interviews allow

answering a respondent's questions; probing; prompting; and the facility to use complex question sequences (Burton, 2000:323).

Thus, in face-to-face interviews the researcher may explore emergent issues, understanding better the answers since there is a direct/physical contact between the researcher and the respondent. Telephone and e-mail interviews may save time, however having the disadvantage of being more superficial, since there is no 'eye-contact', which may lead to some misunderstandings.

In this study, face-to-face semi-structured interviews were used, having in mind that "participants' perceptions, understandings of meanings and interpretations were the most important" (Stroh, 2000:201). From the knowledge of the 30 interviews carried out, I consider that being face-to-face, the majority of the interviewees relaxed more, which contributed to an open and friendly atmosphere, where they felt comfortable to speak freely about their perceptions, experiences and opinions. The main purpose of these interviews was to generate theory, filling in the gaps found in the literature review, enlightening how training directors and participants establish, maintain and enhance a relationship with a training company through DM in a business context, within a qualitative approach on their (customers) perceptions.

Having justified the choices of applied research, the phenomenological paradigm, a qualitative and inductive approach, and the use of semi-structured interviews, next it will be explained how these interviews were implemented.

3.7 Implementation of Interviews

In this section it will be described the process of the semi-structured interviews' implementation (see Figure 5). First the pilot study conducted in this research will be briefly presented. Afterwards, the main data collection will be examined, namely the interviews' sample, how access to the interviewees' companies was achieved, the interview checklist guide, and finally aspects such as interviews' timing, duration, place and transcriptions.

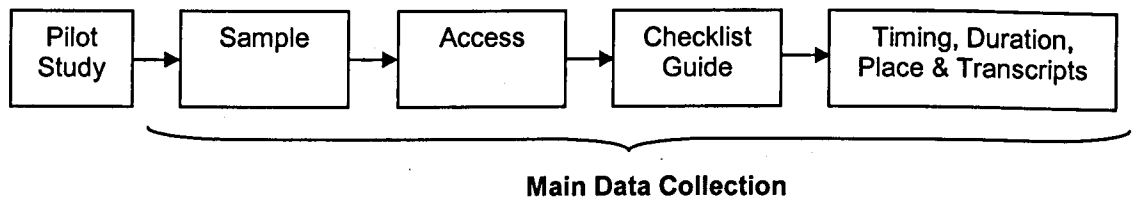
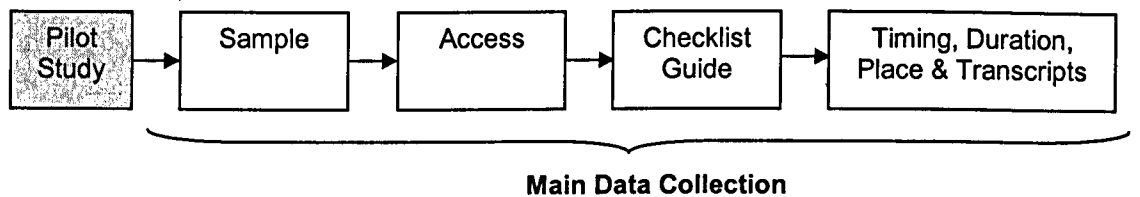


Figure 5: Implementation of Interviews

3.7.1 Pilot Study



It is generally recognised that a pilot-test of the chosen research method should be made, in order to identify possible problems and to correct them before the major study starts (Oliver, 2004; Easterby-Smith et al, 2002; Clough and Nutbrown; 2002; Stroh, 2000; Blaxter et al, 1996).

3.7.1.1 Aim

An interview checklist guide was designed based mostly in the literature review and on the main gaps found on the link DM/RM; and also having in mind the professional interest of TX.

The pilot study's main aim was testing this checklist guide developed to this research, identifying possible problems in order to correct/improve it before the main data collection.

It was important thus to verify if interviewees understood the questions, if they were correctly formed, their sequence/order, how long each interview lasted, and any possible limitation (Oliver, 2004; Clough and Nutbrown, 2002). Moreover, I wanted to "check" my interview skills, seeing this pilot study as a way to improve them, gaining more confidence to the main data collection. This checklist guide is presented in a later section.

3.7.1.2 Sample

The pilot study's sample (as all the samples of this research) was taken from the database of TX. This database, at the time (June 2004), had around 230,000 entries (60% Portuguese and 40% International), distributed into 59 sections, each of them divided in several sectors (varying between 2 and 171 sectors). Each entry has information about: the name of the company, name of the person, her/his position in the company, post address, e-mail address (in many cases), country, and the corresponding sector(s). As examples, a customer may be in one or in several sectors: in a sector as a participant in the courses A and B; as requesting information about the course C; as a buyer of the proceedings of a national meeting; as an author of a paper in a conference; or in some cases in all these sectors; and so on.

Three pilot interviews were conducted. A convenience sample was used since it is considered appropriate to pilot studies and to get a feeling of the issues involved (Robson, 1997). In this type of sample, the cases are selected based on their availability for the study (Burton, 2000). The database sector chosen being the one on the "training directors of the companies in which TX carried out in-house training" (in Portugal).

3.7.1.3 Interviewees

The convenience sample consisted of different types of training directors. The first interviewee was a current in-house training customer of TX, with several courses already organised, the second interviewee only carried out one in-house training course given by the company, and the third interviewee had made two in-house training courses, yet being used to attend, sending employees, to external training organised by TX.

Regarding the knowledge I had with the interviewees, I knew personally the first one, since some professional meetings to arrange/organise the in-house courses were done; this is an Association with which TX works regularly for several years. I did not have any kind of previous contact with the second interviewee since past training arrangements were made with the director of TX. Concerning the third training director, I had had only an e-mail contact with her on an information request; the in-house training carried out was arranged between the previous training director and me.

3.7.1.4 Access

The first contact was made by e-mail and only the third case needed to be followed-up by telephone. The first two cases quickly accepted the interview by e-mail. The third one was accepted by telephone since the interviewee did not understand well the research topic, having some doubts about it; when clarified she promptly agreed in arranging the interview.

It is important to mention that these three pilot interviews were much easier to arrange than expected. In two weeks the three interviews were arranged and carried out, which was quite exciting. Unfortunately, in the main data collection, access was much more time-consuming to obtain, which will be discussed later in the chapter.

3.7.1.5 Reflection – Changes Made

As a result of the pilot study, a few questions needed to be refined, a few others were cut and others were added. Also, some questions changed in their order.

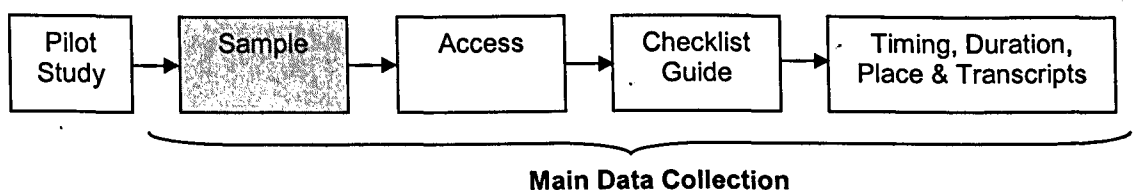
An important alteration made in the checklist guide was regarding the use of projective techniques in one of the last questions. Initially it was intended to employ this method, the aim being to explore interviewees' preferences in DM leaflets colours. After the pilot study, it was realised that this was neither relevant nor consistent with the research question, aim and objectives of this study. Thus, that question was eliminated, projective techniques not being used.

I consider that the real advantage of the pilot study was in giving me a strong confidence in the interview checklist guide. After the pilot study I felt that this was more robust, solid and coherent, having the feeling of “this is really what I want to do now!”. This was the reason why I decided not to incorporate these 3 pilot interviews in the data analysis. Although important, they sounded like “different research”. Moreover, I had the security of having enough data from the 30 interviews conducted in the main data collection; this will be developed further in the analysis section, when discussing theoretical saturation.

Another very positive aspect of the pilot study was to test my interview skills. A couple of limitations were found out such as some interruptions and laughs, which would be unnecessary. This was related to the enthusiasm of doing the first research interviews. This pilot study was hence very helpful to gain some experience in interviewing, allowing me to improve in some points in the main data collection, namely in “truly” listen to the interviewees, being more calm, and/or to follow some necessary paths. Thus, I was ready to proceed to the main data collection.

3.7.2 Main Data Collection

3.7.2.1 Sample



In every research project, either qualitative or quantitative, it is necessary to select a sample with which the study will be carried out. Sampling is concerned with the “segment of the population that is selected for investigation” (Bryman and Bell, 2003:93). There are two major types of sampling: the probability and the non-probability sample (Saunders et al, 2000).

In the probability or representative sample, the probability of being selected is the same to the whole population, being necessary to have a complete

sampling frame (complete list of all the cases in the population) to use it. In contrast, in the non-probability or judgemental sample, the probability of being selected is not known, since it is not representative, not being necessary to have a sampling frame to use it. The former is more adequate when research questions and objectives need to estimate statistically characteristics of the population; the latter being more suitable when research questions and objectives do not require such generalisations, being more related to explore in-depth a smaller sample (Saunders et al, 2000). Therefore, there is a relationship between probability sample and positivism, and another between the non-probability sample and phenomenology (Oliver, 2004).

Since this research is qualitative and considering that the company TX database, from which the samples were taken out, does not have a complete sampling frame, the focus was necessarily on non-probability sampling (see Figure 6).

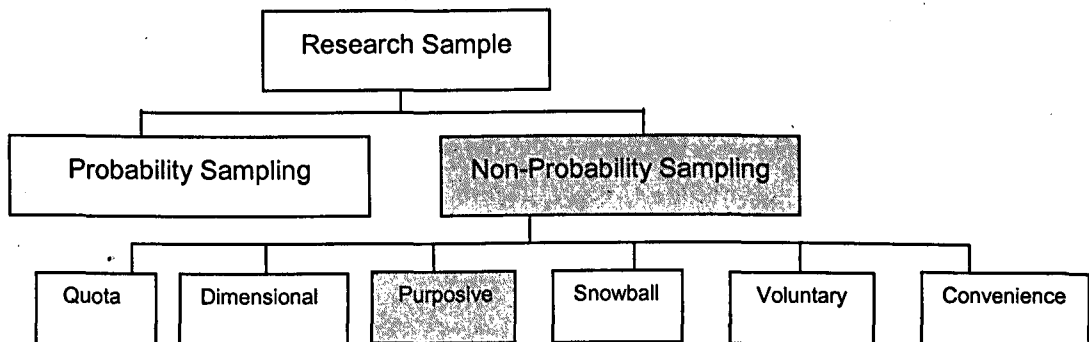


Figure 6: Research Sample (Blaxter et al, 1996), adapted from De Wulf (1999)

The convenience sample type was chosen to the pilot study (as stated before), while the purposive sample was considered the most suitable to the main data collection of this research.

Blaxter et al (1996) defined the purposeful sample as “hand-picking supposedly typical or interesting cases” (p.79). As the name suggests, the “purposive” sampling enables the researcher to use his own judgement to select the sample cases which will best address the research “purposes”, namely the research question, aims and objectives (Saunders et al, 2000). This sample type is small,

not representative and commonly used by grounded theorists (Goulding, 2005; Oliver, 2004; Robson, 1997).

Saunders et al (2000) argued that one of the common strategies in purposeful samples is to choose *homogeneous* sampling, observing that this

focuses on one particular sub-group in which all the sample members are similar. This enables you to study the group in great depth (p.174).

Having in mind the research question, aim and objectives, a homogeneous purposive sample was considered the most suitable to this study. The whole sample consisted of "training customers". It was considered that these customers would be the most adequate to enlighten the lack of knowledge on the processes behind the relationship development through DM. Therefore, twenty-four (24) training directors and six (6) training participants of several companies in Portugal were interviewed. The data collection phases and samples are presented in Table 13.

Phase	Method	Sample	Interviewees	Main Aim
Pilot	Semi-structured Interviews	Convenience: 3	Training Directors/Responsible (In-House Training)	How do training customers - training directors and participants - develop a relationship with a training company through DM in a BTB context?
1	Semi-structured Interviews	All population: 13	Training Directors/ Responsible (In-House Training)	
2	Semi-structured Interviews	Purposeful 6	Training Directors/ Responsible (Potential In-House or External Training)	
3	Semi-structured Interviews	Purposeful 6	Training Directors/ Responsible (External Training)	
4	Semi-structured Interviews	Purposeful 6	Training Participants (External Training)	

Table 13: Data Collection Samples

This way, using purposeful samples, I picked the cases, training directors and participants, which I considered to be able to “best” address the “purposes” of this research, giving answer to my research question, aim and objectives (Goulding, 2005; Oliver, 2004; Saunders et al, 2000; Robson, 1997)

It is important to notice that the sample of the twenty-four (24) training directors consisted of three phases, from different database sectors:

(1) thirteen were *all* the “training directors of companies in which TX carried out in-house training”. Yet one of them never accepted or rejected the interview, always delaying it, only *twelve* interviews being made in this phase.

As a curiosity in this sample, the 8th interviewee (training director) stated that she would prefer to do the interview accompanied by the Human Resources Manager. The reason was that this interviewee was in the company just for a few years and would feel more confident in going with the HRM, who she considered to have more experience in the interview topic. This was accepted, and it was interesting to observe that she was able to answer all the questions, with the research advantage of having several extra useful insights also from the HRM.

(2) six were training directors of companies used to receive DM from TX, either promoting in-house or external training, who already manifested interest in some activities (for example asking information or a commercial proposal of some course) yet never attended any kind of training organised by TX; the database sector called “training directors information requests - potentials”. In this sample, one of the contacted persons never replied to the e-mail requesting the interview (or to the follow-up e-mail), being replaced by another entry from the same sector.

(3) the other six were “training directors from companies who attended external training” organised by TX. There was one case in this sample replying that he

could not accept the interview as he was too busy. Similarly, an interview request was made to another person from the same database sector.

(4) finally, the sample of the six "training participants" included people, not training directors, who attended external training carried out by TX. The sample included participants from three database sectors: "participants in a course of Maintenance Management and Organization", "participants in a course of Saving Energy in Companies", and "participants in a course of Time Management". These three courses were chosen since they are some of the most successful courses of TX. In this sample, there were two people who never replied. It was later discovered that their e-mails addresses were no longer active. Replacements were again made.

Mixing several types of training directors, both customers from TX and not, with training participants was considered to be a good/strong combination to understand how these customers establish, maintain and enhance a relationship with a training company through DM. Furthermore, it was important to understand if there would be differences among these samples. Training directors had obviously a different kind of "power" in training than the training participants in their companies. Yet, it was also interesting to interview people less experienced in the training decisions of their companies. Nevertheless in the findings chapters it will be seen that there were almost no differences among these four types of samples. The fact is that interviewees were a *purposeful homogeneous* sample (Saunders et al, 2000) of a group of "training customers", with similar perceptions, experiences and decision processes regarding the relationship development with a training company through DM in a business setting. I consider that the great majority of the interviewed training directors and participants were well chosen, "fitting" into the research "purposes", with rich meanings, insights, experiences, and mind processes emerging from them. Therefore, this type of purposeful sample was definitely appropriate to this study, following the argument of Oliver (2004), who stated that

the purposive sampling process may seek to identify people who, because of their experience or contacts, have special insights into the research question (p.129)

These interviewees were chosen since they were all training customers (training directors and participants), being considered the most likely, through their job experiences, to enlighten the process on how they develop a relationship with a training company through DM. Thus, this type of purposeful sample is ideal for research projects where the sample cases are chosen reflecting the researcher's own judgement in selecting the best cases to address the research aims (Saunders et al, 2000; Blaxter et al, 1996).

It is important to notice that other aspects contributed to this purposeful sample selection, namely how well-established the company was and the geographic location. There was an effort to select interviewees from companies with a good image in the market. Sometimes, from the companies' names I knew that some of them (especially large companies) were quite "training-oriented", for example some cases of companies attending regularly the training activities of TX. Yet, it is important to state that some other cases were also "purposefully" chosen considering that they never attended the training of TX; namely to see if there were differences among samples. Moreover, there was also an effort to interview customers from the North, Centre and South of Portugal, particularly having in mind that the training organised by TX is attended by people/companies from all over the country. However, geographical convenience reasons also had to be considered in the sample selection since I was working in the company based in Porto, North of Portugal. Thus, 20 interviews were conducted in the North area, 5 in the Centre and the other 5 in the South of Portugal.

3.7.2.1.1 Interviewees

All the interviewees work directly with training in their jobs therefore seeing training as a top priority subject. Regarding training directors, the responsibility is obviously stronger since decisions/budgets need to be justified, aims to be achieved, many forms to be filled in, and positive results created to their companies. In many cases, especially in large companies, these training

directors were responsible for the training of hundreds or thousands of employees (in a couple of cases the interviewees were in charge of the training of 4,000 people, which may be considered a "huge" task). Regarding training participants, these do not have the responsibility of the companies' training decisions and budgets, having to ask permission to their training directors in order to attend some training activity, or they might go paying themselves. However, it was interesting to find out that some of the training participants also had some responsibility in organising training to other employees. When sampled, the only aspect known was if interviewees were training directors or participants since they were in different sectors of the database.

It is important to notice that the interviewees' sample has different company dimensions and training experience. However, this information was only obtained during the data collection, since the database only has the name of the company and of the person, his/her position in the company, the e-mail and post addresses, and the corresponding sector(s) in the database. Nevertheless, in the selection, sometimes it was easy to detect if it was a large company just by its name. Small and medium sized companies are logically more difficult to detect since they are not so known in the market.

These categorisations in the interviewees' sample, namely training customers' type, training experience, and company's dimension, are presented next.

Training Customers' Type:

In this research, there are two types of training customers:

TDR - Training Directors / Responsible (24 out of 30 interviewees): training directors, HRM, directors, administrators, marketing directors and every interviewee with responsibility of training organisation in their companies (either in-house or external training). Several of them also attend training as participants.

TP - Training Participants (6 out of 30 interviewees): participants in external training activities. A few of them also have some responsibility in organising training for other employees (either in-house or external training).

Dimension:

The dimension of the companies in Portugal is divided in the following way (Decree of Law number 372/2007, of the 6th of November 2007 - www.iapmei.pt):

S - Small company: 1 to 49 employees (8 interviewees)

M - Medium company: 50 to 249 employees (8 interviewees)

L - Large company: more than 250 employees (14 interviewees)

Training Experience:

Training customers have different types of training experience:

L - Low training experience: interviewees who rarely organise and participate in training decisions of the company (1 interviewee)

A - Average training experience: interviewees who many times organise and participate in training decisions of the company (8 interviewees)

H - High training experience: interviewees who always organise and participate in training decisions of the company. Usually they are the main or the only responsible for all the training of their companies (21 interviewees)

These interviewees' categories are summarised in Table 14.

Phase/ Sample	Companies' Dimension				Training Experience			
	Small	Medium	Large	Total	Low	Average	High	Total
1 (TDR)	3	3	6	12	1	2	9	12
2 (TDR)	2	2	2	6	0	2	4	6
3 (TDR)	2	1	3	6	0	2	4	6
4 (TP)	1	2	3	6	0	2	4	6
TOTAL	8	8	14	30	1	8	21	30

Table 14: Interviewees' Details

Thus, every time an interviewee will be mentioned, or quoted, it is identified in three ways: customer type (TDR/TP), dimension of the company (S/M/L) and training experience (L/A/H). As an example a *training director*, from a *medium* company with a *high* training experience will be designated, after her/his name, by TDR/M/H.

More complete information on interviewees, namely their sectors of activity, company's dimension, professional experience, training experience and qualifications is presented in Appendix 1.

This way, 30 semi-structured interviews with training customers, training directors and participants, were carried out. This sample size will be developed in the next section.

3.7.2.1.2 Sample Size

After choosing the type of sample to be used it is necessary to find out the "right" sample size. Several authors pointed out that this choice of the sample size is ambiguous, complex and sometimes a problem to researchers (Easterby-Smith et al, 2002; Perry, 2001; Saunders et al, 2000; West, 1999; and Hussey and Hussey, 1997). Bock and Sergeant (2002) considered that "qualitative research is that it typically involves small samples" (p.236), being concerned with meanings rather than in numbers. Thus, non-probability samples, and qualitative studies, require a small sample, since this is explored in detail, in an in-depth way (Oliver, 2004; Blaxter et al, 1996).

Stroh (2000) recommended that when using qualitative interviews, the sample size should be between 30 and 40. Following the same idea, Carson, Gilmore, Perry and Gronhaug (2001) pointed out that

our experience and anecdotal evidence suggest that 30 or so interviews are required to provide a credible picture in a reasonably sized research project (p.104).

Thus, it seems that around 30 may be a "suitable" sample size for qualitative interviews. However, Perry (2001) and Saunders et al (2000) stressed that

knowledge will be deeper through the researcher data collection and analysis skills than through the sample size, the quality of the data being obviously much more important than the quantity.

In this study 30 semi-structured interviews were carried out. It is important to note that around the 20th interview analysed theoretical saturation started to be clear, no more different codes/themes emerging. According to Gummesson (2005) qualitative studies are

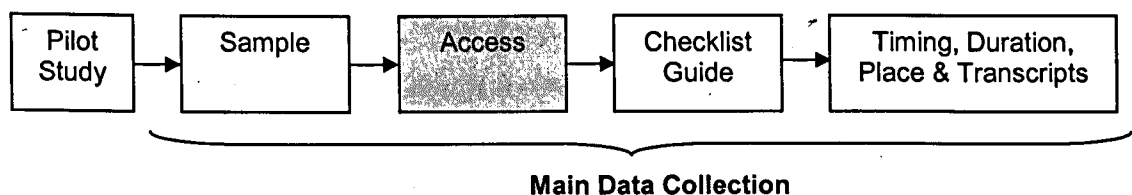
guided by saturation, the point where no or little new information is added (p.322).

Yet, the 30 interviews were carried out also as a way to strengthening and solidifying the themes, codes and ideas emerged before. This will be explored further in the grounded theory analysis section.

This way, a sample of 30 semi-structured interviews was considered adequate, generating theory, giving answer to the research question, aim and objectives of this research; finding being discussed in the next two chapters.

How access to interviewees was obtained will be discussed now.

3.7.2.2 Access



This section is concerned with how access to interviewees and their companies was achieved. Moreover some ethical considerations are examined.

Since all the interviewees were “busy people”, the first contact, requesting the interview, was made by e-mail. This followed the idea of the pilot study, in which I found that interviewees preferred this type of approach, since it does not make so much pressure as a telephone contact. It seems that with an e-mail contact people are more comfortable to say “no” if they are not interested in giving

access to the research project. Anyway, in many cases, telephone calls had to be made to follow-up these initial e-mails requests.

I sent the first emails (from the first sample) requesting the interviews in November 2004 (see Appendix 2). When the interview was arranged, a few days before its date, a confirmatory e-mail was sent to each interviewee (see Appendix 3).

The 30 interviews were carried out between November 2004 and November 2005 (it seems relevant to mention again that this research was carried out on a part-time basis). It was a very time-consuming process, in many cases with several follow-up e-mails and telephone calls until the interview was accepted. Yet it is important to notice that in the four sample phases only 5 interviewees (in total) did not accept the interview request, either being always delaying it (1 case), not replying (1 case), being too busy (1 case), or due to the e-mail address not existing (2 cases). Thus, other people from the corresponding database sectors sampled were chosen to replace these cases (Blaxter et al, 1996). Thus, it seems positive that around 83% of the original interviewees' sample accepted the interview, balancing the negative side of some of them delaying it for months. I consider that this positive answer existed due to a combination of factors:

- using existing contacts. Since applied research is employed, TX sponsoring this research, I had full access to the company's database. The possibility of using existing contacts was really helpful in order to gain access to the interviewees (Saunders et al, 2000; Blaxter et al, 1996). This positive response supports the argument of Easterby-Smith et al (2002) who pointed out that within part-time research programmes there are "many students carrying out research into aspects of their own organizations. This has several advantages since they generally will not have problems with access and they also may have experience of the issues they are investigating."(p.61).

- the credibility of the research was assured through the academic nature of the research combined with the source being a known company to interviewees. Thus, the interview request was made from a person working in a training company known to the interviewees, furthermore being a part-time PhD student in an English University, which in Portugal is viewed with respect. Having in mind the professional context of the research, I had some previous professional contacts with around 1/3 of the interviewees. From all the (30) interviewees sampled, I had met personally, mainly in meetings arranging training, 4 of them. Also, some professional e-mails were exchanged with some interviewees (for example who asked TX an in-house training proposal or some information about a specific course).
- the sample being people with autonomy inside their companies, since it was possible to arrange the interview for the time interviewees wished. Easterby-Smith et al (2002) observed that one of the biggest problems in gaining access to organisations is that many are highly controlled and structured, which was not felt in this sample. However, the interviewees were very busy people, and in that way it was also quite difficult to arrange the interviews.
- the topic being relevant to interviewees since they work directly with it. This follows the argument of Saunders et al (2000) who argued that "the combination of genuine interest in the topic and relatively easy access to organisational participants should help toward the production of good-quality and useful piece of work" (p.120).
- the research results were offered, which was considered an important incentive for interviewees to participate since this research has direct relevance for them (Saunders et al, 2000 and Blaxter et al, 1996). It was noticeable that most of the interviewees were very keen in receiving the research results. A report with key findings, mainly with the research practical implications, will be made in the end of the study and sent to all the interviewees.

- the interviewees were persons visibly curious and open to new perspectives, which may result from the strong responsibility they have in their jobs. It was my feeling that most of the interviewees were keen in helping others, especially in a project they respect and are interested in. This supports the argument of Easterby-Smith et al (2002) who pointed out that there are "a few enlightened sponsors who are sufficiently curious about the world in which they work to support research for its own sake" (p.73). I would even suggest that people, specifically in this sample, not only wanted to help but they had a sense of "obligation" in doing that. Thus, even being difficult to arrange the interviews, mainly due to time constraints, I always sensed that interviewees were interested in the topic, wanted to do the interview and to give their contributions to this research. In fact, it is not everyday that these people have this type of opportunity of sharing their feelings about a topic directly related to their jobs. That was the reason why I never quit to follow-up them, even the most "difficult" cases, until the interview was finally arranged.
- The interview request made by e-mail was a positive choice in order to obtain access. This way, it creates little time pressure, which is a problem that these kind of "busy" directors have. Curiously, some of the interviewees mentioned this point, when asked how they preferred to be contacted through DM, some answering making a parallel with the interview request, considering that the e-mail is the best way. Almost all of them find telephone contacts as a first contact inconvenient and annoying.

Finally, and out of curiosity, it is also funny to remember a common phrase I used sometimes in the follow-up calls, to "encourage" the persons sampled to accept the interview, saying something like

you know, if I don't have data, I'll have nothing to analyse. That's why I would be so grateful if you could accept it... And in the end the research results will be offered!

I think that this type of appeal was also seen as friendly and motivating interviewees to give access to the research project, accepting the interview request.

3.7.2.2.1 Ethics

Ethical issues were another aspect carefully considered in this research. It is important to behave appropriately with interviewees, respecting their rights, since they are the main object of the research. (Saunders et al, 2000). Confidentiality and anonymity were assured to every interviewee (Oliver, 2004; Bryman and Bell, 2003; Saunders et al, 2000; Blaxter et al, 1996). Interviewees were hence told that interviews were anonymous and that their names would be replaced by others (fictional). Moreover, it was told that transcriptions would be made by a specialised company, who also assured the confidentiality of the same.

The principle of informed consent was followed, in which researchers have

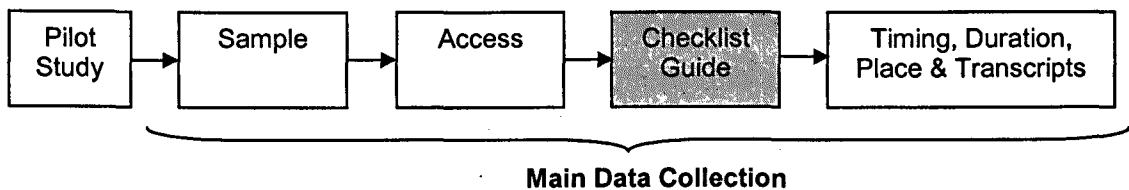
the obligation to ensure that before respondents agree to take part in the research, they are made fully aware of the nature of the research and of their role within it (Oliver, 2004:136)

Thus, information about the key research points was given to interviewees in the first e-mail requesting access to the interview, in the follow-up telephone calls and/or e-mails, in the interview confirmatory e-mail, and then again in the beginning of each interview (see Appendix 2 and 3).

Finally, in the interviews there was an attempt to make interviewees feel at ease and with some control over the interview (Oliver, 2004). This control was given explaining briefly, before the interview started, the four parts of the checklist guide to be covered. It was also mentioned that they could say anything they wanted, giving the semi-structured nature of the interviews. Since the interviews were going to be taped, at this time I tried to make a joke like "don't worry, it's only me who will listen to this! (smile)" (even if they knew that the interview would be transcribed from a specialised company). This provided most of the times, a moment of relaxation. Moreover, the recorder

was put in the desk (or table) near the interviewees, and it was explained how to pause or stop it. Nevertheless, my perception was that the most important aspect to make interviewees feel comfortable was to show them the structure of the checklist guide before the interview started. I think they considered that it would be "easy"!

3.7.2.3 Interview Checklist Guide (ICG)



Semi-structured interviews usually involve a list of questions and topics to follow (Bryman and Bell, 2003). Thus an interview checklist guide (ICG) was used, which was tested and carefully refined in the pilot study of this research. Strohm (2000) emphasised that the confidence that the interviewer has in the interview protocol guide dictates the success of the interview. In fact, the pilot study proved to be very helpful in order to test, and improve considerably, both the ICG and my interview style, confidence being enhanced to the main data collection.

The ICG covered the main research topics and gaps found in the literature review, in an attempt to define the key research areas. Also, some questions were added considering the professional interest of TX. Nevertheless, the argument of Clough and Nutbrown (2002) was followed in the sense of the "schedule *guided* the interview but did not *dictate* the path" (p.105). Therefore, an open mind was kept, letting data emerge "without preconceived ideas" (Gummesson, 2005:322). Considering the flexibility of grounded theory, several questions were added according to the interview context, making all the interviews different. Nevertheless, it is important to notice that using semi-structured interviews, questions may not have followed exactly the schedule, but were usually asked with a similar wording (Bryman and Bell, 2003).

Some hints are provided in order to develop an ICG. Since both the interviewer and the interviewee might be nervous in the beginning of the interview, the first question should be a general one, encouraging the respondent to give free feelings/thoughts about it (Perry, 2001); the last question should also be prepared in order to give a sense of "closure" to the interview (Stroh, 2000). Perry's idea was confirmed since the first questions on the interviewees' general work experience helped to create a more relaxed atmosphere. Generally, interviewees liked to talk about their jobs, what they do, sometimes being needed to "interrupt" them, giving focus to the interview research topic. In fact it must be highlighted that some important and quite unexpected findings came out precisely from the first group of "relaxing/general questions".

As stated already, before the interview started, it was told and shown to each interviewee that the ICG was divided in 4 parts (Respondent's Job, DM, RM and Training). Furthermore, it was mentioned that the interview would last around one hour, that it was going to be recorded, and then transcribed by a specialised company, confidentiality and anonymity being once more assured. It was noticeable that these aspects gave interviewees some control over the interview.

The key aim of this checklist guide was thus to explore the process on how these training customers, training directors and participants, develop a relationship with a training company through DM in a business setting; namely in its three phases of establishment, maintenance and enhancement (Gronroos, 1990). The ICG questions came therefore from:

- the literature review both in DM and in RM;
- the gaps found in the literature review in the link between DM and RM;
- the professional interest of the training company where I work.

The following ICG was followed in all the 30 interviews.

3.7.2.3.1 ICG - Questions

Introduction (Before turning on the record)

- Introduce myself
- I would like to start by thanking you so much for taking the time to help me with my research
- Our conversation will last approximately one hour and this is the list of questions to be covered – explain, showing quickly, how the ICG is divided in 4 parts
- As I mentioned in the previous contact, this research is aimed at understanding the link between DM and RM in the training sector - I would be really grateful if you could help me with your knowledge and experience in this context
- I will tape our conversation so I don't have to make notes. Then, transcripts will be made by a specialised company and will be used only to this research
- Our conversation and then the transcripts are completely confidential and I assure your anonymity.
- I will send you a report with the main research findings as soon as I conclude my project

- Do you have any questions before we begin?

Respondent's Job (Try to be brief)

I would like to begin by asking a few questions about your activity:

- What is the sector and the activity of your company?
- What is the size of your company?
- What is your job in this company?
- How long have you been in the present position?
- How many years of experience do you have in the training activity?
- What are your qualifications?

Direct Marketing - DM

I would like to discuss now your opinions about DM:

- To your knowledge what is DM?

For the purpose of our discussion - Give these definitions in one card - DM is defined as

a system of marketing by which organisations communicate directly with target customers to generate a response or *transaction* (Belch and Belch, 2001)

or as

directed at establishing and maintaining a long term, structural, direct *relationships* between a supplier and his customers within a certain product market combination.(Raaijmakers, Hoekstra, Leeflang and Wedel, 1992).

- What is, in your opinion, the definition more correct? Do you think that that definition corresponds to the DM approach that is made to you?
- Do you receive DM? In which ways?
- Do you like to receive DM? What do you find positive in DM?
- What do you not like in receiving DM? What do you find negative in DM?
- When you are interested or not interested in receiving DM from a certain company, do you say it to that company?
- How do you prefer to be contacted?
- When do you prefer to be contacted?
- Do you open/read the DM that you receive from training companies?
- Do you use DM as a client of training companies? How and why?
- Do you think that the DM that you receive from training companies is relevant for you?
- Is it different for you to receive DM which is personalised or not? Personalisation can change your response behaviour?
- Do you receive/reply to follow-up DM? For example, inquiries from training companies asking you to share data about your needs/interests? Why?

Relationship Marketing - RM

I would like to discuss now your opinions about RM:

- To your knowledge what is RM?

For the purpose of our discussion - Give this definition in one card - RM is defined as

to establish, maintain and enhance long-term relationships at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of promises (Gronroos,1990).

- According to this definition, do you think that training companies try to develop a relationship with you? How?
- *Do you think that DM can help training companies to develop a relationship with you? How?*
- How do you make the decision process in order to *establish* a relationship with a training company?

- What are the most important things for you in order to *repeat* the service/attendance to the same training company – both to *maintain* and *enhance* that relationship?
- What kind of relationship would you like to have with a training company?

Training

I would like to discuss now your experience on training:

- Within your organisation what level of priority is given to training? Has this changed in recent years?
- How do you make the training diagnosis?
- What kind of information do you like/need to know about a training programme? Is this information available?
- Do you prefer in-house or external training? Why?
- Can you find the training that you need?
- What is your organisation's involvement with training companies?
- Would you prefer to communicate better your training needs. If yes, how?

Conclusion

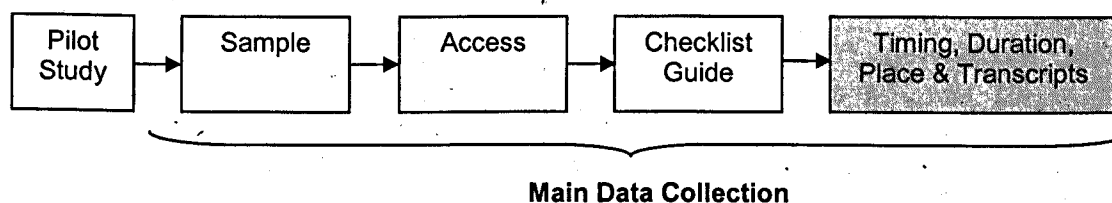
Finally, my last question:

- If you were the director of a training company what would be your strategy to promote training effectively, in order to develop a relationship with your customers?

Thank you very much indeed for your participation in my research project. As soon as I conclude it, I will send you a report with the main findings!

Next some other aspects of the interviews will be discussed such as timing, duration, place and transcripts.

3.7.2.4 Timing, Duration, Place and Transcripts



The data collection, consisting of 30 semi-structured interviews, was made between November 2004 and November 2005, in Portugal, and in Portuguese. Only one interview was made in English since this training director is Dutch.

Twenty-three interviews were carried out in the interviewees' companies. Three cases were conducted in a shopping centre in Porto (city in the North of Portugal, where TX is located) due to convenience reasons for the interviewees. Three other interviews were made during some training activities, namely during two national meetings, two of them in Porto, another in Lisbon. This was an attempt of interviewees saving some time, combining two tasks, attending the meeting and doing the interview in a break. These three interviews were probably the most relaxed ones, also quite fruitful, since the atmosphere (national meetings) was really "matching" the research context of training. Finally, one interview was made at lunch time, in a restaurant, due to the interviewee be extremely busy; this case was a bit strange (or funny) to remember since the restaurant was quite noisy, the interviewee seeming in a hurry, eating and speaking at same time very fast.

The interviews' duration varied between 45 minutes and two hours. However, the majority lasted around one hour and fifteen minutes.

The interviews were taped and then transcribed; permission given by the interviewees. According to Stroh (2000)

tape-recorded interviews, it is suggested, provide a far more reliable record of the interview than note taking (p.209).

Moreover, taping the interview allowed to pay more attention to the interview and to focus on the interviewees' answers (Bryman and Bell, 2003; Blaxter et al, 1996). As stated before, in order to assure that the interviewees were comfortable, the recorder was given into their control, giving them the possibility of turning it on and off. In fact I must say that, in general, both training directors and participants were friendly and mostly willing to help as much as they could with their experiences, opinions and perceptions on the research subject. I had

the strong impression that most of the interviewees seem to like to talk about a topic related to their jobs, since it is quite relevant to them; also being a break in their job activities.

Afterwards, transcripts were made by a specialised company, where anonymity was obviously assured. Clough and Nutbrown (2002) estimated that a forty-five minutes tape may take seven hours to transcribe. Considering the immense amount of time needed in this transcribing process, and having in mind that this research was made part-time, it was considered absolutely necessary to ask a specialised company to do this service. The 30 interviews produced 1,182 pages of transcriptions (varying from 19 pages to 82, the average being 40 pages per interview; yet these were made with spaces between questions and answers). As a positive note, transcriptions were literally what it was on the tape, with a few words errors and some spaces in some parts, which were amended in the analysis process (while listening to the tapes in the first stage of the grounded analysis approach of Easterby-Smith et al, 2002). As a negative aspect was the cost associated with these transcriptions, which was expensive. However, this cost was considered to be worthwhile considering the time saved in this time-consuming process.

Finally, translations of the relevant data were cautiously made throughout the data analysis. Thus, the transcripts were made in Portuguese, and the thinking process being made in a mix of both languages, Portuguese and English. Important pieces of data, mainly interviewees' quotes needed to the chapters' writing, were carefully translated into English.

The analysis approach used in all these interviews transcripts will be discussed next.

3.8 Analysis Approach – Grounded Theory (GT)

GT was chosen as the most suitable analysis approach having in mind that the key aim of this study is to explore perceptions, feelings, insights, processes and experiences that interviewees give to the research topic. More specifically, to enlighten the lack of knowledge on the relationship development through DM, in

a business context, within the customers' views. Thus, the nature of this research seems to call for this type of analysis, "grounded on customers' data". This choice follows the argument of Goulding (1999) who claimed that GT is

a methodology that has been used to generate theory where little is already known, or to provide a fresh slant on existing knowledge (p.867)

Since this research aims to explore interpretations and meanings of an under-researched topic, specifically the link between DM and RM, GT was hence chosen (Stroh, 2000). Also, GT is considered especially adequate and efficient to analyse qualitative data (Glaser and Strauss, 1967:18).

It is relevant to discuss briefly the origin of this important analysis theory. The originators of GT were Glaser and Strauss (1967), with their often quoted book "The Discovery of Grounded Theory". The authors defined GT as "the discovery of theory from data" (p.1), its main aim being to generate theory grounded on data based in experiences, insights, behaviours, and actions. Nevertheless, there was a split between these two authors, two types of GT appearing: the method of Strauss and Corbin (1990, 1998) and the one by Glaser (1992).

Basically, Strauss and Corbin (1990, 1998) considered that researchers should start the data analysis having knowledge on the existent literature topic, suggesting some procedures to make sense of the collected data; while Glaser (1992) claimed that research should start without any pre-ideas from the literature, defining GT as a methodology of analysis aimed to "generate an inductive theory about a substantive area" (p.16). It can be argued that both authors defended that *theory should be generated from data*, yet Glaser (1992) advocated a "more pure" GT, totally inductive, without any kind of pre-suppositions or procedures, theory appearing almost without human intervention (Easterby-Smith et al, 2002). In contrast, Strauss and Corbin (1998) considered that GT may be based on a sequence of procedures, such as coding and categorization of data, in order to create theory. Nonetheless, the authors stated that these procedures were made not to be strictly followed but to be used with flexibility in the way researchers wish, and claiming that GT

offer insight, enhance understanding, and provide a meaningful guide for action (Strauss and Corbin, 1998:12)

In this research the seven stages grounded analysis approach of Easterby-Smith et al (2002) was employed. This rigorous grounded analysis approach "fit" closely in the GT "type" of Strauss and Corbin (1998) since several procedures were followed. Memos, diagrams and tables based in Miles and Huberman (1994) were used complementing the analysis process. Moreover, GT allowed making some changes across interviews, some questions being added in certain cases, when it was necessary to follow some "new" paths/ideas.

A sensitive point in GT is the use, or not, of the existing literature in the analysis process. Goulding (2005) argued that there is a misunderstanding, in the sense that many researchers consider that in GT research should start without any theory or literature related to the topic under study and "wait for the theory to emerge purely from the data (p.296). I must say that before starting the analysis process I thought that this would be probably quite difficult to achieve, when in practice I found that putting theory aside was relatively easy. This may be explained by the fact that so much data, insights and ideas came from interviewees that I was more concerned and even excited about all those emerging data than in having time to think in the previous literature review (the 30 semi-structured interviews generated more than one thousand pages of transcripts). However and following the idea of Goulding (2005) it is also important to mention that the checklist guide followed in the interviews was based in the literature review made previously and in the gaps found on it, therefore it cannot be stated that there was "no literature" in this analysis process. The argument of Saunders et al (2000) seems reasonable, when stating that

grounded theorists do not jump into a subject without a competent level of knowledge about that area. Their research will commence with a clearly defined purpose, even though this may be altered by the nature of the data they collect (Saunders et al, 2000:396).

The aim of GT consists thus in that researchers have a picture of what is going to be studied, through the literature review, yet without any expectation of what is going to “appear”, theory emerging only from the collected data. This follows the idea of Goulding (2005), who stated that GT

involves a delicate balancing act between drawing on prior knowledge while keeping an open mind to new concepts as they emerge from data (p.296)

While analysing the interviews conducted for this research, an open mind was always kept, letting insights emerge. This follows the argument of Elliott (1998) when stating that the intention of using GT is

to avoid simply fitting the data into predetermined ‘holes’ and to seek instead to be creative in interpreting it (p.109)

A similar idea is given by Gummesson (2003) who argued that

those in search of grounded theory have to train themselves to momentarily disregard existing knowledge while breathing in new real world data (p.489)

As already said, I consider that it was easy to keep this open view, findings emerging naturally from data. However, it is not possible to argue that all the previous literature review done (in so many years) was completely forgotten in the analysis process. An analogy of what I made could be that the existing knowledge/literature was put in a “stand-by” or “off” mode, not interfering with the analysis process, letting all the findings emerge (chapters 4 and 5). Only when these were compared with the literature review (in the discussion chapter 6), the “existing knowledge/literature mode” was turned to “on” again.

Goulding (2005) considered that GT is adequate to several areas, interestingly including RM, and arguing that GT

has potential for a number of research directions and contexts that go beyond consumer behaviour, for example, relationship marketing or even the sales situation (p.304)

Besides grounded analysis fitting properly into my research area, namely research question, aim and objectives, it is also consistent with all the methodological positions chosen in this study (see Figure 7).

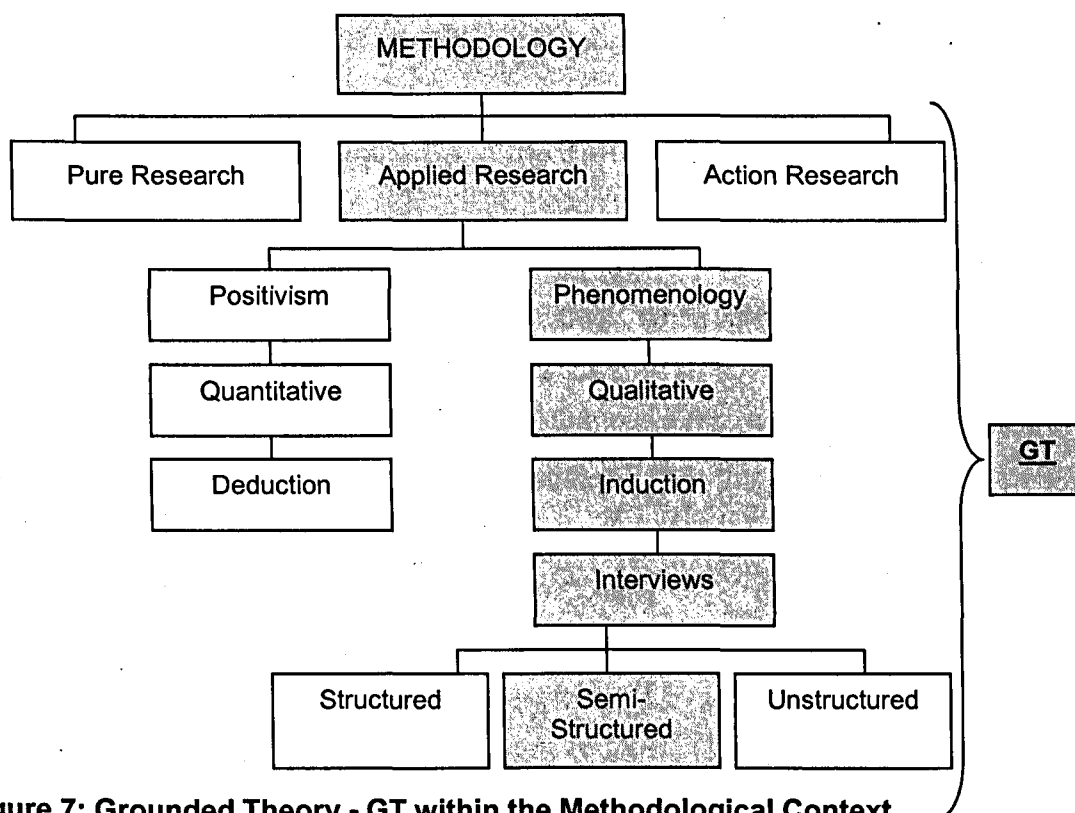


Figure 7: Grounded Theory - GT within the Methodological Context

Having in mind all these arguments on GT, the Easterby-Smith et al (2002) seven stages grounded analysis approach was considered a rigorous and suitable method to this research. The way in which these seven stages were followed in practice was based on Elliott (1998) and is explained now:

1. *Familiarisation with data*: in this first stage transcripts were read while listening to the tapes. The aim was to check carefully if transcripts were correctly made by the company in charge of them. Some word errors were corrected and some spaces filled in. Total confidence on the interviews transcripts was achieved.

2. *Reflection on the interview data*: this stage was done at same time with the first. While reading the transcripts and listening to the tapes, some notes in a

memo were taken, namely about impressions on interviewees' meanings, voice tones, limitations and other general observations (see Appendix 4 – Memo).

3. *Conceptualisation*: many concepts appeared at this stage. All the interviews transcripts were codified, 46 codes being found out (see Appendix 5 – List of Codes). Some pieces of data were in more than one code. Moreover, the most interesting ideas were underlined and the green colour used to emphasise key quotes.

4. *Cataloguing concepts*: at this stage data were grouped by code in the computer (word programme). Since this phase was done “manually” in the computer (copy/paste), not using any qualitative software (for example NVIVO), it was very time-consuming, namely considering that there were 1,182 pages to codify. As a positive note, there was the feeling of knowing very well the data (which was why it was chosen this “manual” way).

5. *Re-coding*: data were re-read and re-grouped by code, cutting some of them and making some changes in codification of some pieces of data. At this stage codes were reduced to 28. In this phase, tables based in Miles and Huberman (1994) were built, with all the codes in the columns, and the interviewees' summarised answers in the rows (see Appendix 6 – Tables “Miles and Huberman” - Reducing Data). GT includes “the ‘constant comparison’ method” (Goulding, 2005:297), which was followed at this stage, comparing the answers of each interviewee by code.

6. *Linking*: several patterns and relationships were found at this stage. The tables done in the previous stage, “reducing data” based in Miles and Huberman (1994) proved to be particularly useful in order to compare interviewees' answers and to have a complete picture of the whole data. This stage lasted for a long time yet being the most exciting one, seeing findings emerge and the research question, aim and objectives being answered (chapter 4). Moreover, with the enthusiasm of seeing other important related research findings emerging (chapter 5).

7. Re-Evaluation: transcripts were read for the last time. Some points of the analysis were improved, some details and quotes being added. Interviews were hence analysed until theoretical saturation was completely sure. This followed the argument of Goulding (2005) who argued that

grounded theory is flexible in terms of data, but insists on theoretical sampling and saturation of both data and theory before theory development can be claimed (p. 304)

At this final stage, 4 main areas emerged distributed by 10 themes (representing four parts in the next two findings chapters). A diagram with these main findings was designed, which was then followed in the data analysis chapters. In fact, it must be stated that this diagram was extremely helpful in facilitating the findings writing (see Appendix 7 – Diagram Key Findings). The substance of this important diagram will be explored both in the findings and discussion chapters.

Overall, this seven stages grounded analysis approach of Easterby-Smith et al (2002) was considered to be very rigorous, structured and well organised. However, it was also extremely time-consuming.

3.8.1 Analysis Example of a Piece of Research

A brief example of what was done, in this analysis process, will be presented now with a piece of an interview transcript (see Table 15). Underlined are the ideas that I considered as most important, therefore being codified, the green colour meaning "important quote".

Me	Do you think that training companies try to <u>develop a relationship</u> with you?
Joseph	That's an interesting question. I think... I don't know if it is possible for companies to do that... the company, organisation with organisation. <u>What I think is possible is that it may happen, having that consequence, let's say... it is the act then... the real training activities.</u>
Me	OK. So do you think that DM can help training companies to develop a relationship with you?
Joseph	<u>It may start.</u> I think it may start, i.e., it can <u>if it's well done</u> , and I think that each time more <u>DM is something that needs to be very thought through, very well prepared... because there are many, many things... It's a common place, it is generalised and now we communicate in too many ways...</u> so there is a need to be creative, technically <u>very well elaborated in order to have that consequence.</u>
Me	Yes...
Joseph	And I think that in that perspective DM <u>helps to create the appetite...</u> not exactly this consequence...
Me	Yes...
Joseph	It can be the <u>beginning, the awakening...</u>
Me	And what about the <u>maintenance of the relationship?</u>
Joseph	But that is <u>already after...</u> it's what I was saying you... <u>only after it happens, the maintenance of the relationship may be... let's say... solidified by DM.</u> I mean, the DM may solidify that, isn't it?
Me	Yes
Joseph	But it is not the DM, the <u>DM is always a means that stimulates... and after makes the recall of all that,</u> isn't it? That makes the solidification of all this.

Table 15: Piece of Research – Analysis Example

In this example, I considered this part of the interview quite interesting in the sense that being my 9th interview, it was when I actually realised that interviewees perceived the relationship maintenance through DM as totally dependent on the past training activity performance. Already in the previous interviews it came out that interviewees generally perceived DM as a good means to “start/begin” a relationship with them, mainly when receiving some relevant/interesting information/offer; moreover DM triggering the realisation of a training need, which could be conscious or not in interviewees' minds. Thus, this idea of DM seen as a means that stimulates the relationship

beginning/establishment was clear. As Joseph says, DM can be the “beginning, the awakening”.

However it started to become clear that the relationship maintenance/enhancement through DM was only considered possible after the “real” training activity had happened, the performance being hence the most important. This way, an emerging finding was the conditional role of DM in the relationship maintenance, DM being efficient in this phase only if associated with positive past training performance perceptions.

Furthermore, in this example, it also emerged the negative DM aspect of being considered excessive. As Joseph observed he received “many, many things”. This was also related to DM being too generalised, which may suggest the need of more personalisation.

Thus, this piece of data was divided in several codes: “link DM/RM”, “establish a relationship”; “maintain/enhance a relationship”; “performance”; “relevance”; “negative/excessive”; and “personalisation” (Appendix 5 – List of Codes). All these answers were also placed in the tables based in Miles and Huberman (1994) (Appendix 6 – Tables “Miles and Huberman”). Furthermore, some notes about impressions/meanings were written down in a memo, for example relating “the real training activities” to the code “performance”, and emphasising this idea of DM having a conditional role in the relationship maintenance, being dependent on the past training “performance” perceptions (Appendix 4 - Memo). When all the interviews were analysed, a diagram with key findings was completed (Appendix 7 - Diagram), which was exceptionally helpful in the writing of the next two chapters on findings.

All these complementary analysis tools proved to be really helpful in facilitating and complementing the Easterby-Smith et al (2002) seven stages grounded analysis approach, specifically the list of codes, the tables based in Miles and Huberman (1994), the memos (Goulding, 2002) and the diagram (Strauss and Corbin, 1998).

3.9 Reflection / Limitations

Finally, it is relevant to mention that when using GT, it is expected that the data collection and analysis is done in an integrated way (Oliver, 2004). This idea is extended to qualitative methods in general (Easterby-Smith et al, 2002).

However, this research being conducted in a part-time basis made it very difficult to collect and analyse data at same time. This was achieved only in part due to time constraints. After the first ten interviews a preliminary analysis was carried out. This was useful since some themes started to emerge more often, leading to give them more attention in the interviews after. At this stage, some examples of important themes to explore further emerged such as: the DM relevance in the relationship establishment; the importance of the past training performance in the relationship maintenance; some positive and negative DM features; and the unexpected and surprising tendency of interviewees comparing DM received from training companies in BTB markets, and DM received from supermarkets and other sources in a BTC context. This possibility to "stop to think" was an important advantage of using qualitative methods, allowing to check if the study was following the research question, aim and objectives, which were the key themes/codes emerging from data, and which topics were needing more attention in the following interviews.

After this preliminary analysis at the end of the first ten interviews, the analysis of all the 30 interviews was made only after the data collection was completely finished. This was a limitation of this research being in part-time. It was not an easy task to combine a full-time job with a part-time research, even if TX gave me some flexibility in certain times.

Another limitation of this research was the time needed to arrange the 30 interviews of the data collection. It was in fact a bit of a "struggle", especially to some of these training directors/participants to find the time for the interview, many follow-up e-mails and phone calls having to be made. Yet, in the end the 30 "planned" interviews were carried out, during one year.

This way, the research purposes were completely achieved, the research question, aim and objectives being answered in chapter 4, and other emerging and unexpected related findings presented in chapter 5.

3.10 Credibility of Research Findings

In this research, credibility was ensured through the use of the rigorous and structured seven stages grounded analysis approach of Easterby-Smith et al (2002). This was complemented with the tables based in Miles and Huberman (1994), memos and a diagram (Goulding, 2002; Strauss and Corbin, 1998). Thus, as stated in the last section, this combination of analysis methods gave consistency to this study. Moreover, in order that other researcher could eventually repeat this study in another context, all the research process was explained carefully, phase by phase, namely:

- the discussion of the literature review;
- the gaps found;
- the research question, aim and objectives;
- the research design;
- the methodological position chosen, such as type of research, philosophical paradigm, methods, approach and strategy employed;
- the pilot study, its aim, changes and reflection made before the main data collection;
- the implementation of the interviews in the main data collection, examining how the sample was selected, how access was achieved, the interview checklist guide followed, and aspects such as the interviews' timing, duration, place and transcripts;
- the analysis methods employed, namely GT, and other complementary analytical tools such as tables "reducing data", memos and a diagram;
- an example of the analysis of a piece of research was presented;
- the reflection process after the preliminary analysis of the first ten interviews and some limitations found;
- the emerging findings discussed in-depth in the next two chapters; and

- comparing the research findings, whenever possible, with the existing literature in the discussion chapter.

All these important stages were explained in detail in order to ensure the credibility of the research findings.

3.11 Summary

This chapter started to introduce the professional context of this research, having in mind that I work in a training company with a strong interest in the research topic.

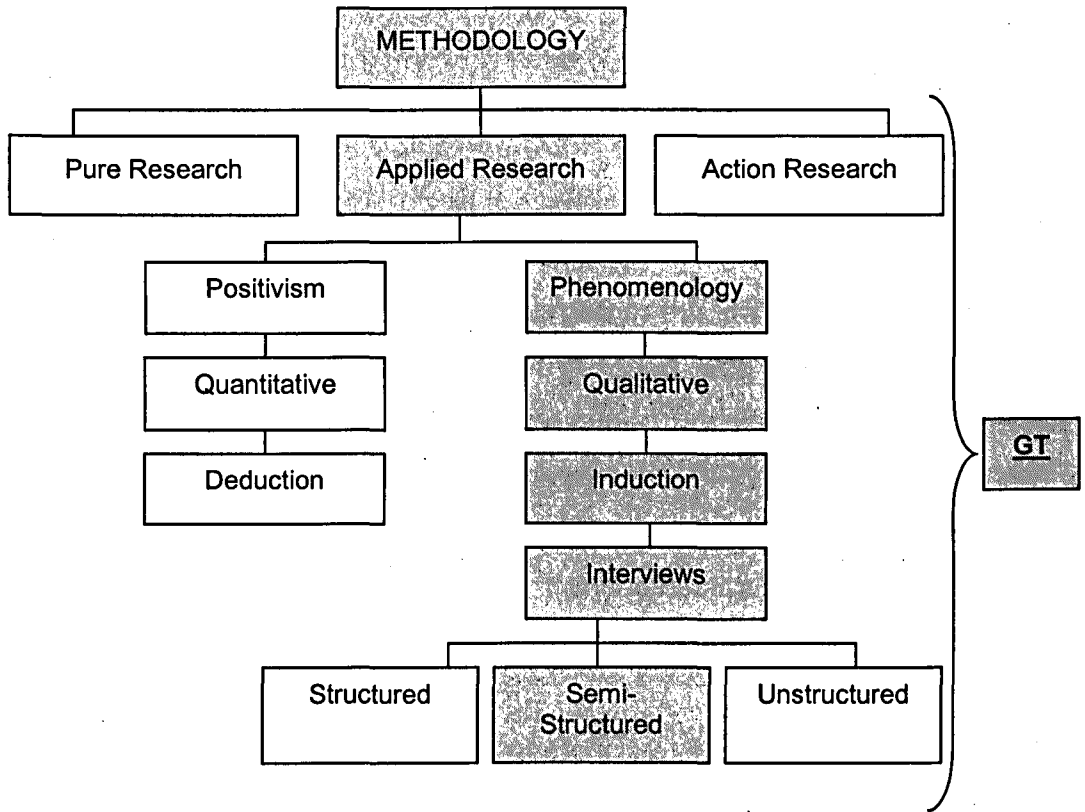
Afterwards, the research gaps found in the literature review were presented, namely on qualitative studies in the link between DM and RM, exploring customers' perceptions in BTB markets.

Thus, the research question, aim and objectives of this study were clearly defined.

Research Question	<i>How do customers perceive the role of DM in developing effective relationships with training companies, in a BTB context?</i>
Aim	<i>How the relationship with training customers (training directors and training participants) may be developed through DM, in business-to-business markets, within the customer' view and using a qualitative approach.</i>
Objectives	<ol style="list-style-type: none"> <i>1. Is there a role for DM in establishing an effective relationship with training customers?</i> <i>2. Is there a role for DM in maintaining and enhancing an effective relationship with training customers?</i>

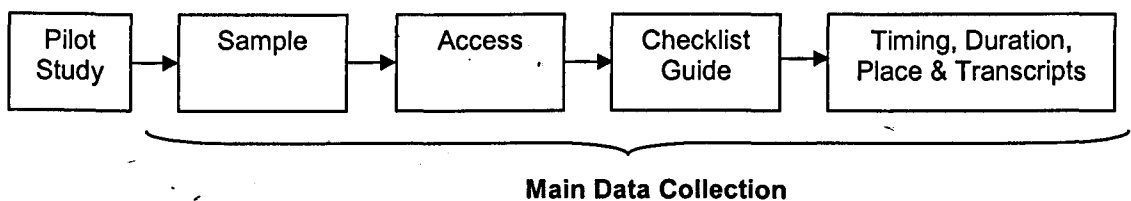
As noticeable in the table above, the research objectives were three, merging into two since findings indicated that interviewees perceive these two phases, maintenance and enhancement, together.

In order to give answer to the research question, aim and objectives of this study the methodological position was examined.



This way, the type of research, philosophical paradigm, method, approach and strategy were discussed both theoretically and explaining in detail what was done in practice.

Afterwards, the pilot study and the main data collection were examined, discussing carefully how the interviews were implemented, namely its sample, how access to the interviewees' companies was achieved, the checklist guide and aspects such as timing, duration, place and transcripts.



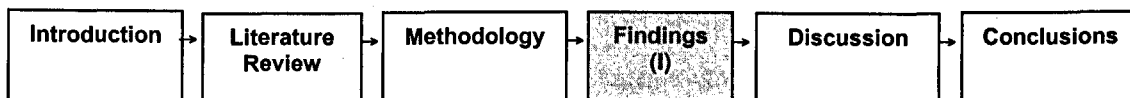
After the main data collection was discussed, the rigorous seven stages grounded analysis approach of Easterby-Smith was presented, explaining

carefully how the analysis was carried out stage by stage in practice. Tables “reducing data”, memos and a diagram were important tools complementing this analysis process. Moreover, an example of the analysis of a piece of research was examined.

Finally, some reflections and limitations of this study were presented; afterwards being explained how the credibility of the research findings was assured.

In the next two chapters the findings emerged in this data analysis process will be presented. In chapter 4 the research question, aim and objectives will be answered. More specifically, it will be explained the process on how training customers establish (4.2) and maintain/enhance (4.3) a relationship with a training company through DM. In chapter 5, other important emerging related findings will be presented, such as the transactional and relational customer segments (5.2), and the different DM perceptions regarding DM from BTB or BTC markets (5.3).

4 CUSTOMERS' PERCEPTIONS ON THE RELATIONSHIP DEVELOPMENT THROUGH DM; ESTABLISHMENT, MAINTENANCE AND ENHANCEMENT



4.1 Introduction

This and the following chapter present the analysis of the thirty semi-structured interviews carried out in this research. Thus, chapter 4 explores how customers develop a relationship with a training company through DM, namely in its establishment, maintenance and enhancement; chapter 5 examining other related and significant findings. It is important to state that only in chapter 6 all these emerging findings will be discussed and compared with the existing literature.

From the previous literature review chapter it is clear that the relationship development between companies and customers is a key aim in marketing. Many authors emphasised the role of DM in order to achieve this goal, the theoretical link between these two important concepts, DM and RM, being established. However, if there is an agreement in that DM is a useful tool to achieve RM aims, there is a lack of empirical evidence about how this link works, mainly which are the activities/processes behind it. Furthermore, since arguments are mostly written from the companies' perspective, there is a clear need to explore the customers' perceptions in this relationship development through DM.

Five key empirical studies contributed to understanding the links between DM/RM, ranging from quantitative to qualitative, consumer to business markets, and companies' to customers' perspectives. Nevertheless, analysing these empirical studies, *there is not enough evidence related to the role of DM in developing relationships with customers*. Some of them concluded that DM (sometimes more specifically direct mail) led to relationship (or loyalty)

development, one other concluded the opposite. All of them contributed in some way to this research, namely to the ICG (interview checklist guide) used in the data collection.

Chapter 4 addresses the research question, aim and objectives of this study, findings on *how customers develop a relationship with a training company through DM* being presented. These will be divided into two parts: the first will examine *how customers perceive the relationship establishment through DM* (chapter 4.2), the second exploring the *relationship maintenance and enhancement through DM* (chapter 4.3).

4.2 How Customers Establish a Relationship with a Training Company through DM

4.2.1 Introduction

This chapter addresses objective number one of this research:

“Is there a role for DM in *establishing* an effective relationship with training customers in a business context?”.

Interviewees, being all training customers, were asked to explain the decision process behind how they established a relationship with a training company in the context of attending for the first time some training activity promoted by DM. The main goals were to explore how these training directors and participants perceived DM promoting training; what were the kind of feelings and perceptions interviewees had regarding a training company; to understand how interviewees' minds “worked”; which were the main aspects motivating them to send employees and/or attending themselves, some course, seminar, meeting or conference promoted by DM.

Two key themes emerged concerning the relationship establishment with a training company through DM: the *DM being directed at interviewees' training needs* and the *credibility of the DM source* (see Figure 8).

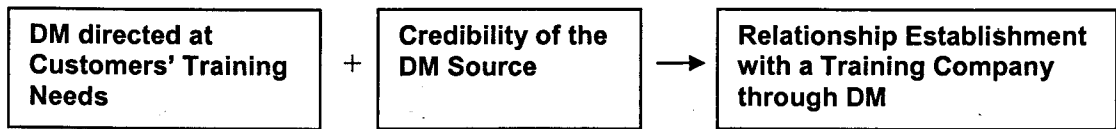


Figure 8: Establish a Relationship with a Training Company through DM

It seems obvious that *training needs* are the first and foremost aspect for interviewees to establish a relationship with a training company. Interviewees want to receive relevant and adapted DM, directed to their companies' particular needs. These interviewees' training needs may already exist or not. In case of existing, the training needs may either be diagnosed and conscious or undiagnosed and unconscious in interviewees' minds.

It is interesting, and perhaps surprising, to find out that interviewees consider DM from training companies so important that several of them even have difficulties in thinking in *how this relationship establishment could happen through other means rather than DM*.

The *credibility of the DM source* is the second main aspect interviewees have in mind in this process of relationship establishment with a training company, in the sense that these training directors and participants prefer to establish a relationship with a training company which has a good image/reputation in the market. However, several interviewees also show an open attitude, giving an opportunity to new training companies appearing in the sector, which have not already established some reputation.

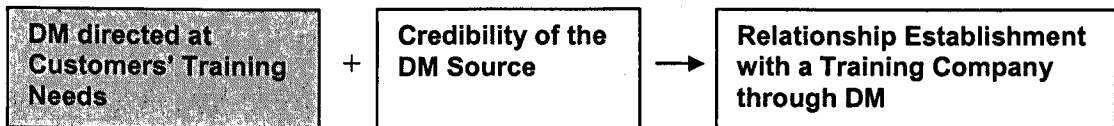
Price is also pointed out as an aspect influencing interviewees' decision to attend some training activity. Yet this was only mentioned by a couple of interviewees of the training participants' sample (training participants being 6 out of 30 interviewees). Nevertheless, and importantly, this price aspect in the relationship establishment through DM was the *only* difference found among samples.

Finally, another interesting finding was to notice that interviewees prefer to use the term "*start*" a relationship with a training company instead of "*establish*". In fact, interviewees consider that the relationship is only "*established*" *after* the

training activity is attended, the performance of the training being thus the most important.

All these key findings regarding the process on how customers establish a relationship with a training company through DM will be developed further next.

4.2.2 DM Directed at Customers' Training Needs



DM being directed to training needs is logically the top reason why interviewees decide to establish (or start), a relationship with a training company, attending for the first time some training activity. The terminology regarding “establish” and “start” will be examined later on in this chapter. When interviewees receive a DM offer the first thought seems to be “do I have this training need... does this theme interest the company and/or me?”. If this is the case, interviewees quickly classify the received DM as being relevant and interesting since it may fulfil a specific need interviewees have in their companies and/or personally.

Several steps emerged in this interviewees' minds process: the DM reception, and its different means and times; the interviewees' opening and reading behaviour, focusing in aspects influencing their DM perceptions, such as the DM relevance/adaptation, personalisation and aspect; and finally the interviewees' decision of establishing a relationship with a training company, based on their training needs. This process is illustrated in Figure 9.

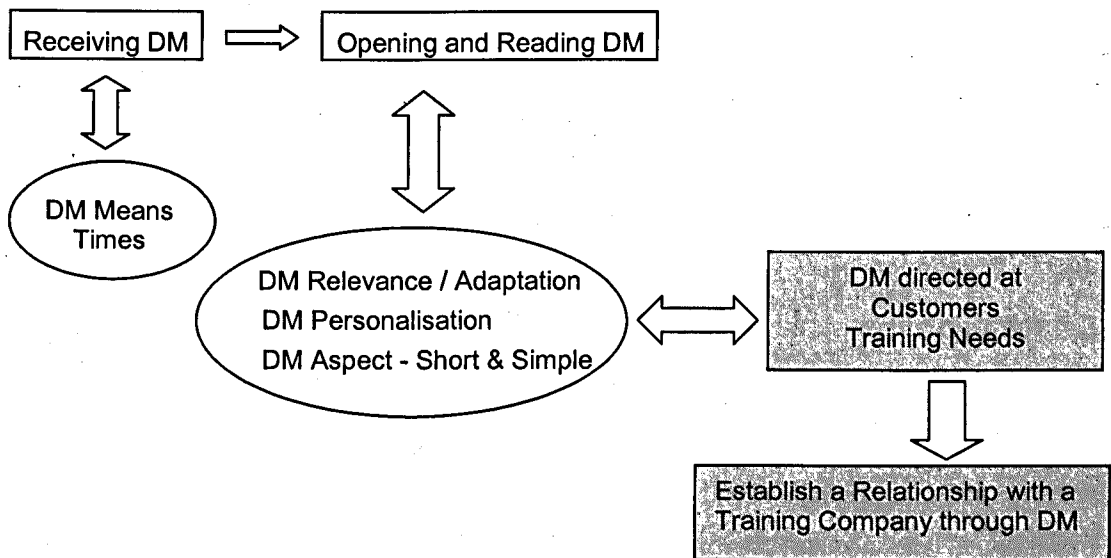


Figure 9: Process in Interviewees' Minds from DM Reception until Relationship Establishment through DM

Figure 9 will be followed; this evolutionary process in interviewees' minds, since the DM reception until the relationship establishment with a training company, being explained now.

4.2.2.1 Receiving DM

The sample of this research, consisting of training directors and training participants, was chosen regarding their participation in training activities promoted by DM. Therefore, all interviewees were used to receive DM contacts, the majority being by e-mail and mail. Telephone contacts were also mentioned by several interviewees.

FRANCIS – TDR/S/H

yes [receive DM], a lot... mail, e-mail and telephone mainly.

BERNARD – TDR/L/H

I receive everyday... e-mails, telephone calls, direct mail...

As a curiosity, Charles (TDR/S/H) seems flattered when answering how much DM the company receives, saying

we receive a lot of DM... it's impressive... I don't mind at all to receive... you know why? Because Y [name of interviewee's company], we are a small company, but it's a company with reputation in the market... which I wouldn't change for any other... because it's related with honesty... and this is the best 'visit card'...

Generally all interviewees receive a great amount of DM not only from training companies but also from many other products/services. Furthermore, interviewees receive DM both at their work and at their homes. An interesting and unexpected finding of this research was to notice that interviewees perceive in a completely different way DM received from training companies, in a professional context, at work (positively) and DM promoting products/services, in a personal context, at home (negatively). This will be explored in chapter 5.3 - Different DM Perceptions from Customers regarding BTB and BTC Markets.

It is also apparent that interviewees have some different preferences regarding the best means and times to receive DM. These preferences will be explored next.

4.2.2.1.1 DM Means

There are some differences on the preferred means to receive DM, namely between mail, e-mail or telephone.

When asked which DM means interviewees preferred, the e-mail and the direct (post) mail are the main preferences; twelve interviewees prefer to receive DM by e-mail, eleven by mail and seven of them had no preference. More than a half of the interviewees do not like telephone contacts, only a couple of them considering these positive. These three DM means, e-mail, mail and telephone, will be covered briefly.

E-mail

E-mail is seen by several respondents as a positive means to receive DM, in the sense of being practical and fast.

JOSH – TDR/M/H

the e-mail, I receive it, look at it, open it and it stays there... and the answer is quicker and much easier... by mail, I have to write the letter, then put the stamp on it, go to the mail office... it turns out to be complicated.

RALPH – TDR/L/H

e-mail is better because it gives us the possibility of not opening it in that minute.

PAUL – TDR/S/H

the e-mail is the most practical means

At this point, there was an association with my interview request initially made by e-mail; several interviewees saying that it was a good way to make this type of request since it gave them time to think, not creating pressure.

Direct Mail

The traditional direct mail is also an appreciated DM means.

PATTY – TDR/S/A

the mail, the traditional, it has colours and I'll keep it while sometimes I lose e-mails...

ANTHONY – TDR/L/H

I prefer something that I can touch... a letter, a leaflet.

PAULA – TDR/L/H

I like to see them, and I even keep the ones I like more.

Thus, the normal post mail is also preferred by many interviewees.

Telephone

The telephone is considered by the majority of interviewees as an especially negative means to receive DM.

OLIVER - TP/L/H

if it is through telephone I'm not managing my time, they are!

FRANCIS - TDR/S/H

I don't like telemarketing... people become very boring.

PAT - TDR/S/L

I'm notoriously bad when it comes to direct marketing phone calls... Yes, I receive them and usually... No, I hate it. And so my standard response is 'yes, hold on one minute', I put down the phone and continue to work and just let them wait until they eventually will hang up...

Regarding best times to receive DM there are also some differences between week days and day times. Yet DM means seem to have more weight in

interviewees' perceptions than DM times, interviewees having a stronger opinion about their preferences in the former (DM means).

4.2.2.1.2 DM Times

When asking interviewees if they had some preferred time to receive DM, for example some day of the week or some time of the day, it seems that to many interviewees this is indifferent.

JOSEPH – TDR/L/H
indifferent.

FRANCIS – TDR/S/H
completely indifferent.

Nevertheless, some interviewees have different preferences about the best time to receive DM.

PATTY – TDR/S/A
I think that Monday and Friday is bad... On Monday I don't like interruptions, Friday we are in a hurry... maybe the best day is Tuesday.

ROY – TDR/L/H
the worst day for me it's Monday... Friday it's also not very good... I prefer in the morning when I'm fresh!

RITA – TDR/L/H
Friday afternoon is good for contacts... we are already thinking about the weekend...

RALPH – TDR/L/H
in the morning... because I'm not tired

These different "tastes" among interviewees, namely their individual preferences in the means and times to receive DM, are useful information to update in training companies' databases. It seems that interviewees have a higher or at least more positive predisposition to DM if these particular preferences are followed by training companies. It is important thus that training companies send DM to customers in the way they prefer, since this may influence positively their DM perceptions. DM means seem to have a higher importance to interviewees than the times they receive it. Nevertheless,

companies may without difficulty follow these individual preferences through their databases, improving DM efficiency. According to this idea, it may be suggested that training companies could easily add to their databases customers' profiles the several types of DM means and times preferred by customers to be contacted, and tick the appropriate one according to individual preferences. This information could be straightforwardly found out through a short e-mail send to all the companies' customers asking for their preferences in these two themes, DM means and times. Obviously this may be extended by other themes/preferences, which will emerge during the analysis chapters.

4.2.2.2 Opening and Reading DM

Continuing to follow Figure 9, on the decision process on how interviewees establish a relationship with a training company through DM, when asking interviewees if they open and read the DM they received from training companies, all of them said "yes". It seems that even if these training directors and participants do not read it all, they read the DM offer until they understand what it is. Afterwards, interviewees make their decisions, mainly accepting the training offer or not, according to their training needs.

RALPH – TDR/L/H

yes [open/read DM], at least until I know what it is...

GEORGE – TDR/M/H

I always open, even if I already know before what is in there...then I throw it away or I'll use it.

PATTY – TDR/S/H

maybe I don't read everything, but I open it and I like to know what it is.

OLIVER – TP/L/H

I read everything... information is never too much!

Thus, interviewees always open and read DM they receive from training companies, being curious and wanting to know what it is about, trying to find out if DM interests them, fitting in with their training needs or not.

Therefore, three key themes emerge affecting interviewees' opening and reading behaviour to the DM offer: (1) the level of relevance and adaptation the received DM has in their professional context as training directors/participants. This DM relevance/adaptation is thus quickly perceived by interviewees as fitting or not their training needs; (2) personalisation has also a role influencing interviewees' behaviour towards the received DM; and (3) the DM aspect has some impact on several interviewees, namely there is a clear preference to DM short and simple. These three themes are examined next.

4.2.2.2.1 DM relevance and Adaptation

DM relevance and adaptation to interviewees' training needs are logically two key aspects for them to be attentive to the received DM from training companies.

PAULA – TDR/L/H

I select what I receive [DM]... if it has interest or not.

CARL – TDR/S/A

I only read it if the subject is clear and if I have interest in it.

CHARLES – TDR/S/H

I think that the big advantage of DM was the case of the training company R, who send me that course... I saw it, and send there two engineers, because it was interesting to them...

Thus, the relevance/interest in the received DM is of great importance to these training customers. Moreover, the DM adaptation complements this interest.

JOSEPH – TDR/L/H

I see DM as something that [training companies] are offering me and that can be interesting to me, isn't it?... Training... must be adapted to a certain need to have effective results...

OLIVER – TP/L/H

it's not good to send the same presentation... it's needed to adapt the message according to the people who receive it.

PAT – TDR/S/L

I want that they [training companies]...look at my needs... if somebody has taken the effort to look at me as an individual, know something about me and say 'hey Pat I see that you have worked with... synthetic chemicals... we have this', then I'm much more open, when I truly notice that somebody has taken the time and effort to talk to me.

Thus, the more relevant and adapted the DM is to the interviewees' training needs the more chances it has to create positive perceptions and eventually the need for that DM offer in interviewees' minds. This way, as Pat pointed out, it is of extreme importance that training companies really "take the time and effort" to find their customers' training needs. It may be suggested that training companies send an email or a leaflet periodically to their customers aiming to know which training activities they would like to receive in future DM offers. For example this e-mail or leaflet could give several possibilities of training activities companies already have in their portfolios but also allowing customers to say what they would like to receive in training DM offers. These could then be updated in each customer profile; this simple practice could be of extreme significance, basically gaining the knowledge of *customers' training needs*. This theme will be developed later regarding the criticism made to training companies in their lack of follow-up to interviewees' training needs.

4.2.2.2 DM Personalisation

The majority of the interviewees considered that personalisation is an important aspect in DM, in the sense that a letter or an e-mail addressed with their personal names is noticed and appreciated. Interviewees generally like to be treated by their names.

JOSEPH – TDR/L/H

e-mails that come directly to me, I try to understand what it is... because somebody sent it with my name... they made an effort to personalise it...

JOHN – TDR/M/A

if comes in my personal name, I have more attention, a more special attention. At least there are people that know that I exist, so they send me things for some reason.

BART – TDR/L/A

it's not important but it makes some difference [DM with personalised name].

Yet some interviewees consider this DM personalisation a strategy from companies to appear "relational", thinking that this "personalisation" results mainly in databases information and not in any particular attention from companies.

JOSH – TDR/M/H

I notice, I notice [personalisation]... but many times I know that there is database sharing between companies which is not very catholic but... I notice that.

PAUL – TDR/S/H

I know that my name is already registered in some place, so it is not result of any special reference or knowledge of me. I'm registered there...

JOSEPH – TDR/L/H

I'm sensible to that but I also do a critical analysis... I know that my name is in many databases, isn't it?... it is an intelligent way of directing information, but it also denotes some worrying, some care in direct and personalise to me.

In fact, DM personalisation is appreciated by most of the interviewees, affecting their opening and reading behaviour. Even the interviewees who believe it may be "strategic" prefer "personalised" DM contacts than non-personalised; the former creating a more positive "mood" towards the DM offer. Thus, training companies having in mind the relationship development should try to personalise their DM offers.

4.2.2.2.3 DM Aspect

The DM aspect was also mentioned by some interviewees as a motivator to open and read the received DM. Thus, there is a preference for DM looking attractive, short and simple to read, being easy to answer or to ask for more information.

RALPH – TDR/L/H

the layout, how things appear, the graphic aspect, the presentation, if it's too dense, if it has figures... for us wanting to read it... sometimes we start reading and think 'who is going to read this?' Have patience... 'please put this in one sheet only'...

PHIL – TDR/L/H

In terms of training it's always worthwhile to receive... and then we select... depends also in the quality... because there are companies with bad quality, the DM has bad quality... which also influences...

GLORIA – TDR/L/H

directed, short and concise... because we have the initial information, and then if it is really important, we'll try to find the rest, isn't it? If it is relevant, relevant...

Besides relevant, interviewees consider that DM should be short, simple, objective, and also facilitating the communication process with the training company.

OLIVER – TP/L/H

to say in two or three sentences which is the subject... because if it interests me, if I want more, I'll ask.

BERNARD – TDR/L/H

I do that a lot... if it seems interesting I ask for more information.

FRANCIS – TDR/S/H

I contact them asking information about trainers, their CVs and the programmes contents ... because when we are interested, we act... we go and find the information...

Thus, when interviewees are interested in asking more information about some training activity it is important that this process is easily perceived in the received DM. Training companies should have this aspect in mind in order to improve DM efficiency.

This way, interviewees interested in the received DM have an active role, asking for more information if they need it. However, it also emerges that interviewees who are not interested in receiving DM from a certain training company have a passive role, in the sense that they do not do anything.

4.2.2.3 DM Inertia

As just seen, when interviewees are interested in some DM offer from training companies, they will ask for more information.

PAUL – TDR/S/H

I ask when I need.

Therefore, interviewees have an active role when they are interested in the received DM. In contrast, the majority of the interviewees do not inform companies when they are not interested in receiving any more DM from that source. The reason for this paradox seems to be that interviewees feel that this would be indelicate to the “other side”. Also, perhaps odd, these interviewees prefer to receive DM, having the information, even if it is to delete. It seems as these training directors and participants feel some kind of obligation/responsibility to know what is happening in the training market, even if not in their specific areas of activity. There is hence some inertia, interviewees having a passive behaviour when they are not interested in receiving more DM information from some training company.

CONNOR – TP/M/H

I never did that [inform the company that the interviewee does not want to receive more information from them]... Do you know why? Because if I don't like it I solve it... I put it in the file thirteen [bin] or I delete the e-mail... I think it's because of diplomacy... I try to see the other side...

CASIMIR – TP/L/A

no... I'm lazy!

BART – TDR/L/A

no, I think it's indelicate... it seems that a person is arrogant, who thinks that knows everything... and it can also be an opportunity... sometimes it's not opportune but...

GLORIA – TDR/L/H

never... it's contradictory but... it would seem that we are crazy (laughs).

Thus, these training directors and participants are quite receptive and flexible to DM from training companies, even when they are not interested in it. Curiously, this behaviour is completely opposite when interviewees receive DM in a BTC context (explored in chapter 5.3).

This way, interviewees are completely open and interested in DM from training companies; the main important though is that DM is relevant to their jobs and

consequent training needs. Moreover DM being personalised, short, simple, and easy to perceive how to contact the training company, are also motivating aspects for interviewees to give more attention to the received DM, eventually accepting the DM offer, attending some training activity for the first time (relationship establishment).

4.2.3 Interviewees' Training Needs

Interviewees' DM perceptions are thus influenced mostly by relevance, adaptation, personalisation, and easiness to read and answer. However, the essential aspect to the relationship establishment with a training company is that the received DM is directed to the *interviewees' training needs*.

It is obvious that this perception of "DM directed to the training needs" is the main reason for these training directors and participants to decide to establish a relationship with a training company, attending some training activity promoted by DM. Nevertheless, an important finding is that these interviewees' training needs may already exist or not. In case of existing, the training need may be diagnosed and conscious or, in contrast, undiagnosed and unconscious (see Figure 10).

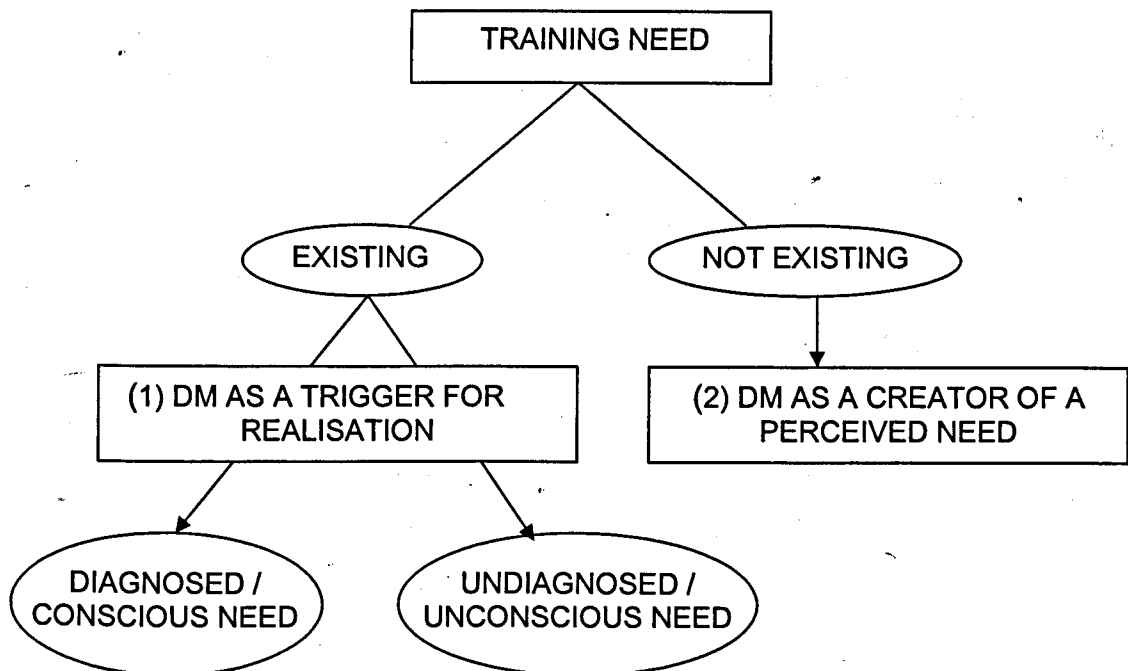


Figure 10: DM as a Trigger for Realisation of a Training Need (Diagnosed or not) versus DM as a Creator of a Perceived Training Need

This way, DM has two key roles: (1) acting as a trigger for realisation of a diagnosed or an undiagnosed existing training need, and/or (2) acting as a creator of a perceived training need. Most of the interviewees seem to fall in the first situation, DM making interviewees realise the existence of a conscious or an unconscious training need. The second situation also happens, DM being a training need creator, but in a lower level. This second situation is more related to a type of interviewees, with more relational characteristics, namely those who appreciate personal contact, being more open to new suggestions from training companies (for example in-house training). This will be explored later in chapter 5.2 – Transactional / Relational Customers Segments. Now, as illustrated in Figure 10, the two DM key roles will be examined.

4.2.3.1 DM as a Trigger for Realisation of a Training Need

The majority of the interviewees consider that the DM primary role is making them realise the importance of a certain training activity that their companies and/or themselves need. As mentioned in the introduction it was quite interesting, perhaps surprising, to verify that several interviewees even consider that there is no other means than DM to have this role in the relationship establishment. This is noticeable in one of the interview key questions, when asking interviewees if they think that DM could help training companies to develop a relationship with them. *All* of them answered positively and an interesting dialogue was made with Pierce, in this question, who answered questioning what other ways than DM existed to develop a relationship with him (Pierce).

ME

Do you think that DM can help training companies to develop a relationship with you?

PIERCE - TDR/L/A

Hmmm... In fact I don't understand the question...

ME

I mean... how do you see the role of DM, for example the e-mails, the mails that we've been talking about in creating a relationship with you?

PIERCE - TDR/L/A

The point is that I'm not seeing any other way. Let's be logic, shall we? I'm sorry but a better way does not exist... in two ways, it is economic, low cost... and it's quick... and sometimes works and sometimes not... in order to work I think that it's very important that the training company has time to know the person minimally... make them questions, know their needs... like this guy only likes this, so he will only receive this...

I must say that this idea of "what other ways than DM exist to create a relationship with a training company" gave me something to think about; even more so as it was followed by several other interviewees.

HENRI – TP/M/H

I think it is positive [DM] because otherwise we would not have access...to remember the training activities, the dates, the courses, the possibilities... and for that it is needed to use DM, really directed...

JOSH – TDR/M/H

in training, they have to do marketing... it is important... in order to promote and spread it... marketing should be made... many times that's the way how we know the existence of new products and services... and that is very positive and many times we go.

FRANCIS – TDR/S/H

it is through DM that customers know the information...

CONNOR – TP/M/H

If I want to attend some training about something... I'll go and search in the information that I received from companies... I don't have another hypothesis...

It is clear from all these training directors and participants' arguments that DM allows informing, promoting, remembering the training activities, and making interviewees realise their training needs. Moreover, DM is considered a low cost, quick and practical communication means.

This way, a key finding emerges. It is mainly through DM means that these training directors and participants know about the existence of the courses, seminars, meetings and conferences that training companies organise. Interviewees consider hence that DM has an essential role in the relationship creation with a training company. That dialogue with Pierce was quite relevant in this finding, especially when he argued

the point is that I'm not seeing any other way [than DM for training companies to create a relationship with him]. Let's be logic, shall we?

At this stage of the interview with Pierce I remember the strange feeling of "limitation" for not being able, at the moment, to find an alternative "way" than DM to establish a relationship with customers. I felt even more pressured since I sensed that Pierce was probably waiting for an answer. After some reflection, I would reply now that word of mouth and websites are also eventually important informative means for training companies. This has some support in Joe's argument, when saying

I like to know [about training activities], and many times I go to their web site [training company] ... to see other activities that they didn't promote, and that I may have interest...

This way, and as pictured in Figure 10, DM may act as a trigger for realisation of an existing or a non-existing training need. In the former, the existing training need may be a) diagnosed and therefore conscious or b) not diagnosed and thus unconscious. These two types of training needs will be explored next.

4.2.3.1.1 DM as a Trigger for Realisation of a Diagnosed/Conscious Training Need

Regarding how interviewees decide to attend a training activity promoted through DM, for the first time, Paul (TDR/S/H) observed that it depends mainly on "the training needs that I have and that my employees have". Logically, existing training needs are the key reason for interviewees accepting a DM offer. Therefore, DM acts as a trigger for realisation of a diagnosed/conscious need.

Other interviewees followed Paul's idea when asked how they establish a relationship with a training company through DM, in the sense of attending for the first time to a training activity promoted by DM.

JOHN – TDR/M/H

well, first I must have a need, isn't it?

PAULIE – TDR/M/H

DM works when potential exists, when I have a need...

ANTHONY – TDR/L/H

if it [DM] is really striking, if these mails bring some information that we are already thinking about, some need that we have, which may interest in that moment or in the future...

ROY – TDR/L/H

the training should be very adequate to what I need in that moment... I don't become a customer because I feel like it... things should be adequate...

PAUL – TDR/S/H

sometimes we are thinking in finding an answer for one of our needs and suddenly a training company appears with that...

Thus, one of the priorities for interviewees to establish a relationship with a training company, through DM, are the existing and conscious training needs and how the received DM fits in those interviewees' training needs. However, other times DM may also act as a trigger of an unconscious training need.

4.2.3.1.2 DM as a Trigger for Realisation of an Undiagnosed/Unconscious Training Need

Several interviewees mentioned that many times they attend a training activity that they were not thinking about previously; yet when receiving the DM offer they "remember" some particular training need. Thus, in this case, DM acts as a trigger for realisation of an undiagnosed/unconscious training need. Phil (TDR/L/H) gave an important contribution when asked about how he establishes a relationship with a training company through DM, arguing,

first, we must have a need... I mean we are not going to create a need only because a training company appears... we can be not conscious about that need and we even can awake for it... like a company brings us a proposal that we were already needing, isn't it?

Thus, according to Phil, the training need may be like "sleeping" and the received DM has this role of "awake it". Following this idea, Patty (TDR/S/A) gave the example of an in-house course made by TX arguing

I received [DM leaflet]... it awaked... I already had the will to do it...

Paulie (TDR/M/H) gave another example happened with him, showing clearly this duality between the training need be conscious or not, pointing out that,

I receive some training opportunities... courses, conferences, and since I don't have time to look for... I had a need, I looked, I opened the e-mail, I read it quickly, interested and I suggest the attendance... it was last week that two colleagues went to a conference on Continuous Improvement... I don't search, I don't have time... the DM arrives... and since I have the need... even if it is not actively manifested, I read, I identified and made the parallel 'OK, let's go'...

As explicit in this Paulie's argument, DM is also seen as a quick and practical way of communication to this type of "busy" managers, who have strong responsibility in training, but at same time do not have much time available.

This way, DM has an important role not only in triggering the realisation of diagnosed/conscious training needs but also of undiagnosed/unconscious ones. DM being relevant and interesting, directed to these two types of training needs (diagnosed or not) are essential aspects in order that interviewees establish a relationship with a training company, through DM.

4.2.3.2 DM as a Creator of a Perceived Need

It is clear that, in this training sector, the first and main role of DM is as a trigger for realisation of an existing training need. Nevertheless, some interviewees also mentioned some situations when they received DM with some training activity offer which was not a need, either conscious or unconscious, but they have accepted it. Thus, DM may also act as a creator of a perceived need. This happens more in interviewees with relational features, who are more open to face-to-face contact and who build trusting relationships with some training companies, working in a partnership, accepting some of their offers, for example of customised training. This is explicit in the argument of Ralph (TDR/L/H), who pointed out that

this is how it works since I say 'look, I need training in this area' and they [training company L] can act as an adviser...this is happening in this moment... since I have trust in that supplier it is himself who gives me his opinion...

The same idea is followed by Phil (TDR/L/H), when arguing that

I think it is good to have a relationship of partnership... because a training company must be in contact with their customers as much as possible ... to understand their organisation, that is an advantage, isn't it?

These more relational interviewees' characteristics will be developed in chapter 5.2.

As a joke, Pat (TDR/S/L) argued that the establishment of a relationship depends always in an existing need, saying

me, personally, I only buy things when I need them, which is very difficult for example for most women! (laughs)

Yet there are cases where DM may create a need in these training directors and participants, which they were not thinking about, either consciously or unconsciously. Gloria (TDR/L/H) used an example happened with her, about some training DM offer that she never had thought about, arguing

not long ago I received a leaflet from a training company... I looked and I thought that it had the maximum interest... I informed myself better about the contents and said 'this has interest to my employees so they have to go'.

Interestingly, Josh (TDR/M/H) pointed out that DM is positive since opportunities may appear, creating a training need,

training companies give the opportunity to many people of going to a training action, which can be a need or not...and that's positive...

Other interviewees followed the same idea

SILVESTER – TDR/L/H

the positive [in DM] in first place is the information... being informed...even if we don't need it... at least you know that exist... I could even not go but from that I could obtain an information or to become sensible for a need of... from a e-mail, a letter, a contact, make the conclusion that there was a need in the company to do something in that...

PATTY – TDR/S/A

when interests me I like it, isn't it? Really what I like is when there are subjects of interest, which are always in my area... I like information of new courses that may have interest or not... I like to know... to be informed, informed...

DM promoting and informing about training novelties is therefore especially appealing to these training directors and participants; in this case DM as a creator of a perceived need happening more easily.

GLORIA – TDR/L/H

positive in my case is new technologies, new technical solutions appearing, and that it's always important...

HENRI – TP/M/H

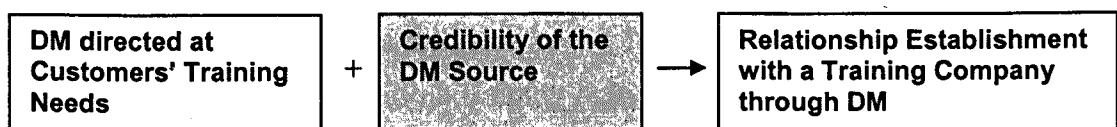
to receive novelties in the areas that I'm interested in.

RALPH – TDR/L/H

the DM advantages are to come to us with what is being made of new in some area... DM many times gives us that click that it is needed...

It seems thus that training companies have significant open opportunities to "enter" in interviewees' companies as long as they identify their training needs, diagnosed or not. Moreover, it seems that if training companies find the interviewees' needs, it will be possible to target DM offers directed to those needs, also being creative, suggesting new training activities. This novelty aspect in the training DM offers is an important aspect for interviewees, and training companies should have it in mind. As it will be developed in chapter 4.3, on the relationship maintenance/enhancement, it was found that one of the best ways to identify customers' training needs, is through training companies doing more diagnosis and follow-up to customers, identifying different customers segments (as examples: areas of interest, existing needs and updating them; doing more inquiries; if customers prefer a more transactional or relational DM approach; the preferred DM means and times to be contacted; personalisation, etc.).

4.2.4 Credibility of the DM Source



As explained previously, DM being directed at interviewees' training needs is the most important aspect for interviewees to establish a relationship with a training company through DM. However, interviewees also perceive as important in their decision process the association they make between the received DM and the credibility of the DM source, specifically the training company who sent it.

Josh (TDR/M/H) observed that in the decision to send employees to a training activity

there are two aspects, one is the interest in the training, the theme, the content, and second to have the minimum trust in the quality of the training...

Following the latter idea, Anthony (TDR/L/H) pointed out that his decision is based in the "companies that are credible... for the image that I have". Undoubtedly, most of the interviewees associate the DM training offers they receive to the image/reputation of the training company who sent it.

RUDY – TDR/L/H

first is to obtain the information... there is something awakening our interest... within an area of interest to us... then we'll collect some information about the company, about the honesty, the capacity, the competence... then we'll decide...

In Rudy's argument it looks like this collection of information on a certain training company is made by word-of-mouth. It seems that these training directors and participants when confronted with some relevant DM offer yet from an unknown company ask other people they know (eventually colleagues or other training directors/participants) for more information about the credibility of that training company. Thus, it is suggested that in the relationship establishment with a training company a combination between DM and word-of-mouth may exist regarding the credibility of the DM source.

Thus, DM being directed at interviewees' training needs is the first priority in the decision process of attending a training activity. Yet the credibility of the training company complements that decision process. This idea emerged from several interviewees' arguments,

PIERCE – TDR/L/A

first it's the training... which are the benefits we'll have in our jobs and also personal if I attend it... I think that this is 80%... then we always associate to the credibility. If it [DM] is from a company I never heard about of course I'll try to know who the organisers of the course are...

GEORGE – TDR/M/H

if it's something that interests us... we'll have to know in more detail the company, to check if it has credibility to organise it.

FRANCIS – TDR/S/H

the first thing is if the course has interest then it's the prestige of the company... if the company has prestige... giving me trust... we can go.

The credibility of the training company may even change the perception of the preferred DM means. As it was seen, telephone calls were considered the most negative means to receive DM. However, if the training company who calls is known to the interviewee, hence having some credibility to her/him, the perception may change, being positive. This is seen when Paulie (TDR/M/H) observed,

usually, I don't like when they call me... for a first contact I don't like telephone... but it depends, if it is a mailing from W [training Company], with whom I already have some continuity, some knowledge... if they call me 'I'd like to present you this projects or this training'... OK, W awakes something... that is important too...

Thus, the credibility of DM source is an important aspect, with interviewees being more flexible, even with telephone calls. This may suggest that with some interviewees the relationship through DM may progress depending on the type of contact already existing between them (customer/training company). Yet, it seems that this is more likely to happen with interviewees more relational-oriented, for example as Paulie is.

Important to notice is that although interviewees consider the DM source credibility before establishing a relationship with a training company, some of them are also receptive to DM from new training companies, which do not have credibility in the market yet. Thus, several interviewees will "give a chance" to a new company as long as the DM offer has interest and relevance to fulfil some training need.

Oliver (TP/L/H) is one of the interviewees receptive to new companies and gave the example about how he started to participate (20 years before) in the activities organised by TX, observing that

I received [DM]... and thought 'I've not seen in the existing training companies courses of this type... more practical...'

Thus, Oliver explains that it was that difference in the DM offers that captivate him to attend training of a new company. Again it seems important to stress that training companies should be aware of these training directors' and participants' particular attention to new and different types of training activities.

Paul (TDR/S/H) in another example of an interviewee receptive to new training companies, stating that "I like new companies... I like to try them... to see... "

Moreover, the credibility of the training company can also be "built" as explicit in the argument of Phil (TDR/L/H), when pointing out the need to have some trust when attending some training for the first time,

it's always important to have references. When it's the first time we are working with a training company it's normal... and if the investment is very big I contact other companies...

and gave an example saying that

one training company took me to Paris... we went to see a company and in the next day we were back... at least we had the trust to advance... if not we wouldn't start a project, costing a lot of money... so for them it was worthwhile to make that trip... more than a hundred thousand Euros [the training project]...

In this case, the credibility of the DM source was built in Phil's mind through word-of-mouth, "contacting other companies" and through seeing in practice how the proposed training worked (visit to a company in Paris). This example may be considered by training companies, especially in "big" training projects.

This way, the credibility of the DM source complemented with DM being directed at interviewees' training needs are the vital points in the relationship establishment with a training company through DM.

4.2.5 Price

Besides DM directed at interviewees' training needs and the credibility of the DM source, a couple of training participants also mentioned the price of the training activity as another condition in their decision process to establish a relationship with a training company. In fact, it is important to notice that this *"price aspect" is the only difference found between all the interviewees' samples, of training directors and training participants*. This may be explained since these training participants have to request permission to attend some training activity to their superiors/training directors or even paying themselves; hence price may be a constraint.

IAN – TP/L/A

first the themes... credibility... the trainers... the programmes... the price... the location...

CASIMIR – TP/L/A

sometimes I think it would be good to go, it would be useful... but this has a cost... the time and the money, the investment... and I also think 'I also need to buy another wardrobe to my son's bedroom... is it the best time to do this?

There is a general consensus among interviewees that the main aspects to establish a relationship with a training company through DM are the DM being directed at their training needs and the credibility of the DM source. Price is another aspect appearing yet in a very small level, only in two cases of the training participants' sample (6 out of 30 interviewees). Thus, although relevant to mention, price is considered in a "lighter" way, mainly having in mind further research.

Last but not least, an interesting point emerging while exploring how these training directors and participants establish a relationship with a training company was their preference for the word "start" instead of "establish" a relationship.

4.2.6 “Start” a Relationship Versus “Establish” a Relationship

As briefly mentioned in the introduction of this chapter, it was found that ‘start’ may be a similar term to ‘establish’ but more appropriate in the training context. It seems thus that any relationship is not really “established” until the real training experience (course, seminar, meeting or conference) occurs. The establishment of a relationship was always spoken of in the context of *attending* or *participating* in some training activity organised by a certain training company, and promoted by DM, for the first time. This idea was well summarised by Charles (TDR/S/H) who pointed out

DM for me is something, the relationship only comes after. DM for me is good to open the door...

Other interviewees followed this idea of “DM opening the door” to establishing, or better, starting a relationship with a training company.

ROY – TDR/L/H

[DM] is the opening door, not only to me, to my own training... but also to all the persons I control.

OLIVER – TP/L/H

it's not a real involvement [about relationship establishment through DM], it's more a participation, we attend that activity... and then we can jump out...

Interviewees consider thus that this *first participation/involvement* is the *starting/beginning* of a relationship with a training company. However, if the consequent performance is not perceived positively by the interviewees the most likely is that the relationship finishes. In contrast, if the training performance is perceived as positive (with quality and satisfaction perceptions developed), the relationship is considered established, and then it may be eventually maintained and enhanced by DM. This idea is clear in a relevant argument of Joseph (TDR/L/H),

I don't know if it is possible for companies to do this [to develop a relationship through DM]... what I think it is possible is this happens dependently in their performance... after the training itself... the relationship maintenance can be like... solidified by the DM, isn't it? DM is always a means... that stimulates and then... makes a 'recall' of everything that happened... which solidifies all this.

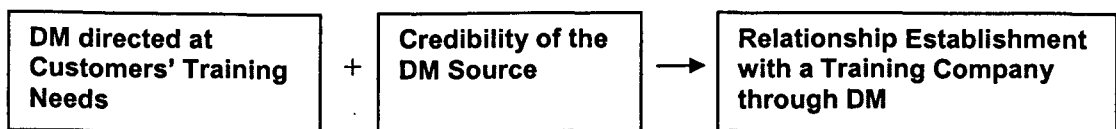
Thus, generally, interviewees only consider that a relationship with a training company is “established” after the training *performance* itself; therefore preferring to use the term “start” the relationship to attend some activity organised by a certain training company, promoted through DM, for the first time. Then other aspects make it possible to be maintained and enhanced.

4.2.7 Summary

The findings presented in this chapter attempt to enlighten the gap found in the literature about “*how*” the relationship with customers may be developed through DM, in BTB markets, using a qualitative approach, within the customer perspective; this applied to the training sector.

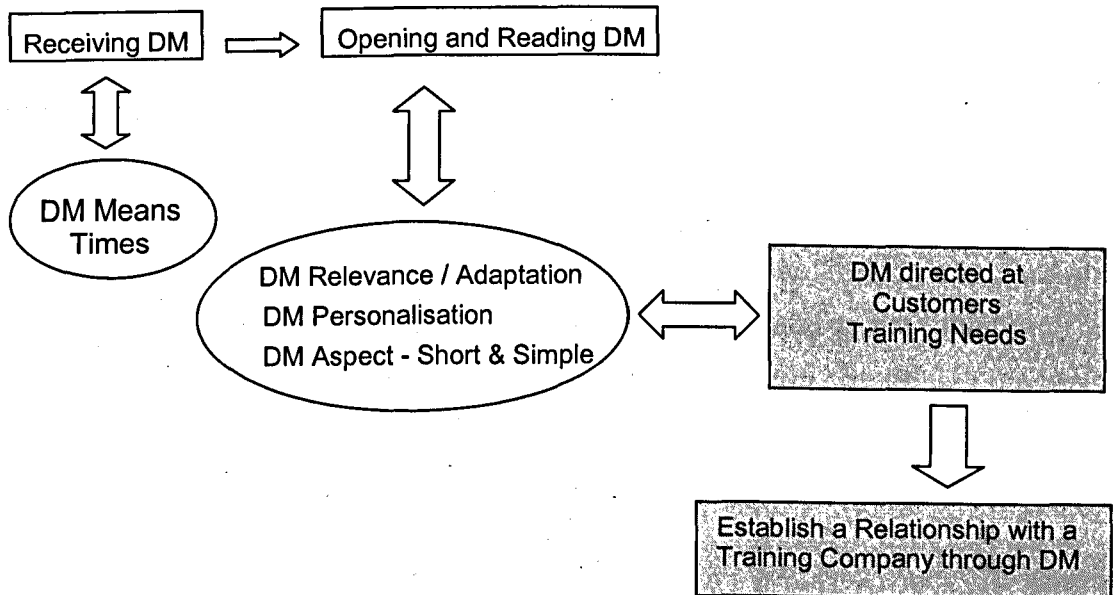
This part of the chapter answered to the objective number one of this research: “Is there a role for DM in *establishing* an effective relationship with training customers?”, the main goal being to understand how these training directors and participants perceived DM promoting training; to understand how interviewees’ minds “worked”; which were the main aspects influencing interviewees’ decision to establish a relationship with a training company, sending employees and/or attending themselves, some course, seminar, meeting or conference promoted by DM for the first time.

Two important themes emerged concerning the relationship establishment with a training company through DM: first, the DM being directed at interviewees’ training needs, and secondly the credibility of the DM source.

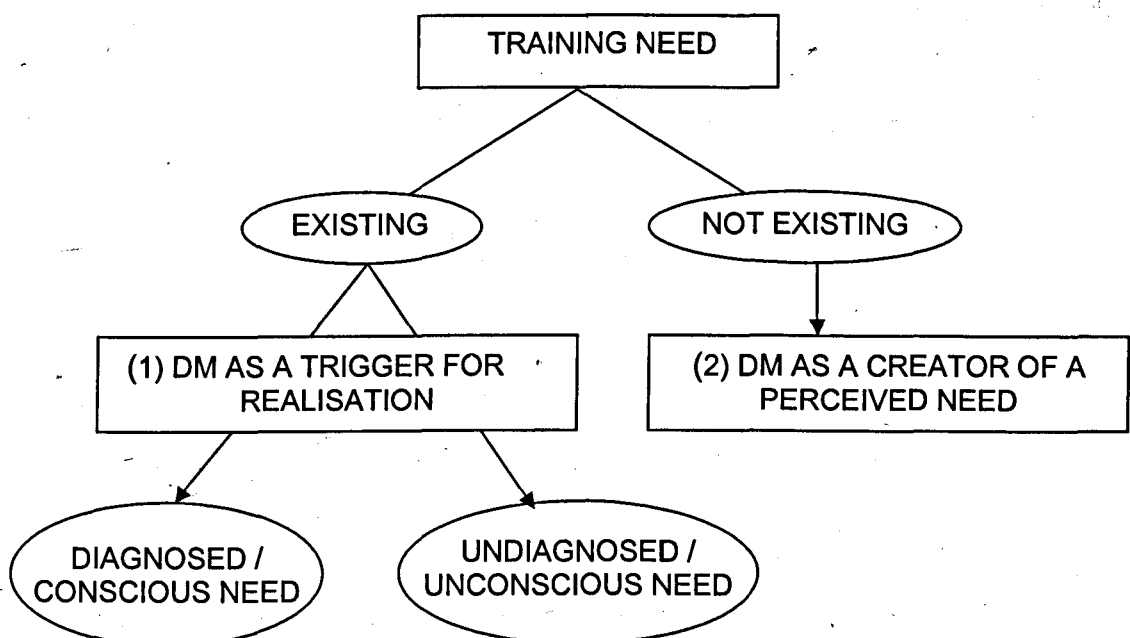


Therefore, it was examined the relationship establishment process in interviewees’ minds: the DM reception, and its different means and times; the interviewees’ opening and reading behaviour, focusing in features influencing their DM perceptions, such as DM relevance/adaptation, personalisation and

aspect; and finally the interviewees' decision of establishing a relationship with a training company, based on their training needs.



DM being directed at training needs is the first and foremost aspect for interviewees to establish a relationship with a training company. Interviewees want to receive DM which is relevant, adapted, personalised, easy to read and to answer, and most of all directed to their companies' needs. These interviewees training needs may already exist or not. In case of existing, the training needs may be either diagnosed and conscious or undiagnosed and unconscious in interviewees' minds.



This way, DM plays two important roles: (1) as a trigger for realisation of a diagnosed/conscious or an undiagnosed/unconscious training need, or (2) as a creator of a perceived need.

It was also quite interesting to find that interviewees consider DM from training companies so important that some of them have difficulties in seeing how this relationship establishment could happen through another means rather than DM. Importantly, it is mostly through DM means that these training directors and participants are informed about the existence of the training activities such as courses, seminars, meetings and conferences that training companies organise. After some reflection, and also emerging partially from data, websites and word of mouth are also considered relevant informative means to training companies.

The credibility of the DM source was found to be the second main reason interviewees have in their minds in the relationship establishment process with a training company. Interviewees prefer to establish a relationship with a training company which has a good image/reputation in the market. Nonetheless, several interviewees have an open mind to new training companies appearing in the sector.

Price was also pointed out as an aspect influencing interviewees' decision to attend some training activity. However, this was only mentioned by two interviewees of the training participants' sample (6 out of 30 interviewees). In fact it must be stressed that this was the only difference found among all the interviewees' samples. Therefore, although relevant to mention, this price aspect was considered briefly, mainly considering it for further research.

Finally, another interesting finding was to notice that interviewees prefer to use the term "start" a relationship with a training company through DM instead of "establish". In fact, these training directors and participants consider that the relationship is only "established" after the training activity is attended, the performance of the training being thus the most important. Afterwards, other aspects make it possible to be maintained and enhanced.

4.3 How Customers Maintain and Enhance a Relationship with a Training Company through DM

4.3.1 Introduction

In this chapter the relationship maintenance and enhancement between customers and training companies through DM will be explored. As explained before, the maintenance and enhancement of a relationship with a training company through DM were initially considered, in the objectives of this research, separately. However, findings indicate that interviewees perceive these two objectives (maintain and enhance) as integrated. This way, it was not possible to dissociate them, this chapter approaching these two issues together.

Thus, this chapter will address objectives two and three of this research together:

“Is there a role for DM in *maintaining* and *enhancing* an effective relationship with training customers?”

In the previous chapter, it was examined the decision process behind how interviewees *establish*, or *start*, a relationship with a training company, in the context of attending, for the first time, some training activity promoted by DM. As stated already, interviewees prefer to use the term “start” a relationship with a training company instead of “establish”. Interviewees consider that the relationship is only “established” *after* the training activity is attended, the performance of the training being hence crucial. Thus, in order for interviewees to *establish/start* a relationship with a training company, two key themes were examined: first and the most important, the need of the DM being directed at interviewees’ training needs; second, the credibility of the DM source in interviewees’ minds .

In this chapter the focus will be on the process behind how the interviewees *maintain and enhance* that relationship (already established/started) with a training company and to find out what is the DM role in this process. The main goal was to understand how these training customers, both training directors

and participants, decided to send employees and/or attend themselves some course, seminar, meeting or conference promoted by DM, for the second and subsequent times; which aspects motivated them to "repeat" some training activity, promoted by DM, from the same training company.

Two key themes emerge in order for interviewees to maintain/enhance a relationship with a training company: the *DM being directed at interviewees' training needs* combined with their *perceptions of the past training performance*. Furthermore, there is a clear association of the latter with two variables discussed frequently in the RM literature: *quality* and *satisfaction* perceptions (of the past training performance).

The first and foremost motivator emerging for interviewees to maintain and enhance a relationship with a training company is again, as in the relationship establishment, the received DM being directed at interviewees' training needs; this important condition was already discussed in detail in the previous chapter.

The second main motivator for the relationship maintenance/enhancement with a training company is the perception interviewees have in their minds about the past training performance. Basically, interviewees classify in their minds the training their employees and/or themselves attended as positive or negative. Consequently, when receiving DM promoting another course, seminar, meeting or conference from the same training company, interviewees immediately remember that classification. Moreover, this past training performance is clearly associated to two important key themes: quality and satisfaction perceptions of the previous training experience.

DM has a relevant role in the development of some of these quality and satisfaction perceptions of the past training performance. However, this DM role *only* exists if interviewees have a positive image/memory of the past training experience. If that is the case, DM may contribute to an idea of quality and satisfaction in interviewees' minds.

In contrast, if the past training performance image/memory is negative, with perceptions of quality/satisfaction also negative DM seems to not have any role in the relationship maintenance and enhancement between interviewees and a training company. In this case, even if the DM offer fulfils the first condition, being relevant and directed to interviewees' training needs, the training company is seen in a negative way and the received DM does not change that negative perception.

This way, it is essential to emphasise that DM *only* has a role in the relationship maintenance/enhancement if interviewees consider it relevant to their training needs and *at same time* relating that DM to a training company with which they had a positive training experience.

In summary, DM directed at interviewees' training needs together with a positive image of the past training performance (related to quality and satisfaction perceptions) in interviewees' minds, are the key emerging themes for the relationship maintenance/enhancement with a training company (see Figure 11).

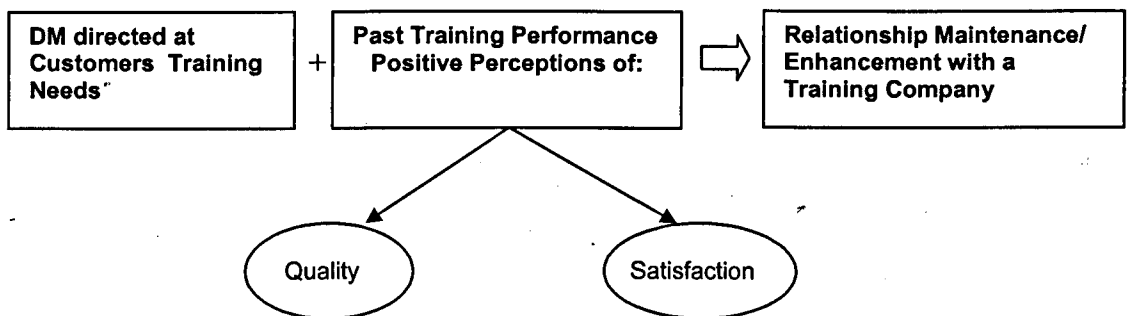
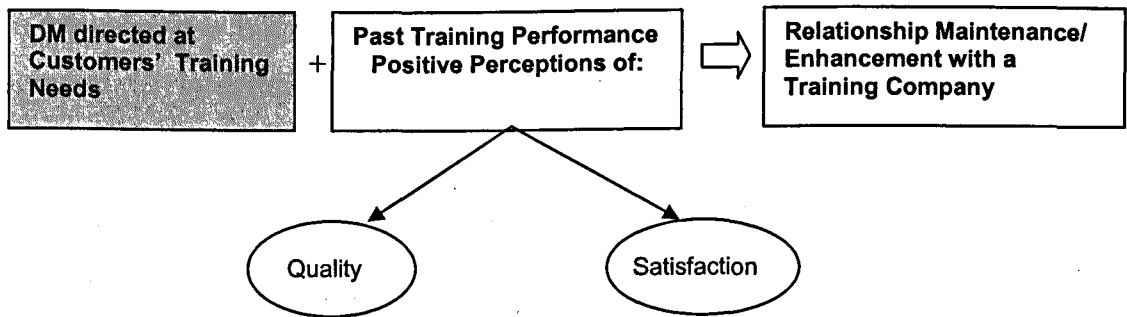


Figure 11: Maintain and Enhance a Relationship with a Training company

These key findings, illustrated in Figure 11, regarding the relationship maintenance and enhancement with a training company through DM will be developed next.

4.3.2 DM Directed at Customers' Training Needs



It is clear that DM being relevant and directed at interviewees' training needs is the main reason why interviewees attend for the first, second or following times some training activity promoted by DM. This way, DM fitting interviewees' training needs is of foremost importance in the relationship development with a training company. Yet, this "DM being directed at customers' training needs" was already analysed extensively in the previous chapter. Thus, besides its major relevance in the relationship development, in all its phases (establishment, maintenance and enhancement), this aspect will be explored very briefly; only as a link to the second main condition on the relationship maintenance/enhancement, that of the past training performance perceptions in interviewees' minds.

Thus, interviewees were asked how they decide to repeat their attendance in some training company.

ZACK – TP/S/H

to repeat... I need again to have the information that some new course will happen... a different course... with new objectives, new aims...

BERNARD – TDR/L/H

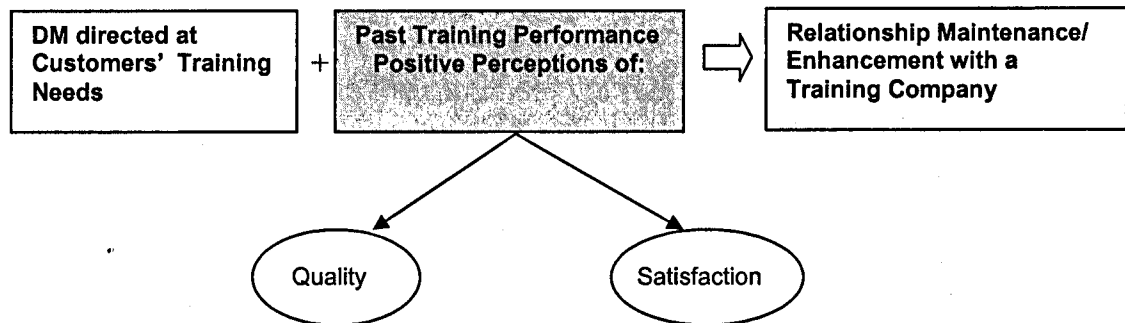
the interest in the theme... and the idea of credibility I have... how things were in the last one...

PIERCE – TDR/L/A

we have to evaluate again... the theme... and the benefits I had in the last time... you only go to the next one if the previous was worthwhile.

This way, following Bernard and Pierce's arguments, interviewees repeat the attendance to the same training company considering if the promoted training has interest for their companies and/or themselves, the DM offer being thus directed to interviewees' training needs. At same time, in this "repetition" process, interviewees have in mind the association they make, while reading the DM offer, with the experience of the past training performance with that particular training company. Thus, the major difference between the relationship establishment and the relationship maintenance/enhancement is that in the latter interviewees already have a reference point, namely how the previous training experience was regarded, either positively or negatively. Thus, the key theme emerging in the relationship maintenance/enhancement with a training company is how interviewees perceive the past training, performed by the company sending other training offers through DM.

4.3.3 Past Training Performance



The performance of the past training is considered a crucial aspect in order for interviewees to maintain/enhance a relationship with a training company, influencing their decision to attend to another training activity organised by the same company. It is necessary that interviewees sense that the past training "went well" for their employees and/or themselves; the ones who attended the training.

ROY – TDR/L/H

what makes me come back is the success of the first contact, isn't it?

IAN – TP/L/A

the direct experience... if I liked the last one I will always remember...

CASIMIR – TP/L/A

if I left from the first course with the feeling that I added value

JOHNIE – TDR/M/A

if the previous course was useful in terms of knowledge

PAT – TDR/S/L

if the experience was the right one... if I felt that I learned something

As seen in these arguments, the main aspects making interviewees return to the same training company, repeating their attendance in some course, seminar, meeting or conference, is how the previous contact/experience was perceived. Interestingly, Joseph (TDR/L/H) argues that the relationship development with a training company "happens depending on their performance... after the training itself". Thus, Joseph considers that the relationship maintenance and enhancement with training companies is directly dependent on the training carried out previously. Therefore, a positive perception of the past training performance of a certain training company leads to interviewees developing a sense of relationship to that training company. This idea is also visible in the arguments of Ralph, Paulie and Roy.

RALPH – TDR/L/H

it is the performance... the [relationship] maintenance and the future depends on how the participants evaluated their performance... in the end of the training it's not our satisfaction that counts... it is the evaluation that is made. And when the level is maintained, it is evident that we have a relationship of strong cordiality and understanding.

PAULIE – TDR/M/H

if it went well... cool... we'll go and look in the companies that we trust...

ROY – TDR/L/H

from the moment I'm well treated I feel an obligation to that person [training company], because there was the concern to treat me well...if I'm badly treated I never go back.

Other interviewees followed Roy's argument, pointing out that if they receive DM from a training company which reminds them of a negative past training performance they do not even look at it.

FRANCIS – TDR/S/H

if I have a bad image of the quality of the performance of the service...if my perception is of a bad service I simply don't read it [DM] .. I don't lose my time reading it...

JOSEPH – TDR/L/H

one thing I don't like is when I receive something and I remember the [negative] evaluation I did last time... so I think 'no interest' and I delete it.

Thus, DM *only* has a role in the relationship maintenance and enhancement with a training company if the past training performance in interviewees' minds is positive, DM having a *conditional role* in these stages of the relationship development.

It is noticeable that in this aspect interviewees are a bit "harsh" not seeming disposed to give a second chance to training companies which failed in some way in the past performance. This may be explained since decisions/budgets need to be justified, aims to be achieved and positive results created to the companies. In many cases, especially in medium and large companies, these training directors are in charge of the training of hundreds or thousands of employees. Thus, training directors mainly (24 out of 30 interviewees) have a strong responsibility in choosing the "right" training activities/companies. It may be suggested that they are not willing to risk more time, money and their images in a training company who performed negatively in the past. There is no evidence that may explain if training companies can try to change these negative perceptions in interviewees' minds. Perhaps this could be explored in further research.

Two associations emerge related to the past training performance. First, the past training performance is directly linked to the perception of quality in interviewees' memories. The training quality image is fundamental in the relationship maintenance/enhancement with a training company. Aspects such as (1) training adaptation, (2) trainers' competence, and (3) training organisation emerged as associated to quality perceptions in interviewees' minds.

Second, the past training performance is linked to satisfaction perceptions in interviewees' memories. If interviewees feel satisfied with the training experience they are likely to attend another training activity organised by the same company. Aspects such as (1) training aims achievement, (2) trainees' evaluation/results, and (3) follow-up and diagnosis made by the training company emerged as related to satisfaction perceptions in interviewees' minds.

Moreover, it is also found that interviewees' quality perceptions were associated with aspects that happened previously and during the training activity, while satisfaction perceptions were related to aspects after the training itself (see Figure 12).

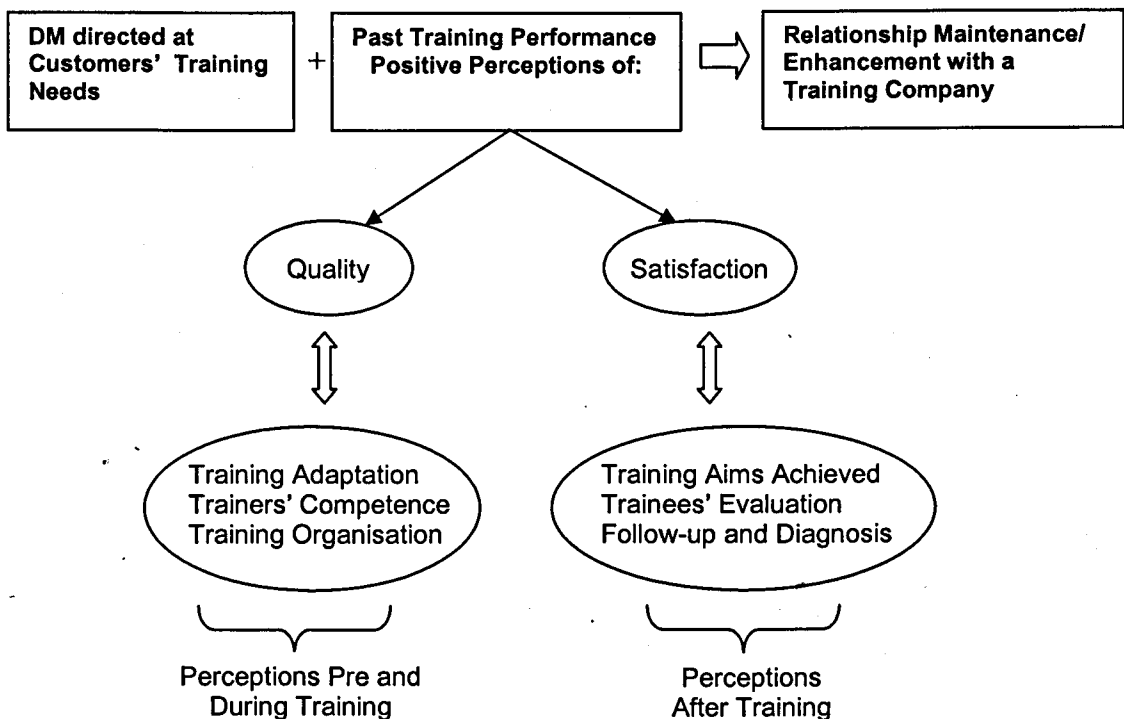
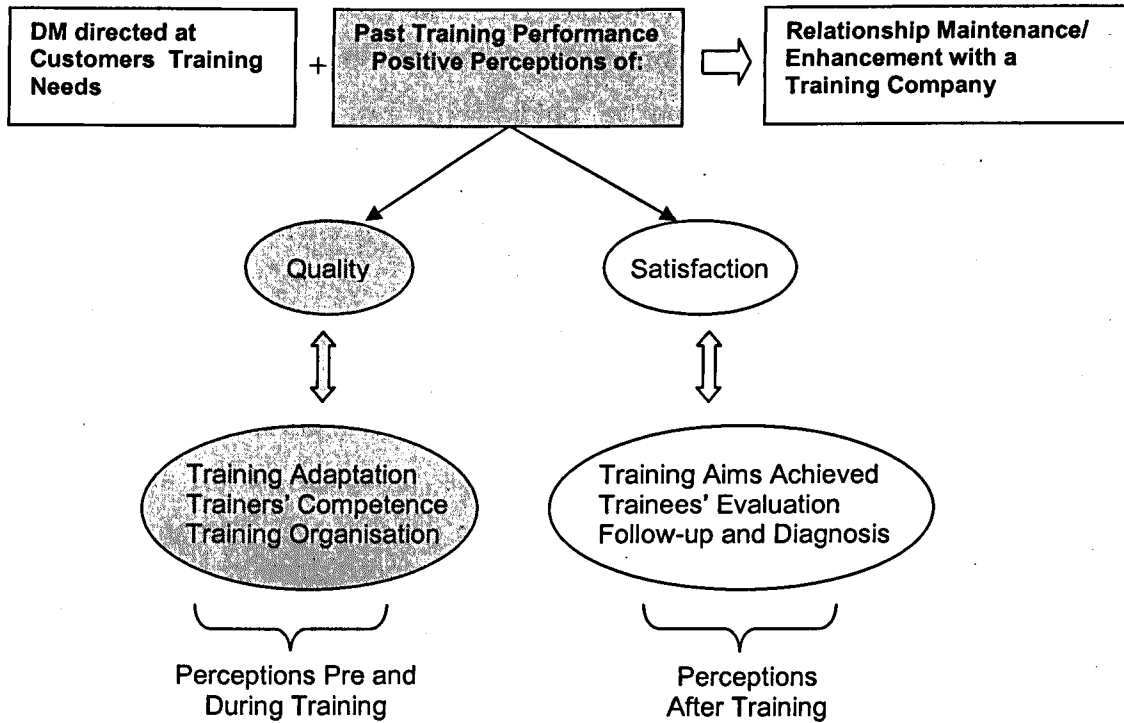


Figure 12: Maintain and Enhance a Relationship with a Training Company: Quality and Satisfaction Perceptions

The combination of DM directed at interviewees' training needs and a positive image of the past training performance, linked to quality and satisfaction perceptions, leads to the relationship maintenance and enhancement between interviewees and training companies. These training quality and satisfaction perceptions in interviewees' minds will be developed next.

4.3.3.1 Quality



When asking interviewees what influences them to maintain and enhance a relationship with a training company, it emerges the importance of how they remember/evaluated the past training performance in terms of quality. Thus, the training experience, through quality perceptions seems to be the first thing coming to interviewees' minds. Moreover, these quality perceptions are clearly related to aspects before and during the training activity.

GEORGE – TDR/M/H

for the quality I had in the first one and also the relationship with the associated people...

JOSH – TDR/M/H

it has got to do with several aspects, with the way open and loyal of the relationship, with the quality of the product or service...

RITA – TDR/L/H

the quality of the service... if people liked...

JOHNIE – TDR/M/H

since the moment of the registration... [training companies] knowing how to give an answer of quality... truthful and answering to the contents.

Thus, the training quality image in interviewees' minds is an essential aspect in the relationship maintenance and enhancement with a training company. Training quality perceptions are thus related to (1) training adaptation, (2) trainers' competence, and (3) training organisation. These three types of interviewees' quality perceptions of the past training performance will be discussed now.

4.3.3.1.1 Training Adaptation

The ability of training companies to adapt their courses, seminars or other training activities to the individual needs of the customers' companies is seen by interviewees as an essential aspect in the relationship development with a training company. This training adaptation capacity contributes to an image of training quality in these training directors/participants' minds. This happens, especially in in-house training, when the training company goes to the customers' companies to provide some training activity customised specifically to them. In these cases, there are several contacts between training directors and the training company and/or the trainers in order to adapt the training objectives, contents, methodologies (etc) to the particular needs and wants of the trainees/customers' company. These contacts are made in the phase pre training activity and emerge as an important aspect motivating the relationship maintenance/enhancement with a training company.

PATTY – TDR/S/A

the most important is that things go well, isn't it? And then one thing is we have to do what is in the paper, the other is, for example, we say 'we would prefer this in other way, will it be possible?' and in the other side there is that facility... the adaptation... companies do not always adapt it... and in different markets the same course must be given attending to different levels of knowledge...

Afterwards, Patty gives an example concerning her and TX, the training company where I work, observing

that course was exactly what we needed... and you were impeccable, trying to adapt it to us... I saw the information, and then from the contact we had, the way people attended me...

and continues making a comic argument, about the core of the interview (link DM/RM) saying

of course, we are the proof, I'd say that through direct marketing a relationship marketing was born! (laughs)

Other interviewees also emphasised the training adaptation importance.

JOSEPH – TDR/L/H

the DM offered in terms of training cannot be sent in a 'catalogue' perspective, like "here you have this standardised course so take it"... it can be like this just in very specific cases... it must be adapted to a certain need... adapted... in order to have effective results.

ANTHONY – TDR/L/H

they [training company Z] are very good, they anticipate all and we get on very well together... they present their plans... they meet our needs.

CHARLES – TDR/S/H

many times I receive DM about new products... then I ask for some characteristics and they start sending me more catalogues according to my information requests... then it's the relationship maintenance...

JOHN – TDR/M/A

it [DM] always helps... to define the aims, to adapt them to our specific needs, without any doubt that results in the contact and in the interaction between parts...

In these last arguments it is seen the importance of training adaptation in the interviewees' idea that the "training went well". Thus, training companies should have these customers' preferences in mind, being flexible and able to adapt their training programmes to their specific needs. DM is a helpful means, facilitating the contacts and the dialogue in this training adaptation process between interviewees and training companies. Related with the training adaptation, trainers' competence is another essential factor in the development of quality perceptions in interviewees' minds.

4.3.3.1.2 Trainers' Competence

If training adaptation is an important aspect contributing to positive quality perceptions of the past training performance, the trainers' competence is considered equally important by interviewees. This competence of trainers is perceived during the training.

JOHN – TDR/M/A

behind everything there is always the quality, that is fundamental, I wouldn't go back if I established a contact, adapted the training... and then I concluded that the quality of the trainer wasn't the one that we were thinking about.

PAULIE – TDR/M/H

the quality, for example I'll go to a training of quality and then the trainer doesn't have any quality... it stops all, doesn't it?

GLORIA – TDR/L/H

it has a lot to do with the trainer... a good experience...

IAN – TP/L/A

the trainers have a huge weight...

Undoubtedly, trainers are the main actors of training activities. Therefore even if the training is adapted to the specific needs of the companies, if trainers are not of quality, it will be very difficult for interviewees to build a positive past training experience, maintaining the relationship with that training company.

4.3.3.1.3 Training Organisation

Training organisation is another important aspect for interviewees to sense the past training performance as being of quality. It is related to aspects pre and during the training, such as personalisation, warmth in the contacts, environment, the reception of the training activity, comfort, timetables committed, and some special treatment given.

PAUL – TDR/S/H

quality, for me it's the most important, the way how the course works... answer to the expectations, the environment, the timetables being committed, all that is important and that's why we stay clients or not.

JOSEPH – TDR/L/H

competences... the competence of the people who organise the training... the organisation... the programmes.

Thus, training adaptation and the trainers' competence seem to be the most important contributors to the quality perceptions development in interviewees' minds. However, for many interviewees these aspects surrounding the training

organisation are also essential to maintain and enhance a relationship with a training company.

OLIVER – TP/L/H

I've been there and I thought it was worthwhile... the subject and the way how it was approached... and then it's also important the support around it... it should be warm...

PAULA – TDR/L/H

the comfort, the relationship, the contact with people.

JOHNIE – TDR/M/H

if the registration is friendly, if the reception is nice, if the training is good... if prior to the training the exchange of information is also good... the relationship building starts...

RUDY – TDR/S/H

the contacts with persons... that will help us to establish trust more quickly, it benefits... this can make us regular customers later, isn't it?

Interviewees are hence sensible to how contacts between them and training companies are made. This way, these interviewees appreciate a warm and personalised atmosphere in order to maintain/enhance a relationship with a training company. Training companies should have this in mind, trying to know who these more "sensitive" customers are, to provide them a really individualised treatment. As stated previously, DM personalisation is preferred by most of the interviewees; this emerging also in the relationship maintenance/enhancement.

GLORIA – TDR/L/H

logically, everything that is personalised has a different touch...creates a bond... and also creates a certain responsibility, isn't it?

OLIVER – TP/L/H

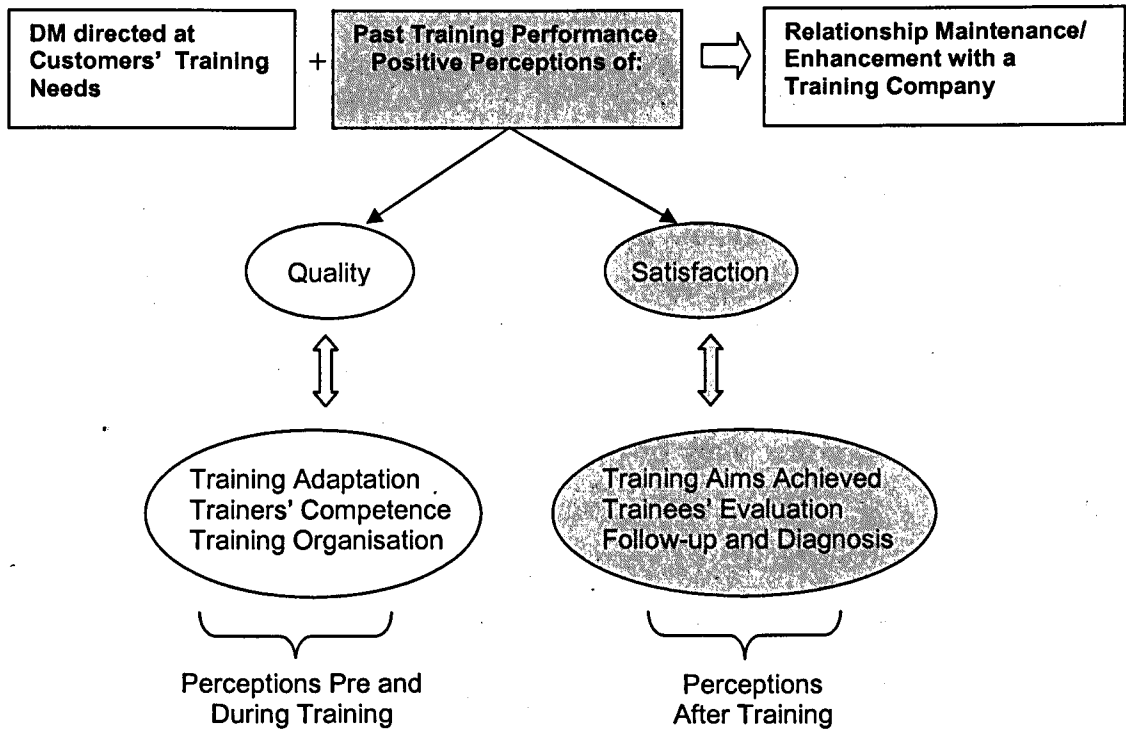
I think it [personalisation] changes... even if just a bit... if it's Mr. Anonymous, it doesn't indicate that the other knows that I exist... the relationship is established...we build complicity...

DM has thus an important role in this training organisation, contributing to the creation of positive quality perceptions. DM promotes contacts, facilitating the dialogue between interviewees and training companies and may give

interviewees a feeling that they are being treated differently, in a personalised way, which they clearly enjoy.

This way, training quality perceptions of the past training performance, through training adaptation, trainers' competence, and training organisation, are important aspects for these training customers, training directors and participants, to maintain/enhance a relationship with training companies. These three aspects are related to the phases pre and during training. As emerged, DM has an important role in the development of two of these quality perceptions: training adaptation and training organisation.

4.3.3.2 Satisfaction



When asking interviewees what influences the relationship maintenance and enhancement with a training company, the importance of the image in their minds of the past training performance in terms of satisfaction is also pointed out. These satisfaction perceptions are clearly related to aspects after the training activity, seen also as part of the overall training experience (as quality perceptions) yet more related to the training outcomes/results.

Anthony (TDR/L/H) argued that the feeling of satisfaction towards a training activity is the most important in order to maintain and enhance a relationship with a training company.

I'd say satisfaction... general satisfaction... what was learnt or not, if can be applied or not, overall satisfaction... what we feel about it...that's the information I need to call again that company.

Patty and Francis followed the same idea,

PATTY – TDR/S/A

how the training went, if everything went well, if people are satisfied, the relationship is maintained.

FRANCIS – TDR/S/H

the level of satisfaction... if I conclude that what I had was good, I'll be satisfied. Then I immediately say 'inform me of all the training of this type'... and then I'll decide case by case... satisfaction...

Interviewees' perceptions of satisfaction about the past training performance are therefore of great importance in the relationship maintenance and enhancement with a training company. Interviewees related satisfaction perceptions to: (1) achievement of the training aims, (2) trainees' evaluation, and (3) follow-up and diagnosis made by the training company to the customers' companies. These three emerging satisfaction perceptions will be developed now.

4.3.3.2.1 Achievement of Training Aims

It is a responsibility for interviewees to verify, after the training activity, if the training aims were achieved. Acquiring knowledge in some specific area is the main objective of attending training. Thus, logically, these training directors/participants will feel satisfied with the training company if their employees and/or themselves considered worthwhile to their jobs to have attended that particular course, seminar or conference.

CHARLES – TDR/S/H

for example, if my engineers go to a course of basic notions of electricity and then they can do what it was proposed... but if they can't I feel defrauded, because we go there with that aim...

PAUL – TDR/S/H

if courses commit or not with the defined aims, if they are useful or not, and all the way how it works...

ROY – TDR/L/H

to achieve the aims initially proposed with that training... and that will be verified through the practical results of the trainees...

JOHN – TDR/M/A

it is clearly to be satisfied with the product that it is supplied. Thus, if in the final balance, I concluded that my aims were achieved, that I and the trainees who I coordinate are satisfied... obviously I'll be satisfied.

The main reason why interviewees send employees and/or attend themselves a training activity is to acquire some new or updated knowledge. It is very important thus that the proposed training aims are achieved, satisfaction being developed in these training customers' minds.

4.3.3.2.2 Trainees' Evaluation

The training aims being achieved are related to the trainees' evaluation of the training activity. Usually, trainees fill in a questionnaire in the end of the training activity, evaluating it in its whole (as examples the contents, trainers, methodologies used, organisation, other observations, etc.). Moreover, this evaluation is normally repeated internally in their companies. Training directors and participants will decide if they maintain the relationship with the training company also having in mind this evaluation and results of the attended training.

JOSEPH – TDR/L/H

the obtained results clearly, without any doubts. And results depend on the organisation, the planning... the effective results of who was in that training... the evaluation is the principle.

BART – TDR/L/A

the results are what matter to me.

PHIL – TDR/L/H

if the answer that they [trainees] gave us is satisfactory there is a tendency to become loyal, and if there is other company trying to enter in the same area it will be difficult, isn't it? Because since we have a reference it will be complicated...

It is noticeable that a positive evaluation and results of the attended training activity may be an important strength "against" other training companies, "reducing" competition; several interviewees show that if they feel happy with a certain training company, they tend to stay in that company, the relationship being maintained/enhanced.

Thus, the trainees' evaluation of the past training performance has an important weight in the relationship maintenance and enhancement with a training company. If that evaluation is positive interviewees develop satisfaction perceptions towards the training company.

4.3.3.2.3 Follow-up and Diagnosis

Finally, another aspect training directors/participants consider essential in the relationship maintenance and enhancement with training companies is the need of these doing more follow-up and diagnosis to their customers after the training takes place. This follow-up is clearly a post-training feature, contributing to interviewees' satisfaction perceptions giving them a sense of continuity of the relationship with the training company.

PHIL – TDR/L/H

the impact of that training in the company... it is important after a few months to evaluate that...

ANTHONY – TDR/L/H

if the company wants to succeed in whatever, it is important the first act but then... continuity...

PAULA – TDR/L/H

the most important is the relationship, I don't have any doubt... follow-up... relationship and follow-up.

Interviewees consider that training companies should try to know more about the training application and impact in the trainees' jobs; doing (more) follow-up and diagnosis to their customers. Interestingly, Paulie (TDR/M/H) suggested that training companies should make a training diagnosis to their customers trying to identify their needs, saying that

first they [training companies] would come and understand what I'm doing, my business, my processes... the company culture... identify the needs... I believe that this would be an opportunity for training companies

Several interviewees presented the same idea, emphasising the need of more follow-up to their training needs, in order to maintain and enhance a relationship with them. DM seems to have an especially important role in the development of this satisfaction perception in interviewees' minds.

JOHN – TDR/M/A

the question is that we go to a training action and that can't stop there, it is needed some feedback... an inter-communication which is fundamental, and this is only possible to maintain and guarantee with relationships more durable.

HENRI – TP/M/H

it's important they [training companies] ask us if we liked it, if everything was ok... if there were things not so good...

FRANCIS – TDR/S/H

after the needs are identified it is through DM that customers know the information... not only to manage the offers but also using DM as an instrument of follow-up... for example, through e-mail, or once in a while by telephone asking 'so how are you? What about your training needs?'

Interviewees consider thus that training companies should do some follow up to the trainees and their companies after the training activity. DM has a key role in the development of this particular interviewees' satisfaction perception, since it is a powerful means to do either follow-up and/or diagnosis to customers. DM may explore how interviewees/trainees evaluated the past training, to understand the impact of the training in the company, send inquiries, update (new) training needs, and to maintain a warm contact/dialogue between customers and training companies.

It is interesting to verify that all the interviewees are receptive to more follow-up from training companies (although some more than others). Surprisingly, several interviewees consider that training companies are not very concerned with doing follow-up and/or diagnosis after the training, namely trying to follow and update their training needs. This is therefore the unique theme found in this research in which criticism to training companies appears. Thus, some

contributions both to theory and practice will be made in the discussion and conclusions chapters about the implications of follow-up and diagnosis from training companies to customers.

This theme on the DM role in the follow-up and diagnosis (or lack of it) from training companies to training directors/participants will be carefully examined, since it seems the most critical one in the relationship maintenance and enhancement through DM between these interviewees and training companies.

Criticism to Training Companies Regarding Follow-up and Diagnosis

The interviewees were asked if they consider that training companies try to develop a relationship with them, according to the RM definition of Gronroos (1990)

to establish, maintain and enhance long-term relationships at a profit, so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of promises.

Many interviewees considered that training companies are not concerned in developing a relationship with them in the way presented in this definition. Thus, some divergence emerges, training directors and participants arguing that training companies are more worried with the relationship establishment, concerns focused in gathering and attracting participants to the training activities than with its maintenance/enhancement.

JOSH – TDR/M/H

the majority only send the training programme for the year and stops there...

JOHN – TDR/M/A

from the contact I had no, I think that a bigger commitment is necessary, if both parts want it of course, in order to develop a lasting relationship.

CONNOR – TP/M/H

I never had any follow-up after a training activity... never.

FRANCIS – TDR/S/H

training companies are concerned with the creation of courses, preparing files with the contents... and so they don't think in nothing more...

SILVESTER – TDR/L/H

training companies that I know... they never had that concern of follow-up... I never felt that... the contacts were only made by sending me information about some course...

PAUL – TDR/S/H

I have to do the training plan, usually until the 31st of December... now I changed to the 31st of January because of the delays... nobody sends me the training programmes...

Joe (TDR/M/A) made an interesting argument about this lack of follow-up, considering that training companies are not grabbing the opportunities they have to maintain and enhance a relationship with customers, saying

I went to this course in F [training company] of one year in financial markets... and they continued to send me some DM information but... it would be an opportunity for them to continue to this type of actions, isn't it? I would be receptive to that... because I really liked the training I received... and they could say 'look now we have this...' or 'we have this course, wouldn't you have interest...?'... or they could even create schemes to ex-trainees...

This way, Joe is happy with the training he received from that training company yet considering that this company is not doing enough after the training in order to maintain/enhance a relationship with him. Thus, it seems that training companies could develop more intensive and deeper relationships with trainees, for example in the case of Joe suggesting new courses in the same area of the previous course, or creating "schemes to ex-trainees". Roy (TDR/L/H), as Joe, is another training director receptive to more follow-up and contacts after-training, also considering that training companies are losing opportunities to go further in the relationship development with their customers,

I already went to two or three training activities in the same company... and the trainers were there... a person delivering the documentation and nothing more. I think that someone from the company should be there in the breaks... during lunch and try to develop a bit more the relationship... asking us to fill in an inquiry a bit longer... with other types of training, to go further, they never did that and I think they lose a lot with that, a lot...

This way, several interviewees considered that many training companies are more concerned with the phase of establishing/starting a relationship, sending DM on their training activities, in order to have customers, than in the

maintenance and enhancement of the relationship; more follow-up and diagnosis from training companies being clearly lacking.

However, and interestingly, some interviewees consider that some training companies are concerned with maintaining and enhancing a relationship with them. Yet these examples are usually given regarding one or a couple of cases of training companies with which interviewees have a "good" relationship.

RALPH – TDR/L/H

exactly, because they are people [training company C] who always treated me well, that commit with their programmes, that apologise when things worked less well, take care of my things... and I go there because I developed a relationship of trust with them that I even want their advice, you see?... and sometimes we pass the institutional level and I have many friends resulting from working together... they are concerned about us, obviously that they also want to sell, we know that...

ANTHONY – TDR/L/H

yes, we work with some companies for many years, and when we finish the training activities, then they don't let us go... and 'this year we have this and this, and we have this idea and more this proposal', ok, different activities and they really try not to cut the ties... and we already work with two companies for more than six years.

ROY – TDR/L/H

it is important that training company have the concern to know me better, what I do, what the company does... the company W has a very interesting way of communicate, the people are very friendly and it's easy... then they do what I believe to be fundamental... they take time to meet us better... there was a time that we went to a lunch in Lisbon and they were asking me about our interests... and then regularly, they probably filled in my profile, I receive e-mails from that company with training offers... and with themes adequate... I like it.

Training companies should do more follow-up and diagnosis to interviewees' training needs since they are receptive to that. Moreover, and going back to the beginning of the chapter, the crucial point either in the relationship establishment or maintenance/enhancement is that interviewees receive *DM directed at their training needs*. Thus, *follow-up and diagnosis* are essential and critical aspects, theoretically and practically, in the relationship maintenance/enhancement through DM with a training company. This applied logically to the training companies who really have in mind the relationship development with their customers; for example through a deeper adaptation,

more interaction and dialogue, and personalisation/customisation of their DM offers.

Follow-up inquiries

One of the possibilities that training companies have to diagnose and to follow up their customers' training needs/interests is through sending them DM inquiries. It was quite surprising listening interviewees stating that it is very rare to receive this type of follow-up inquiries from training companies.

RALPH – TDR/L/H

I receive a very few, but yes, if I have time and if it is from a credible company, in which I have trust, and mainly if I worked with that company, I think it is delicate to answer...normally companies don't do that. They send their information periodically of what they are doing...

FRANCIS – TDR/S/H

I answer only when the areas interest me.

JOE – TDR/M/A

it's very rare to receive... sometimes I reply... if I see that I have direct interest in their answer... because maybe after they'll organise the training activities...then I'll reply.

SILVESTER – TDR/L/H

most of the times I don't answer but... if some result will come to the company or to me later...then I'll try to answer.

JOHN – TDR/M/A

from training I always reply... I think that is very important.

Generally, interviewees are receptive to this kind of follow-up inquiries, and the majority answers them, especially when interested in the covered areas. Moreover, a main point to increase the possibility of interviewees answer is the inquiries not being too long or difficult to answer.

CARL – TDR/S/A

I answer if it's only to put crosses... I'm each time more lazy (laughs).

PAULIE – TDR/M/H

I answer when I see 4, 5 or 6 questions... to give my opinion, to make me listen.

Thus, it seems essential that training companies wishing to develop a relationship with customers personalise more the DM contacts, doing more diagnosis and follow-up to customers' needs. Interviewees are receptive to DM follow-up inquiries, some of them having some kind of "taking advantage" idea, expecting that if answering future DM offers will be more adapted to their training needs. Thus, DM follow-up benefits both parts, customers and training companies, in the sense that it may be possible for training companies to start sending more adapted and relevant DM offers, which customers really want to receive. This seems to be the ideal situation for training companies having in mind the relationship development

Finally, concluding this section on the satisfaction perceptions of the past training performance, it was found that the training aims achievement, trainees' evaluation/results, and follow-up and diagnosis are important aspects for the relationship maintenance and enhancement with training companies. These three aspects are related to the phase after training. As seen, DM has a key role in the development of one of these important satisfaction perceptions: follow-up and diagnosis.

4.3.4 Summary

While exploring the relationship maintenance and enhancement between training customers and training companies, it emerged that DM first and foremost role is being able to be directed at customers' training needs, this emerging already in the relationship establishment phase. Thus, DM relevance is a keyword in the relationship development in all its phases - establishment, maintenance and enhancement. Moreover, DM also has three other important and key roles in how these training customers maintain and enhance a relationship with a training company, such as developing two quality perceptions of the past training performance, namely training adaptation and organisation; and in developing one satisfaction perception of the past training performance, specifically follow-up and diagnosis (see Figure 13 – DM Roles in the Relationship Establishment, Maintenance and Enhancement with a Training Company).

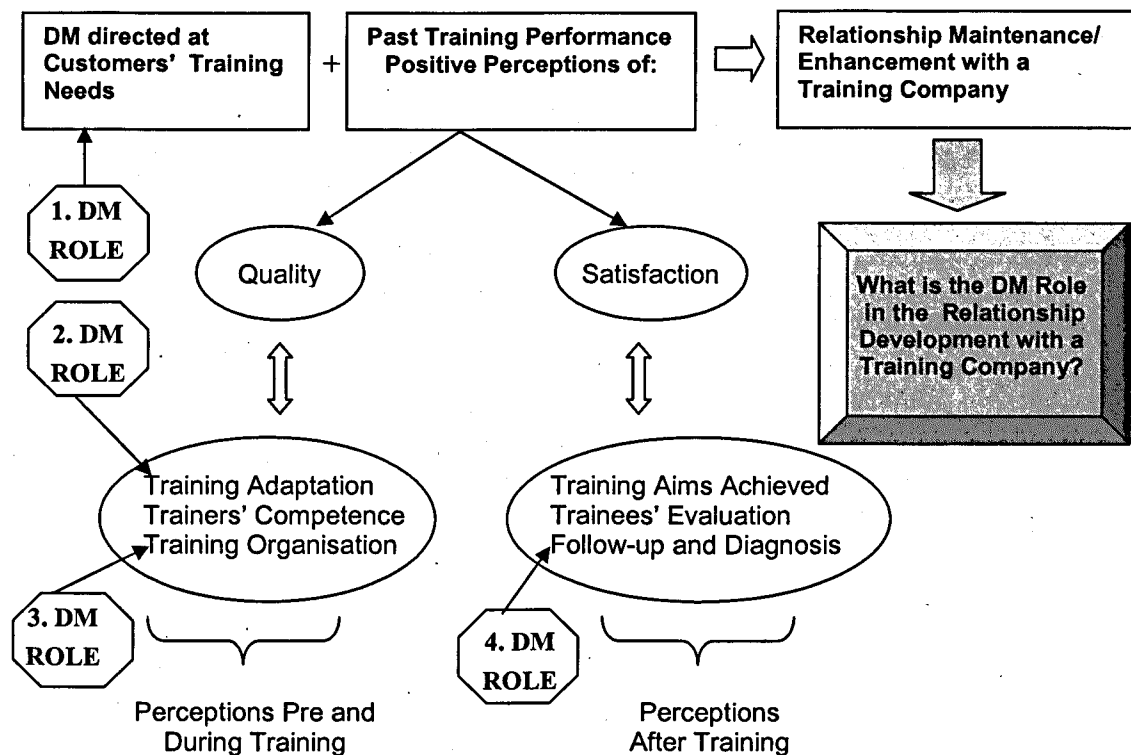


Figure 13: DM Roles in the Relationship Establishment, Maintenance and Enhancement with a Training Company

In Figure 13 it is summarised how the relationship development process with a training company evolves in interviewees' minds. It starts with interviewees receiving DM from a certain training company directed at their training needs. If that is the case, DM being relevant, interviewees immediately link the received DM to the memory of the past training performance of that training company, mainly to quality and satisfaction perceptions in their minds. Quality perceptions emerge as linked to aspects such as training adaptation, trainers' competence and training organisation; these perceptions being related to the timing previous and during training. Satisfaction perceptions are associated to factors like the training aims being achieved, trainees' evaluation and follow-up and diagnosis; these perceptions being related to the time after the training activity. This way, DM has an essential role in this relationship maintenance/enhancement, mainly in:

- (1) being directed at customers' training needs, hence being relevant;

- (2) the development of a quality perception of the past training performance, namely the training adaptation
- (3) the development of a quality perception of the past training performance, namely the training organisation; and finally
- (4) the development of a satisfaction perception of the past training performance, specifically follow-up and diagnosis.

In summary, it is clear that the first and foremost DM role is the received DM be directed at interviewees' training needs (relevant); only with this condition it is possible for these training customers to start/begin a relationship with a training company. Regarding quality perceptions, being a two-way communication means, DM may be very helpful in facilitating the training adaptation and organisation processes, promoting contacts, facilitating the dialogue and interaction between customers and training companies, and giving them a feeling that they are being treated differently, in a personalised and warm way. Finally, and of great importance, is the DM role in doing follow-up and diagnosis to interviewees. It seems that this last aspect is surprisingly missing, all interviewees clearly being receptive to give more information about their training needs. DM may also have a relevant role in this follow-up and diagnosis, exploring how interviewees/trainees evaluated the past training, understanding the impact of the training in the company, sending inquiries, updating (new) training needs, and maintaining a friendly contact/communication between customers and training companies.

4.4 Conclusions

Chapter 4 addressed the research question, aims and objectives of this research in two parts. The first answered to objective one, on how customers establish a relationship with a training company through DM. The second answering to objectives two and three (together), on how these training directors and participants maintain/enhance a relationship with that training company through DM. The findings emerged in this chapter 4, together with the

ones of chapter 5, will be related to the current literature in chapter 6 – Discussion.

In section 4.2, on the relationship establishment through DM, the DM role was very simple and straightforward to explain. When asking interviewees how they establish a relationship with a training company through DM, two key themes emerged: first, DM being directed at the interviewees' training needs and second the credibility of the DM source. Price was also mentioned, yet just by a couple of interviewees from the training participants' sample (this sample consisted of 6 out of the 30 interviewees).

Undoubtedly, DM being directed at interviewees' training needs, being relevant to their professional aims, is an essential aspect for interviewees to decide to attend some training activity, either for the first, second or following times. Thus, this informative role of DM is crucial on the relationship development, several interviewees considering DM from training companies so important that they even have difficulties in thinking of other means than DM to have this role.

Moreover, it emerged that DM may act as a trigger of a diagnosed/conscious or undiagnosed/unconscious existing training need, or act as a creator of a perceived need.

In section 4.3, on the relationship maintenance/enhancement with a training company, the DM role is more complex to explain. When asking how these training directors/participants maintain and enhance a relationship with a training company through DM, the answer is not so direct (as in the relationship establishment). This is explained since the DM role in this process is *conditional* and appearing only in certain themes. Thus, interviewees maintain and enhance a relationship with a training company "*only*" if there is a *combination* between DM being relevant, directed to interviewees' training needs *and* a positive past training performance perceptions in interviewees' minds. This way, if these perceptions of the past

training performance are negative DM has no role in the relationship development with a training company.

Thus, a key finding discussed in this chapter is the major importance of the past training performance perceptions in interviewees' minds in order for them to maintain and enhance a relationship with a training company. This interviewees' idea of the past training experience emerge as associated to quality and satisfaction perceptions. It is clear that besides the DM key role in its ability of being directed at customers' training needs, DM has also an important role in the development of two of these quality perceptions of the past training performance: training adaptation and organisation, and in one satisfaction perception of the past training performance: follow-up and diagnosis.

Finally and still related to the follow-up and diagnosis made (or not) by training companies, it also emerged that there are interviewees who prefer a "strong" follow-up and other interviewees who prefer a "light" follow-up. The key and only difference between them is their preference to receive personal contacts from the training companies (or not). This is related to the fact that some interviewees appear as more relationship-oriented than others, who emerge as more transaction-oriented. This important finding will be developed in the first part of the next chapter: Transactional and Relational Customer Segments.