Introduction
There is a growing body of literature trumpeting a paradigm shift to relationship marketing. Much of the initial conceptual development behind relationship marketing can be traced to Macneil’s (1978, 1980) discussion of the impact of long-term, legal contracts on exchange relationships. Berry (1983) introduced the term “relationship marketing” to the services marketing literature, defining it as attracting, maintaining, and enhancing customer relationships (cf. Grönroos, 1994). Several recurring themes in the relationship marketing literature include customer satisfaction (Crosby et al., 1990; Perrien and Ricard, 1995), mutual trust (Berry, 1995; Crosby et al., 1990; Grönroos, 1990; Morgan and Hunt, 1994; Perrien and Ricard, 1995; Wilson, 1995), and commitment or promise (Beaton and Beaton, 1995; Grönroos, 1994; Gundlach et al., 1995; Morgan and Hunt, 1994; Perrien et al., 1995; Wilson, 1995). While many of these perspectives compare marketing relationships to a marriage which is marked by the ongoing mutual commitment and interest of both parties (Beaton and Beaton, 1995; Heide and John, 1992; Morgan and Hunt, 1994; Perrien et al., 1995), another perspective posits that relationship marketing is an asymmetrical marketing process that requires an in-depth, personalized understanding of customer needs and characteristics (Perrien and Ricard, 1995; Perrien et al., 1995).

In clarifying what relationship marketing is, some researchers have focussed on what it is not. For example, according to Pruden (1995), relationship marketing can be distinguished from frequency marketing by the breadth of customers it attempts to retain: frequency marketing increases the long-term yield from only the best customers whereas relationship marketing’s focus is to move all customers up the ladder of loyalty. Relationship marketing also differs from traditional direct marketing – which seeks immediate sales – in its focus on relationship endurance (Copulsky and Wolf, 1990), and from database marketing in its bottom-up versus top-down approach: i.e. database marketing looks at the overall market and attempts to segment it into smaller pieces, whereas relationship marketing looks at the needs of individual customers and builds them into a base of customers (Shani and Chalasani, 1992).

Benefits
Relationship marketing strategies can produce many benefits for practicing firms, including higher barriers to customer switching (Dwyer et al., 1987), decreased customer price sensitivity (Beaton and Beaton, 1995; Grönroos, 1994; Perrien and Ricard, 1995), and economies in the form of lower marketing costs (Copulsky and Wolf, 1990; Grönroos, 1994; Gundlach et al., 1995; Pruden, 1995; Sheth and Parvatiyar, 1995). Researchers have examined which types of firms would most likely benefit from a relationship marketing program. For example, Grönroos (1991) posits that, since relationship marketing stresses personalized customer interaction, service and industrial goods firms are better suited to relationship marketing than are consumer goods firms. Consumer firms which provide important, variable,
and complex services (Berry, 1995), and those which can enhance social bonds by offering customers a sense of identification with the firm (Bhattacharyya et al., 1995), may be especially well-suited to relationship marketing. However, Sheth and Parvatiyar (1995) propose a wide range of factors that may motivate consumers to enter into relational market behavior, including consumer inertia, perceived risk in future choice-making, the expectation of positive reinforcements, or a recommendation by an opinion leader of the consumer’s referral network.

In this article, we examine the implementation of relationship marketing under the assumption that a seller is motivated to develop relationships with its customers. Under this assumption, a seller would likely develop relational strategies that target both customers with whom it currently has relationships as well as customers with whom no relationship exists. Consistent with Berry’s (1983; 1995) perspective of relationship marketing, this article underscores the need for firms to create multiple marketing strategies that:

1. develop and maintain discrete exchanges; and
2. develop, maintain, and enhance ongoing relationships.

The rest of this article is organized as follows. Section two develops the conceptual background for a relationship marketing program that includes discrete marketing strategies, seller-maintained relational strategies, and bilateral relational strategies. Section three presents a case study that demonstrates the need for each type of strategy and provides an example of each. Finally, section four offers recommendations and managerial implications.

Conceptualizing a relationship marketing program

Dwyer et al. (1987) highlight the conceptual symmetry of buyer-seller relationships by examining the dyadic motivations for relational exchange. According to this conceptualization, the motivation to invest in a relationship – which depends on the expected net benefits of a relationship – can range from low to high for both buyers and sellers (see Figure 1). If sellers are motivated to invest in a relationship and buyers are not, a buyers’ market, marked by discrete exchanges, emerges. On the other hand, if buyers are motivated to invest in a relationship and sellers are not, a seller’s market emerges, with the market again marked by discrete exchanges. When both buyers and sellers are highly motivated to invest in a relationship, a bilateral, and conceptually symmetrical, relationship emerges. Finally, when buyers (sellers) are moderately motivated to invest in a relationship and sellers (buyers) are highly motivated, a seller- (buyer-) maintained, asymmetrical relationship emerges. Perrien et al.’s (1995) conceptualization of relationship marketing as an asymmetrical marketing process is consistent with the seller-maintained relationship described above and depicted in Figure 1.

A seller that is motivated to invest in relationships with its customers focuses a large portion of its marketing efforts on maintaining or increasing the motivation of current customers to make greater investments in an ongoing relationship. According to Dwyer et al. (1987), a firm can achieve this by moving customers through four phases of relationship development:

1. awareness, without interaction, is a precursor to exchange;
2. exploration, including search and trial purchases, is represented by discrete exchanges in Figure 1;
expansion, marked by mutual satisfaction and increased patronage, is represented by the seller- (or buyer-) maintained relationships in Figure 1; and

(4) commitment, based on governance structures and/or shared values, is represented by the bilateral relationships in Figure 1.

Dissolution of the relationship can occur at any point in the process, and negative transitions (e.g. moving from commitment back to exploration or expansion) are also possible. However, with each successive stage, the relationship is marked by deepening satisfaction and interdependence, accompanied by the emergence of governance structures and/or shared values to support joint investment in the relationship (Dwyer et al., 1987)[1].

Governance structures and relational motivation

Governance structures are formal commitments or promises that legally define the nature of an exchange relationship. It is important to note, however, that commitments need not be formalized nor need they be mutual or bilateral. Figure 2 presents a $2 \times 2$ typology of commitment types, based on an informal/formal dimension and a unilateral/bilateral dimension.

A unilateral, seller-maintained relationship is marked by disproportionate commitment from the seller[2]. This unilateral commitment, which is typically designed to encourage buyers to deepen their relational motivation, may be informal or formal (i.e. include a governance structure). For example, database marketing is an example of an informal, unilateral commitment that can move buyers into relationship expansion with personalized, targeted communications designed to generate social bonding (cf. Berry, 1995). Database marketing is informal because there is no governance structure specifying the seller’s or buyer’s performance, and it is unilateral because it involves significant effort and commitment from the
seller but no effort or commitment from the buyer. A frequent buyer program, on the other hand, represents a formal, unilateral commitment to financially reward specified buyer behavior – formal because it includes a governance structure that legally defines the seller’s commitment to reward performance on the part of the buyer, and unilateral because the buyer (unlike the seller) is not committed to perform in a prescribed manner[3]. If successful, the frequent buyer program and the database marketing program induce buyers to increase their relational motivation and commitment.

Bilateral commitments, on the other hand, are marked by mutual relational effort and motivation. Informal, bilateral commitments typically rely on either financial or social bonds to encourage repeat purchases without any legal obligation from either party to do so. Formal, bilateral commitments involve governance structures that specify performance commitments from both buyers and sellers. Purchase of a subscription (e.g. season tickets for a theater series or a sports team), purchase of a service contract, payment of university tuition, and purchase of a membership to a health club all involve formal, bilateral commitments – typically in the form of a prepayment or promise to pay from the buyer and a performance promise from the seller. Relationships involving a bilateral governance structure may be difficult to dissolve in the short run, but the duration of the relationship is typically specified in a finite, short-term manner. Therefore, to maintain long-term client relationships, firms using governance structures to define their customer relationships may also want to develop social bonds based on shared values.

Shared values and relational motivation
Another approach to long-term relationship building and maintenance is through the creation and cultivation of shared values between buyer and seller (e.g. Morgan and Hunt, 1994). Shared values may occur at a relatively superficial level in the form of goal congruence between buyer and seller: for example, Wal-Mart’s value pricing strategy may be successful partially due to a shared goal on the part of Wal-Mart and its customers to maintain low prices – always. Shared values may take on deeper meaning in the form of identification or internalization of similar values (cf. Bhattacharya et al., 1995): for example, avid weight lifters may identify with their health club, prompting them to publicize their health club affiliation – and the value they

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**Figure 2. A 2 × 2 typology of commitment types**

<table>
<thead>
<tr>
<th>Informal governance</th>
<th>Formal governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Database marketing program designed to create social bonds</td>
<td>Repeat purchases by customers whose intense loyalty is based on financial or social bonds</td>
</tr>
<tr>
<td>Frequent buyer program designed to create social and/or financial bonds</td>
<td>Membership/season tickets designed to create social and/or financial bonds</td>
</tr>
</tbody>
</table>

**Financial or social bonds**

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**Table:**

<table>
<thead>
<tr>
<th>Commitment Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unilateral (seller-maintained) commitment</td>
<td>Database marketing program designed to create social bonds</td>
</tr>
<tr>
<td>Bilateral commitment</td>
<td>Repeat purchases by customers whose intense loyalty is based on financial or social bonds</td>
</tr>
<tr>
<td>Frequent buyer program</td>
<td>Membership/season tickets designed to create social and/or financial bonds</td>
</tr>
<tr>
<td>Financial or social bonds</td>
<td>Repeat purchases by customers whose intense loyalty is based on financial or social bonds</td>
</tr>
</tbody>
</table>

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place on “working out” – by wearing T-shirts emblazoned with (for example) “Gold’s Gym.” Similar levels of identification are manifested by Harley Davidson owners, university students and alumni, and sports team fans. Although shared values are often manifested in relationships that also include formal governance structures (e.g. gym membership, university enrollment), that need not always be the case (e.g. a sports fan that does not purchase season tickets but does purchase an occasional ticket, a sweatshirt with logo, etc.; the Harley Davidson owner that does not belong to the Harley Owners Group but who does buy and wear Harley shirts and jackets).

From the marketer’s perspective, a relationship based on both shared values and a governance structure may be the most desirable. Consider, for example, recent trends in credit card programs. The credit card industry has undergone significant changes over the last decade, with many consumers holding credit cards from issuers (i.e. banks) with whom they have no other experience. Since trial and exploration without a relationship are often not possible, credit card issuers use promotional programs designed to motivate customers to enter directly into a bilateral relationship. One currently popular program is the low-introductory-interest-rate card that relies on financial goal congruence to motivate customers to enter directly into a bilateral commitment by transferring balances from other credit cards to the new card. Although this program involves a governance structure and a bilateral commitment, it is questionable whether customers will remain in the relationship after the introductory rate ends unless the card issuer can successfully create exit barriers as well, but the current ubiquity of low-introductory-interest-rate offers suggests that exit barriers will remain relatively low. One program designed to increase exit barriers is the affiliation card: e.g. a program which targets university alumni with a credit card that allocates a small percentage of all card purchases to the customer’s Alma Mater. Sometimes this program is combined with a low-introductory-interest-rate offer. This combined program offers a governance structure that provides short-term financial bonds and long-term social bonds derived from the shared value of contributions to the customer’s Alma Mater. The use of shared values in designing this program may prove more successful in maintaining long-term relational motivation.

A credit card company represents a pure service that operates exclusively at the relationship marketing end of Grönroos’ (1994) marketing strategy continuum – a continuum that places transaction marketing on one end and relationship marketing on the other end. Grönroos contends that different types of firms are better-suited to operate at different points on the continuum; however, our position is that, unlike credit card companies, most consumer firms interested in implementing a relationship marketing program must operate along the entire spectrum of this continuum, implementing transactional strategies and relational strategies simultaneously. The goal for these strategies is to move customers through the four stages of relationship development. Achieving this goal involves three specific objectives:

(1) stimulating awareness and exploration by new customers;
(2) moving discrete exchange customers into a seller-maintained relationship; and
(3) motivating customers currently engaged in a seller-maintained relationship to invest in a bilateral relationship.

A fourth, more general objective – i.e. to maintain satisfied customers at all stages of relationship development – is necessary to prevent dissolution and negative transition (unless the firm determines that customers stuck in a
particular stage of relationship development are no longer wanted). Collectively, this suggests that a firm has dual objectives at each stage of the relationship:

1) relationship enhancement; and

2) exchange or relationship maintenance.

We use a case study to demonstrate and support this position.

Implementing a relationship marketing program: a case study

To generate a better understanding of exactly how a seller can achieve the two objectives of relationship enhancement and exchange/relationship maintenance, we analyzed the customer segments and marketing strategies for PlayMakers Repertory Company (PRC), a nonprofit professional theater located in Chapel Hill, North Carolina. PRC is a producing theater and both a program of the University of North Carolina at Chapel Hill’s Department of Dramatic Art and a member of the League of Resident Theaters, a professional organization for the country’s largest nonprofit professional theaters. The theater has several distinct customer segments which fall at different points along the transaction-relationship continuum: at one extreme, there are first-time, single-ticket buyers who are just entering the exploration phase; at the other extreme, there are long-time (ten years and more) subscribers who are completely committed to every PRC offering. There are also segments at different points along the continuum which are more or less satisfied with the current state of the exchange or relationship. We contend that these distinct segments require different strategies to maintain current exchanges and motivate continued or deepening relational motivation.

For the five-play 1994-95 season, PRC attracted 5,946 subscribers who accounted for 43 percent of all ticket sales. In addition to season subscriptions, PRC sells single tickets to individual performances of each of its productions. During the fourth production of PRC’s 1994-95 season, we distributed 1,250 surveys during 11 performances, and collected a total of 477 usable surveys. A copy of the survey appears in the Appendix, and Table I provides a demographic breakdown of the survey respondents by segment. Analyses to explore for nonresponse bias indicated that subscribers were over-represented in the sample, probably due to a greater willingness of subscribers to take the time to respond to the survey; however, there was no reason to suspect that the sample of subscribers differed significantly from the subscriber population, or that the sample of single-ticket buyers differed significantly from the single-ticket buyer population[4]. Accordingly, the remaining analyses examine these two segments separately.

We then conducted separate cluster analyses to develop richer profiles for PRC’s two major segments, subscribers and single-ticket buyers. Collectively, these analyses produced six segments (see Table II): three types of subscribers (Tried & Trues, Tried & Blues and Try No Mores); and three types of single-ticket buyers (Searchers, Samplers and Novices). The following sections offer additional details for the analyses and the resulting profiles.

PRC’s subscriber segments

Using a nonhierarchical clustering algorithm, we grouped PRC’s subscribers based on similarities with respect to the likelihood that they will renew, their satisfaction with the current performance, perceived overall
Table I. Demographic breakdown of the survey respondents

<table>
<thead>
<tr>
<th>Marital status:</th>
<th>Single ticket buyers (%)</th>
<th>Subscribers (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>38.5</td>
<td>77.7</td>
<td>62.5</td>
</tr>
<tr>
<td>Single</td>
<td>58.2</td>
<td>19.2</td>
<td>34.4</td>
</tr>
<tr>
<td>Widowed, divorced, separated</td>
<td>3.3</td>
<td>3.1</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Age categories:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 21</td>
<td>22.4</td>
<td>4.9</td>
<td>11.7</td>
</tr>
<tr>
<td>21-35</td>
<td>34.4</td>
<td>14.2</td>
<td>22.1</td>
</tr>
<tr>
<td>36-49</td>
<td>15.3</td>
<td>25.0</td>
<td>21.2</td>
</tr>
<tr>
<td>50-65</td>
<td>16.9</td>
<td>31.3</td>
<td>25.7</td>
</tr>
<tr>
<td>Over 65</td>
<td>10.9</td>
<td>24.7</td>
<td>19.3</td>
</tr>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $10,000</td>
<td>18.0</td>
<td>3.3</td>
<td>9.0</td>
</tr>
<tr>
<td>$10,000-$24,999</td>
<td>15.4</td>
<td>4.1</td>
<td>8.4</td>
</tr>
<tr>
<td>$25,000-$39,999</td>
<td>13.4</td>
<td>12.8</td>
<td>13.0</td>
</tr>
<tr>
<td>$40,000-$59,999</td>
<td>18.8</td>
<td>21.9</td>
<td>20.7</td>
</tr>
<tr>
<td>$60,000-$89,999</td>
<td>19.5</td>
<td>26.0</td>
<td>23.5</td>
</tr>
<tr>
<td>Over $90,000</td>
<td>14.8</td>
<td>31.8</td>
<td>25.3</td>
</tr>
<tr>
<td><strong>Length of residence:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>13.8</td>
<td>2.1</td>
<td>6.6</td>
</tr>
<tr>
<td>1-5 years</td>
<td>41.4</td>
<td>24.0</td>
<td>30.8</td>
</tr>
<tr>
<td>6-10 years</td>
<td>14.9</td>
<td>22.3</td>
<td>19.4</td>
</tr>
<tr>
<td>10 years or more</td>
<td>29.8</td>
<td>51.6</td>
<td>43.2</td>
</tr>
</tbody>
</table>

**Note:** Percentages may not add up to 100 due to rounding

Table II. PRC market segment scores for selected measures

<table>
<thead>
<tr>
<th>Subscribers</th>
<th>Likelihood of renewing</th>
<th>Satisfaction with current performance</th>
<th>Overall value</th>
<th>Number of years subscribed</th>
<th>Performance quality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tried &amp; Trues</td>
<td>173</td>
<td>0.56&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.25&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.54&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.30&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Tried &amp; Blues</td>
<td>75</td>
<td>–0.25&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–0.28&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–0.62&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–0.17&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Try No Mores</td>
<td>43</td>
<td>–1.96&lt;sup&gt;c&lt;/sup&gt;</td>
<td>–0.56&lt;sup&gt;b&lt;/sup&gt;</td>
<td>–1.20&lt;sup&gt;c&lt;/sup&gt;</td>
<td>–0.88&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Single-ticket buyers</th>
<th>Likelihood of subscribing</th>
<th>Satisfaction with current performance</th>
<th>Overall value</th>
<th>Number of shows attended in last year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Searchers</td>
<td>53</td>
<td>1.11&lt;sup&gt;d&lt;/sup&gt;</td>
<td>0.49&lt;sup&gt;d&lt;/sup&gt;</td>
<td>0.68&lt;sup&gt;d&lt;/sup&gt;</td>
</tr>
<tr>
<td>Samplers</td>
<td>66</td>
<td>0.20&lt;sup&gt;e&lt;/sup&gt;</td>
<td>–0.78&lt;sup&gt;e&lt;/sup&gt;</td>
<td>–0.72&lt;sup&gt;e&lt;/sup&gt;</td>
</tr>
<tr>
<td>Novices</td>
<td>65</td>
<td>–1.10&lt;sup&gt;f&lt;/sup&gt;</td>
<td>0.32&lt;sup&gt;d&lt;/sup&gt;</td>
<td>0.07&lt;sup&gt;f&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

**Note:** All measures are standardized scores. Same letter (in a column) indicates no significant difference across groups.
value, and the number of years they have been subscribing. This produced three decidedly different clusters which were then subjected to discriminant analysis to determine other significant differences.

*Tried & Trues* can be characterized as older, affluent, long-time subscribers who are very satisfied with the current season and who say they will unquestionably renew next season. These customers maintain their subscription primarily out of “loyalty to the theater,” and they are very satisfied with every aspect of the theater’s product.

*Tried & Blues* are affluent subscribers who have been subscribing for several years but who are not especially satisfied with the current performance or the season as a whole. Still, they indicate that they probably will renew next season. This group lists “play selection” followed by “desire to attend [the theater] with friends” as the main reasons for subscribing.

*Try No Mores* include younger, less affluent, short-time subscribers who are not satisfied with the current performance or the overall value offered by PRC. This group chose to subscribe primarily out of a “desire to attend [the theater] with friends” and for the “play selection”; they are dissatisfied with the quality of the performances, and they have decided not to renew for another season.

**PRC’s single-ticket buyer segments**

A nonhierarchical clustering algorithm was used to group single-ticket buyers based on similarities and differences with respect to the number of live professional performances they attended in the past year, their satisfaction with the current performance, their perceptions of the value offered by PRC, and whether or not they would consider subscribing next year. This produced three distinctly different clusters which were then subjected to discriminant analysis to determine other significant differences.

*Searchers* are well-educated, moderately affluent and relatively new to the area. They are frequent theater-goers who decided to attend this show based on PRC’s reputation and/or just to have “a night out.” They are satisfied with the current performance and feel that PRC offers very good value for the dollar; moreover, they indicate a willingness to make a greater investment in a relationship by subscribing to next year’s season.

*Samplers* also are frequent theater-goers who decided to attend based on hearing positive things about this particular show – either through word-of-mouth or a review in the newspaper. Their expectations were not met in the current performance, resulting in low satisfaction and overall value perceptions. Not surprisingly, they indicate only a modest interest in subscribing next year.

*Novices* tend to be younger with a lower income level and can be characterized as either students who are required to attend productions in association with a theater class, or audience members who do not make the purchase decision but who accompany a friend or spouse. They are infrequent theater-goers who definitely will not subscribe next year even though they are satisfied with the current performance and feel that the theater offers a fair value. At this time, the best that PRC can expect from this group is that they will continue to engage in discrete transactions.
Relational motivation and satisfaction

Figure 3 maps PRC's six customer groups according to their relational motivation and current level of satisfaction. This map suggests that satisfaction does not necessarily lead to a relationship, nor does dissatisfaction necessarily lead to defection. Specifically, *Samplers* are relatively low on both satisfaction and relational motivation; *Novices* are moderately high on satisfaction but extremely low on relational motivation; *Tried & Blues* are low on satisfaction but relatively high on relational motivation; and *Tried & Trues* are high on both satisfaction and relational motivation.

Figure 3 also provides support for four of our earlier contentions.

1. **The importance of marketing strategies designed to stimulate awareness and exploration.** PRC has successfully attracted a substantial number of new customers who are reasonably satisfied with PRC's offering but who will not purchase a subscription in the near future – i.e. *Novices*. PRC has attracted another group of customers who are satisfied with PRC's offering and who probably will purchase a subscription in the near future – i.e. *Searchers*. Maintaining (and even increasing) this infusion of new customers is essential for PRC's long-term success since many of its loyal customers are older and will eventually diminish in vitality and numbers.

2. **The importance of developing strategies designed to increase relational motivation.** PRC’s marketing strategies have successfully increased relational motivation for *Searchers*, who indicate that they are prepared to enter into a bilateral relationship.

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**Note:** Small arrows indicate an expected shift in relational commitment

*Figure 3. Mapping relational motivation and satisfaction of PRC's six customer groups*
The distinction between governance structures and shared values as mechanisms for building relationships. Try No Mores are engaging in dissolution or, at best, negative transition. Many of the Try No Mores entered into a bilateral relationship with PRC based on the plays and/or the discount offered for the season subscription – a governance structure – more so than shared values. As noted earlier, relationships based on governance structures alone may endure for relatively short periods.

The importance of developing strategies specifically designed to maintain current levels of satisfaction. Of potentially greater concern than the termination of the Try No Mores’ relationships is the relative dissatisfaction of the Tried & Blues. PRC can ill-afford the loss of these long-time subscribers who ostensibly share the value of participating in live theater.

PRC’s current marketing strategies
Non-profit firms are uniquely suited for a relationship marketing program due to the intangible nature of the benefits they provide and the dual nature of their publics – customers and donors (McCort, 1994). A relationship marketing program fits especially well for a non-profit theater because its customers and donors are often the same individuals. For example, renewing subscribers contribute over 50 percent of PRC’s total individual donations. This suggests that a non-profit theater’s relationship marketing objectives would include motivating customers to deepen their investment in the relationship by also becoming donors – a manifestation of deeply shared values. Figure 4 depicts the multilayered objectives and strategies of PRC’s relationship marketing program: i.e. stimulating awareness and exploration

Figure 4. PRC’s relationship marketing objectives and strategies
Stimulating awareness and exploration by new customers. PRC uses advertising, publicity and direct marketing to stimulate awareness and exploration by new customers. At the beginning of each season, a brochure detailing the upcoming season of plays is distributed to households in targeted area Zip codes, to patrons of other area arts organizations, to new faculty of area universities, and to a purchased list of area households whose members have indicated an interest in cultural events. This direct mailing is followed by a telemarketing campaign targeting the same households. Much like the credit card programs described earlier, this direct marketing campaign attempts to draw customers directly into a bilateral relationship in the form of a season subscription. This campaign may be especially effective in targeting theater lovers who are new to the area and are predisposed to entering into a relationship with a professional theater – i.e. Searchers – in the same way that low-introductory-rate credit card programs are most effective in targeting consumers with outstanding credit card balances. Unlike the credit card programs, however, targeted households that opt not to purchase a subscription may also explore PRC by purchasing single tickets to one or more productions. This direct marketing approach to promoting awareness, exploration and relational motivation uses personalized communication to cultivate and maintain social bonds.

For each of the individual productions of the season, PRC promotes discrete transactions (i.e. single-ticket purchases) with play-specific ads, feature stories, listings, and critiques in the arts and entertainment sections of the local newspapers. Local radio stations broadcast both public service announcements for the plays and live interviews with production artists. Once per production, PRC’s newsletter is inserted into a Sunday edition of a local newspaper with a distribution of approximately 35,000. Although non-personal communication such as newspaper ads and stories is an effective way to disseminate information, many customers ultimately rely on personal influences to make their decision to purchase. Thirty-five percent of single-ticket buyers reported that they had heard about the production from a friend (i.e. word-of-mouth).

Encouraging expansion using a seller-maintained relationship. PRC uses database marketing to encourage expansion and increase relational motivation. Data – including the patron’s name, address, phone number, which production and performance purchased and price category – are collected from every single-ticket transaction, and customers in the database subsequently receive personalized, direct mail pieces on upcoming productions. By communicating with customers through multiple means and referring to customers by name, this program encourages social bonding (Berry, 1995). Eleven percent of surveyed single-ticket buyers reported that they had heard about the production from a direct mail piece.

The database marketing strategy targets three of the customer segments identified in the previous section. Samplers are frequent theater-goers who were not very satisfied with the current performance and feel that PRC offers relatively poor value; nevertheless, they indicated a modest interest in subscribing to next year’s season, and they may purchase tickets for future performances. Database marketing strategies targeting this customer segment encourage continued expansion and patronage. Database marketing
strategies also target Searchers – who are predisposed to investing in a bilateral relationship – and encourage continued expansion, with the goal of converting them into subscribers for next year’s season. Finally, if Try No Mores decide not to renew their subscriptions, the database marketing strategy may successfully transition them to a seller-maintained relationship rather than dissolution.

Motivating customers into a bilateral relationship. A bilateral relationship may emerge when both buyers and sellers are highly motivated to invest in a relationship. In-house efforts make it easy for both those exploring PRC for the first time and those in a seller-maintained relationship to enter into a bilateral relationship by purchasing a season subscription. Program inserts during the first production of the season encourage single-ticket buyers to exchange their single-ticket stub for credit toward a subscription for the remainder of the season. For the convenience of those who decide to take advantage of this exchange offer, the box office remains open during intermission of the first production. In 1994-95, nearly 250 single-ticket buyers of the first production of the season converted their purchase into a full-season subscription.

PRC also uses its database marketing program to persuade customers to invest in a bilateral relationship. Each summer, every single-ticket buyer in PRC’s database receives a direct mail package which provides information about the upcoming season, communicates the benefits of subscribing (including guaranteed seating, a discount off the single-ticket price, a complimentary copy of PRC’s newsletter six times per year, and free ticket-exchanges), and includes an order form. This direct mailing is followed by a telemarketing campaign targeting the same households.

Continuance of bilateral relationships and cultivation of shared values. At the end of each season, PRC asks subscribers to extend their commitment to the theater by renewing their subscription for the coming year. Subscribers are mailed a renewal package which details the upcoming season of plays, reiterates the benefits of subscribing, includes a letter from the producing director which thanks subscribers for their prior support and encourages them to renew, and includes an order form which pre-prints the subscriber’s renewal information (their performance series, number of tickets and renewal price). At this time, subscribers are also given the opportunity to change performance series and request a seating upgrade. Each year, roughly 75 percent of subscribers renew for the next season.

Inserts in the renewal package also encourage subscribers to make contributions to the theater above and beyond the cost of the subscription. This insert explains the income gap between total box office revenue and the total expenses of the theater and provides information about PRC’s community outreach and education programs which would not be possible without the support of donors. PRC attempts to strengthen the identification this segment feels with the theater by providing both public recognition and special events for strengthening social bonds (Berry, 1995; Bhattacharya et al., 1995). The names of all donors are listed in the program under the appropriate category of support: “Friends” donate $40-$90, “Backers” donate $100-$249, etc. PRC also invites donors who give $100 and above to a reception, backstage tour and intimate discussion with the theater’s artists at the start of each season. The names of donors giving $1,000 and above are listed on a plaque in the theater’s lobby. For the 1995-96 season, 17 percent of subscribers included donations along with their renewals.
Maintenance of relationships. PRC has established several programs through which it maintains its relationships. PRC’s direct marketing efforts maintain personalized contact with all single-ticket buyers. PRC maintains even closer relations with subscribers by distributing a newsletter to subscribers six times per year. The newsletter gives information on the organization, the artists, upcoming plans and the productions. In the 1994-95 season, PRC installed a “hotline” (a box-office phone number given exclusively to subscribers) to give subscribers easier access to the box office during peak demand times. Still, PRC has not successfully maintained its relationships with two customer segments – Try No Mores, who have indicated that they will not be renewing their subscriptions, and Tried & Blues, who are dissatisfied with their relationship with PRC, even though they probably will renew their subscription for at least one more year. We address these shortcomings and offer recommendations and managerial implications in the following section.

Extending the relationship marketing program: recommendations and managerial implications
To this point, the main thrust of the discussion has been that, for most sellers, successful implementation of a relationship marketing program requires a complement of marketing strategies that satisfy and motivate customers through four phases of relationship development. We examined how a nonprofit professional theater uses:

1. advertising, publicity and direct marketing to stimulate awareness and exploration;
2. database marketing to establish seller-maintained relationships that encourage relational expansion;
3. a subscription governance structure that offers a financial incentive to encourage bilateral commitment; and
4. personal recognition and social bonding programs to promote identification with and internalization of the values shared with the organization, culminating in monetary donations.

PRC subsequently implemented several changes in its relationship marketing program. These changes were motivated by two key insights provided by this study:

1. the value of conducting customer segmentation within the context of a relationship marketing program; and
2. the importance of governance structures and shared values in establishing a strong relationship foundation.

We now discuss the results of these changes and offer a summary of the managerial implications suggested by the PRC case study.

Customer segmentation and relationship marketing
One of the more interesting implications suggested by the PRC case study is the value of conducting customer segmentation when implementing a relationship marketing program. For example, the findings from the current study suggested three distinct strategies for dealing with the three different subscriber customer segments. Try No Mores reported the lowest likelihood of renewing their subscriptions even though on several dimensions their satisfaction levels were not significantly different from Tried & Blues’ satisfaction levels; however, Try No Mores’ satisfaction levels were significantly lower on one dimension – i.e. the actors’ performance quality.
Try No Mores were primarily first-year subscribers who were experienced theater-goers but new to PRC. Apparently, this group expected better performance quality than they experienced at PRC’s productions. One way to manage new subscribers’ performance evaluations is to manage their performance expectations (e.g. Zeithaml et al., 1993). This is especially important for PRC because of the dual nature of its mission – i.e. to produce professional theater with actors and directors brought in from New York, Los Angeles, etc., and to serve as a training ground for its resident company made up of graduate students and faculty.

To better guide the expectations of its new subscribers, PRC now stresses the importance of the resident company in PRC’s mission and historical development in a letter to first-year subscribers. Included in this letter is an offer of free tickets to attend a Department of Dramatic Art production which is cast entirely with graduate acting students and directed by faculty. This program is designed to encourage new subscribers to embrace one of PRC’s fundamental values – i.e. to provide a training ground for University of North Carolina’s graduate acting students. Two-hundred and seventy-four (approximately 20 percent) first-year subscribers accepted PRC’s offer of free tickets to a Department of Dramatic Art production, and the cost for this program was minimal since there was excess capacity at the student show.

Retaining Tried & True subscribers requires little effort on the part of PRC, but the survey results – indicating that Tried & Trues had very high levels of satisfaction and relational motivation – prompted PRC to experiment with an Early Bird subscription renewal. When subscribers attended the fifth production of the 1994-95 season, they found attached to their seat back a personalized renewal form for the upcoming season. Subscribers who renewed on the spot received a subscription to the upcoming season at the current season’s prices. Thirty-five percent of the subscribers renewed during the Early Bird special – even though the show titles for the upcoming season were not mentioned. The expense of the Early Bird effort was minimal (approximately $145 for the printing of the Early Bird renewal forms and labels), and it saved the theater the cost of mailing an expensive renewal brochure to these subscribers.

Tried & Blues are long-time subscribers who are committed to PRC but who are relatively dissatisfied with the current season; unfortunately, there is no single response that would satisfy Tried & Blues. Some reported wanting more classical plays, while others wanted more contemporary plays or more comedies. Relationship marketing wisdom suggests that this group might be more satisfied if they were given some voice in the selection process. To accomplish this, PRC may include a list of plays under consideration in conjunction with its Early Bird renewal program and encourage renewing subscribers to identify their top choices. Giving subscribers the perception that they are involved in the selection of PRC’s season may increase the sense of investment and shared values.

Establishing a strong relationship foundation
Another interesting implication provided by the conceptualization we offer and by the PRC case study is the distinction between relationships built on a governance structure and relationships built on or enhanced by social bonding and shared values. Prior to this study, PRC used several distinct strategies to encourage relational motivation: for example, a formal governance structure (i.e. a subscription) encouraged commitment through a financial incentive, and database marketing promoted social bonding and expansion. Subsequent to this study, PRC adopted two new approaches to...
fostering relational commitment: one designed to convert *Searchers* and *Samplers* into subscribers, and another designed to further strengthen social bonds with its single-ticket buyers.

To encourage more frequent patronage from *Searchers* and *Samplers*, PRC recently implemented a mini-series governance structure which offers some of the same privileges as a full subscription (e.g. advance seat selection and a financial incentive) without the commitment to attend every production. In December 1995, PRC implemented a three-play spring subscription campaign targeting single-ticket buyers. This program provided added incentives to single-ticket buyers to deepen their financial commitment to the theater, and an entry point for *Searchers* who might purchase full subscriptions for the following season. Since the three-play package was offered after the first two plays of the season were completed, there was no cannibalization of full-series subscribers. In this first offering, 147 three-play spring series were purchased, yielding a 58 percent return on the cost of implementation.

PRC also increased its commitment to building deeper social bonds with single-ticket buyers and subscribers by offering two new programs: Center Stage Saturdays and Scene Starters. Offered at one performance during the run of each production, Center Stage Saturdays offers a free, post-play lecture and discussion led by a scholar from a field affiliated with the play’s theme. This program is designed to enhance social bonding among customers interested in further intellectual exploration of the plays. Customers have the option of purchasing single tickets to Center Stage Saturday performances or subscribing to the entire series. These post-play discussions averaged 110 customers per production in the first season. It is noteworthy that, in some cases, people who attended earlier performances of the production made a special effort to return to the theater for the Center Stage Saturday post-play discussion.

Scene Starters is designed to create a social bond among young professional, single-ticket buyers that is centered on the theater-going experience. Offered for one performance of each of three productions during the 1995-96 season, Scene Starters featured a pre-show mixer at an area restaurant and included free drinks and hors d’oeuvres as well as free shuttle service to the theater and back. Tickets to Scene Starters were available either as a full series (with a small discount) or individually. Although the initial response to Scene Starters was modest (only nine people responded), PRC will continue the program for another season to allow word-of-mouth to spread. Neither Center Stage Saturdays nor Scene Starters poses a financial burden to the theater. Center-Stage-Saturdays speakers are given a free dinner for two at an area restaurant as an honorarium, but these dinners are free to the theater in exchange for program advertising. Likewise, the Scene-Starters receptions and shuttle service are donated by area restaurants. An area newspaper has agreed to be the media sponsor of Scene Starters, and Center Stage Saturdays are mentioned in all of PRC’s general advertisements and press releases for the season.

**Summary**

PRC is building and enhancing its customer relationships by utilizing a complement of marketing strategies that satisfy and motivate customers through the four phases of relationship development. Moreover, by conducting segmentation analysis based on current satisfaction and behavior/intention, and by recognizing the importance of both governance structures and shared values as a foundation for increased relational
commitment, PRC has further refined and targeted its relational marketing strategies. Although extending insights from this study to other contexts is necessarily speculative, our findings do offer guidelines for services managers in general. Specifically, for managers attempting to implement a relationship marketing program, this study underscores the importance of:

1. using promotion and direct marketing to create awareness and exploration among potential new customers;
2. conducting customer segmentation based on level of relational commitment;
3. maintaining a marketing database that enables frequent, interactive communications with ongoing customers and promotes increased relational commitment; and
4. developing strong bilateral relationships that are based on a governance structure and shared values.

These insights and strategies are clearly not limited to nonprofit professional theaters. For instance, the airline industry has long understood the value of relational commitment and has responded with the creation of the frequent flyer program—a unilateral governance structure that segments and rewards customers based on relational commitment. Some of the airlines take this one step further by allocating space at the airport terminal for VIP club rooms that are reserved for members. These VIP rooms promote both social bonding and the value of comfortable relaxation while waiting for the flight. In a similar manner, professional sports teams establish relationships with fans who purchase season tickets year after year. Although these season tickets represent a formal governance structure, the bilateral commitment may also depend on the shared values of competition and winning as well as the opportunities for social bonding (e.g., stadium boxes, tailgating parties, booster clubs, etc.).

Our contention that shared values should play a key role in designing and implementing a relationship marketing program is supported by a growing body of research that has identified shared values as an important antecedent to relational commitment (e.g., Dwyer et al., 1987; Morgan and Hunt, 1994). This message probably comes as no surprise to small, independent, local service providers that successfully compete against larger, more efficient, national chains. Historically, these small business owners have recognized the importance of being leaders in their respective communities; perhaps it is this shared value of community and community participation that provides competitive advantage to the small business owner. Unfortunately, the shared value construct remains somewhat ill-defined, prompting Wilson (1995, p. 338) to conclude that the “concept of shared values [may be] too broad to be effectively operationalized.” However, an increased understanding and appreciation of the role that shared values play in a relationship marketing program may offer differential advantage. Ultimately, service firms that can establish relationships based on shared values as well as governance structures may be more successful in satisfying and retaining their best customers.

Notes

1. Although there are other variables that may be associated with relational motivation, including structural bonds, mutual goals, trust, etc. (e.g., Berry, 1995; Wilson, 1995), we are focusing on the two variables which were identified by Dwyer et al. (1987), and which are most relevant to the case study examined in this research.
2. Although it is theoretically possible that a unilateral commitment can be initiated or maintained by a buyer, we will contain our discussion to seller-maintained, unilateral commitments.

3. An exception would be a frequent buyer program that required an up-front, membership fee. This type of program would represent a formal, bilateral commitment rather than a formal, unilateral commitment.

4. For example, the breakdown of respondents by Zip code was not significantly different than the breakdown of the population of ticket buyers. In addition, 22 percent of the subscriber sample indicated that they were first-year subscribers – a percentage which is virtually identical to the percentage of first-year subscribers in the population.

References


**Appendix: PRC customer survey**
The PRC survey consisted of the following four sections which appeared on four separate pages. Instructions directed subscribers to answer questions on page two and single ticket buyers to answer questions on page three.

I. **Ticket purchase questions (Page 1)**
   Are you satisfied with today's/tonight’s performance?
   Very satisfied __:__:__:__:__ Very dissatisfied
   Why did you decide to attend this production?
   _ Show has a good reputation __ PlayMakers has a good reputation
   _ To enjoy an evening out __ Good review/preview in the paper
   _ Advertisement __ Other ______________________
   To what radio stations do you listen regularly (check all that apply)?
   _ WUNC(91.5 FM) __ WCPE (89.7FM)
   _ WCHL (1360 AM) __ WNND (103.9 FM)
   _ WRAL (101.5 FM) __ Other ______________________
   How much advertising in this program did you read?
   _ 0 pages __ 1-2 pages __ 3-4 pages __ 5 or more pages
   Did you attend a restaurant prior to the show, or do you plan to attend one after the show?
   _ Yes __ No
   What is your residential Zip code? ________________
   How long have you lived in this area?
   _ Less than 1 year __ 1-5 years __ 6-10 years __ 10 or more

II. **Subscriber questions (Page 2)**
   How many years have you been a subscriber?
   _ 1 year __ 2-5 years __ 6 or more
   What was the primary reason for your decision to subscribe this season?
   _ Ticket discount __ Play selection
   _ Seating guarantee __ Easy to exchange tickets
   _ Loyalty to theater __ Desire to attend with friends
   _ Other ______________________
   Do you plan to renew your subscription for next season?
   Definitely will renew __:__:__:__:__ Definitely will not renew
   Are you satisfied with PlayMakers’:
   Play selection __:__:__:__:__ Very dissatisfied
   Performance quality __:__:__:__:__ Very dissatisfied
   Box office service __:__:__:__:__ Very dissatisfied
   Overall value __:__:__:__:__ Very dissatisfied
   Current season as a whole __:__:__:__:__ Very dissatisfied?
   What additional services/programs would you most like to see PlayMakers add?
   _ More security
   _ Social groups (e.g. Under 30 theaertgoers; Senior Sundays)
   _ Ticket exchange by fax
   _ More audience discussions with performers and directors
   _ More contemporary plays
   _ More classics
   _ Other ______________________
   What are the two most memorable PlayMakers’ performances for you?
   ________________ __________________________
III. Single-ticket buyer questions (Page 3)
In the past year, how many live professional performances have you attended in this theater or others?
__ 0 __ 1-2 __ 3-5 __ More than 5

How did you hear about this production? (please check all that apply)
__ Friend or co-worker __ Newspaper advertisement
__ Direct mail piece __ Newspaper story
__ Radio commercial or interview __ Other

If a specific source, please indicate name of publication:
__ Spotlight __ News & Observer __ Spectator
__ Chapel Hill News __ Independent __ Daily Tar Heel
__ Durham/Chapel Hill Herald __ Other

Were you a PlayMakers subscriber in a previous season?
__ No __ Yes If yes, how long ago? ___ years

Would you consider subscribing for next year’s season?
Definitely would ___:__:__:__:__ Definitely would not ___:__:__:__:__

What factor(s) might persuade you to subscribe?
_______________________________________________________________
_______________________________________________________________

Do you feel PlayMakers’ productions offer good value for the dollar?
Very good value ___:__:__:__:__ Very poor value ___:__:__:__:__

Did you make the decision to purchase your ticket?
__ Yes __ No (if no, please turn to back page)

How far in advance of the production did you plan your ticket purchase?
__ Same day __ 1-7 days __ 1-2 weeks __ More than 2 weeks

IV. Demographic information (Page 4)
Your gender is:
__ Male __ Female

Marital Status:
__ Single __ Married __ Widowed

Age:
__ Under 21 __ 21-35 __ 36-49 __ 50-65 __ Over 65

Highest level of education completed:
__ High school or less __ College graduate
__ Some college __ Postgraduate

Occupation:
__ Full-time student __ Executive/managerial
__ Educator/faculty professional __ Clerical/office
__ Other ____________________________________

How many children currently live in your household?
__ 0 __ 1-2 __ 3-5 __ 6 or more

Ethnic background:
__ African-American/Black __ Hispanic/Latino
__ White/Non-Hispanic __ Asian-American
__ Other ____________________________________

Household income:
__ Under $10,000 __ $25,000-$39,999 __ $60,000-$89,999
__ $10,000-$24,999 __ $40,000-$59,999 __ Over $90,000

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Executive summary and implications for managers and executives

**Relationship marketing: easier said than done**

Relationship marketing strategies have emerged from two distinct directions. At a tactical level the realization that previous customers are a better target for future sales than noncustomers makes a communication program targeted to customers highly rewarding. The observation that small increases in repeat business have a dramatic impact on bottom line profits also informs this process.

At the same time there is a theoretical and conceptual drive for closer relationships between buyers and sellers. Here, the focus is more all-embracing – product and service quality, customer service and competitive advantage issues are cited as reasons for the development of relationship marketing strategies. The contrasting views of equal and asymmetrical relationships deriving from the balance of power in a relationship color the concept – it is not all sweetness and light in any relationship and the emphasis is on sustaining the link rather than addressing individual elements of the relationship.

For the practical marketer excited by the promises of relationship marketing the challenge is to create strategies that connect the tactical advantages of high customer value from long-term sales to the concepts emerging from academic research and theory. Voss and Voss, in using a single case study make that link for the nonprofit theater studied. To what extent the real strategies and tactics of the theater are founded on an understanding of relationship marketing theory remains unclear from reading the study but there is a connection made that benefits those charged with developing relationship marketing strategies.

What does emerge from the study is a reminder that concentrating on one or other aspect of a relationship fails as a strategy. We know that customer satisfaction isn’t directly linked to loyalty (as defined by repeat patronage). Indeed Voss and Voss describe how one segment of the theater’s customer base (defined as “Tried & Blues”) are not especially satisfied with the product offering but remain loyal. Such a situation equates to the football club supporter who continues to follow the club when they languish at the bottom of the league. The core product – the actual performance – does not affect such people and for football supporters at least poor performance can even provide a reinforcement of loyalty to the club through the unity that adversity brings to the loyalist.

The critical element of a relationship therefore extends beyond the surface delivery of service or performance of the product. As Voss and Voss demonstrate, the motivation of the customer is all important in determining the relationship. And this motivation varies across different customer segments. For the theater some go because they feel a part of the theater and the theater company while others go out of habit or convenience. It could be argued that a certain type continues to attend out of some masochistic delight in grumbling about the performances.

Most businesses don’t have the instinctive loyalty of a sports club supporter to draw on nor even the social value of a nonprofit theater. The typical relationship with a customer depends on the delivery of a particular service or the provision of a certain product. And the things we can do to secure loyalty are limited by the reasons for the customer buying in the first place. The manufacturer of chocolate bars has a very different relationship with the...
customer than a kitchen company or a motor manufacturer. In the latter two
cases the purchase is significant and expected to last for years whereas the
chocolate bar is often an impulsive buy and lasts just a few minutes.

So what is relationship marketing? Is it the one-to-one marketing beloved of
trade press pundits? Or is it more mundane and focussed on doing right by
existing customers? For some organizations – industrial goods, specialist
services, business services and certain consumer products – the detailed
understanding of the customer as an individual makes sense. But most
business – and especially fast moving consumer goods or services – have
such a limited relationship with the customer that investing in relationship
marketing (as usually understood) makes little sense.

What matters is that organizations understand the heterogeneity of their
customer base, appreciate the role of the customer and take advantage of
tactical methods for improving repeat buying. If this is relationship
marketing then it is right for businesses to engage in it. After all, increasing
lifetime value makes more sense than chasing a couple of percentage points
of market share.

This article highlights some practical issues for companies to concentrate
on:

(1) Recruiting new customers that will enjoy a longer-term relationship with
the business.

(2) Looking at the transaction beyond the exchange of cash for goods or
services. We cannot expect customers to provide us with information
about their habits, motivations and preferences without incorporating
some form of reward.

(3) Considering ways to increase the benefits to long-term customers. Bad
habits like giving incentives for new customers and none for repeat
buyers are cock-eyed in the extreme and only serve to irritate.

There is no doubt that the modern focus on the customer rather than the
prospect provides considerable advantages to organizations (assuming they
buy into the concept, of course). The best businesses have always taken this
view and thrived by losing fewer customers than their competitors.
Moreover, the effects of loyalty – of that close relationship – ensure a stream
of new customers wanting that closeness and commitment.

(Précis of the article “Implementing a relationship marketing program: a
case study and managerial implications.” Supplied by Marketing Consultants
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