

RELATIONSHIP MARKETING IN AGRIBUSINESS: A CASE STUDY

BY

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THESIS

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ABSTRACT

The primary objective of this thesis research is to address the lack of primacy for relationship marketing in agriculture by providing an example, using the case study method, of exploratory research in relationship marketing within the agriculture industry. An embedded case study was conducted to take a preliminary, exploratory, and conservative first step among identifying relationship marketing in the agribusiness industry. The host organization, its employees, and their relationships were used to conduct the case study

The relationship marketing literature is more or less structured around key themes: its definitions, constructs, relationship types, strategies, theory or economic contributions, and empirics. This case study is built around the acceptance and acknowledgement of these theoretical themes and propositions – utilizing key relationship marketing constructs as the foundation to develop an interview dialogue between myself and employees of the focal firm. The neutrality of questions asked within the interviews were developed to produce results that would explicitly describe the relationship marketing environment, via these employees' relationships and responses, within this organization. After complete understanding and inductive coding of each interview transcript in its entirety, results from this case study were generated alongside the theoretical propositions suggested within the relationship marketing literature.

Key words: relationship marketing, agribusiness, services industry, industrial marketing, trust, commitment, cooperation, service, concern, interaction, communication, value

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CHAPTER ONE

INTRODUCTION

1.1 MOTIVATION

Much has been written and studied about marketing and the multiple ways it occurs within the agriculture industry. Whether it be marketing that refers to the process of moving agricultural products from the farm to end customer, or marketing as a company's ability to profitably satisfy customer needs and wants (Downey, 2011), multiple definitions and applications for marketing, and its numerous subsets, exist across the agricultural sector and the accompanying literature. However, there is a lack of primacy for one type of marketing, relationship marketing, among the agricultural literature, such that no published works were found. Relationship Marketing was first defined in 1983 as a marketing strategy that involves all activities of a firm to build, maintain, and develop customer relations (Berry, Shostack, and Upah, 1983). Roughly 72 definitions and 50 constructs of relationship marketing have since been identified, which ultimately center on the acquisition, service, and retention of customers in the most profitable way (Agariya & Singh, 2011). While some relationship marketing definitions and constructs are more prominent than others, their relation and applicability to agribusiness can be drawn directly from the relationship marketing literature in the chapter that follows.

1.2. RESEARCH OBJECTIVE

1.2.1 Overview

This thesis research was conducted to provide an example, using the case study method, of exploratory research in relationship marketing within the agricultural industry. The study will provide the state of relationship marketing in a leading agribusiness firm. Based on the relationship marketing literature, expectations are that relationships will be rich and vibrant, since no empirics or literature exists that imply relationship marketing will be any different in this firm. An embedded case study was conducted to take a preliminary, exploratory, and conservative first step amongst identifying relationship marketing in the agribusiness industry. The focal firm is a world leader in the marketplace— specializing in agricultural seed, crop protection and technologies offered to farmers. The company is openly known to be continuously innovative and the industry leader amongst their product portfolio, and amongst the four major players in the global agricultural crop input industry. Company products are sold both directly and indirectly to the end customer, however in both instances, the end customers engage with firm employees across multiple functions within the organization. The greater portion of the firm's customer base want a relational experience with the firm and include that relational experience in their purchasing decisions.

1.2.2 Focal Firm Market Characteristics

The focal firm operates within the global agricultural crop input industry – which is largely characterized by its major players Syngenta, Monsanto, Dow and DuPont. Genetically modified seeds hit the marketplace in the 1990s, causing structural change among the firms in

this space. Many vertical mergers and acquisitions at this time led to the emergence of the industry's four major players. These companies are vertically integrated, large, biotechnology firms with competitive advantages over the smaller and locally operated firms (Ma & Shi, 2013), since they are able to afford the research-based investments that allow growth in their market share and profitability. Globalization of markets and an increased demand for grains and oilseeds have also attributed to growth in the crop input industry in recent years. Rivalries in this industry, and like most others, exist in the form of product differentiation and price competition. Crop input suppliers are able to generate product differentiation through product performance and bundled services i.e. marketing via productivity advantages and various post-sale services like individual consultations, order-to-cash processes, company consultants, and top-notch logistics. Price competition is lessened when companies are able to brand products according to their customer's perceived value, offer promotions, and provide discounts or rebates – some of which are circumstantial or case-by-case (Krause, 2011).

Ma and Shi (2013) note that each product/company's success in the market will depend on farmers' purchasing decisions. Studies by Gloy and Akridge (1999) and Alexander (2005) analyze the factors for decision making involved in farmers' purchasing of their crop inputs and determine them to be: balance, convenience, price, performance, and service. Balance and performance type buyers are business-oriented – placing more emphasis on productivity and less on cost (Alexander, 2005). Price-oriented farmers are the economic buyers, while the convenience and service-oriented farmers are the relational buyers (Alexander, 2005).

For the purposes of this research, it is important to note that the relational buyer space is growing (Alexander), and also inclusive to the balance buyers seeking custom services, applications, and expertise from their suppliers' company representatives (Gloy & Akridge,

1999). These buyers tend to operate the largest farms and engage with input suppliers that can provide them with a more personal and trusting approach when doing business together (Alexander, 2005). This brief and introductory overview of the agricultural crop input market demonstrates the applicability of relationship marketing to this industry space, and the reason for this research.

CHAPTER TWO

LITERATURE REVIEW

2.1 WHAT IS RELATIONSHIP MARKETING?

Relationship Marketing (RM) was first defined by Berry, Shostack, and Upah in 1983, at an American Marketing Association conference, as a marketing strategy that involves all activities of a firm to build, maintain, and develop customer relations. Since then, 72 definitions and 50 constructs of relationship marketing have been identified, primarily in relation to the acquisition and retention of customers, and the associated profits which result (Agariya & Singh, 2011). The most prominent definitions throughout the literature are those that follow. Berry (1983), from a services perspective, defined RM as attracting, maintaining, and in multi-service organizations, enhancing customer relationships. Berry (1995) also notes it covers various activities, with distinction made between its philosophical, strategic, and operational dimensions. Jackson (1985), from an industrial marketing perspective, states RM concerns attracting, developing, and retaining customer relationships. Christopher, Payne, and Ballantyne (1991) define RM as a synthesis of marketing, customer service, and quality management. The understanding, explanation, and management of the ongoing collaborative business relationship between suppliers and customers is the definition given by Sheth in 1994 (Gummesson, 1994). Sheth and Parvatiyar (2002) further claim the goal of RM to be “increasing customer’s commitment to the organization through the process of offering better value on a continuous basis” which is accomplished both internally amongst the organization itself and externally via

partnerships or other entities that ultimately lead to an increase in that customer's business share of organization profits. Gummesson (1994) quotes Porter (1993) stating RM as the process whereby the buyer and the provider establish an effective, efficient, enjoyable, enthusiastic, and ethical relationship – one that is rewarding to both parties. Morgan and Hunt (1994) claim all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges to constitute relationship marketing. Evans and Laskin (1994) see it as a customer-centered approach whereby a firm seeks long-term business relations with prospective and existing customers. Grönroos (1994) sees it as establishing, maintain, and enhancing relationships with customers, at a profit, so that the objectives of the parties are met (Ravald & Grönroos, 1996). Grönroos (1994) further states it as being about mutually beneficial exchanges and fulfillment of promises by both parties in a series of interactions over the lifetime of their relationship (Palmer, 2002.) And Gummesson (1994) sees RM as relationships, networks and interaction. Sheth and Parvatiyar (2002) call for one unified and agreed upon definition for RM so that the concept establishes uniqueness, distinctness and symbolism.

2.2 THE PARADIGM SHIFT

2.2.1 The Economics of Relationship Marketing

The relationship marketing concept emerged in response to fundamental changes within the business environment (Palmer, 2002) i.e. increased national/global competition, market fragmentation, high standards for product quality, increased consumer demand, and variance in customer buying patterns (Buttle, 1996). This evolution began as early as the 1970s

(Gummesson, 1994). Sustainable competitive advantage could now be reached through high quality buyer-seller relationships (Palmer, 2002). Thus Theodore Levitt (1986) stated, “the purpose of a business is to create a customer and keep it.” These new business dynamics presented a shift from the transactional marketing approach to the relationship marketing approach. Marketing oriented toward strong, lasting relationships with individual accounts (Jackson, 1985) was to be the new approach. This “new economy,” per se, is characterized by network society, IT, globalization, de-regulation, and mega-alliances (Gummesson, 2002). This case study will evaluate the proposition that buyer-seller relationships are critical in relationship marketing.

Buttle (1996) presents two economic justifications for relationship marketing: 1) costs incurred by companies to acquire new customers are greater than costs incurred to retain existing ones; and 2) longer affiliation between a company and customer equates to greater profits for the said company. Dollars spent to acquire new customers range between five-to-ten times more than those spent retaining existing ones (Buttle, 1996). Feinberg and Kadam (2002) show that by increasing customer retention rates five percent, profits were enhanced anywhere in the 25 to 80 percent range. According to Arndt (1979), both business and consumer markets benefit from relational bonds leading to repeat business.

This new paradigm – a total relationship marketing approach;

“Is based on relationships, network and interaction, recognizing that marketing is embedded in the total management of the networks of selling organization, the market, and society. It is directed to long-term win-win relationships with individual customers, and value is jointly created between the parties involved. It transcends the boundaries

between specialist functions and disciplines and embraces all mega and nano relationships” (Gummesson, 2002).

2.2.2 Marketing Theory Contributions to Relationship Marketing

Relationship marketing concepts and theory originated, and received great contributions from, various marketing theories. According to the Chartered Institute of Marketing – marketing is the management process of identifying, anticipating, and satisfying customer requirements profitably. The American Marketing Association defines marketing as the process of planning and executing conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives (Buttle, 1996). Traditional Marketing Management Theory emphasizes the four P’s: price, product, place, and promotion, plus the concepts of brand equity and identity. Services marketing stresses good personal relationships, quality interaction amongst customers and suppliers, and the necessity to form future relationships with customers. The Network Theory of Business-to-Business Marketing places the need for companies to see marketing, sales, design, product development, etc. as an entirety, also referred to as internal marketing (Gummesson, 2002). Indirect contributions came from organizational theory, as relationship marketers see organizational functions holistically (Gummesson, 1994).

Relationship marketing operates through 30 relationship types. As the traditional marketing mix theory operates through the four P’s, Gummesson (1994) puts relationship marketing into action with “30 R’s of Relationship Marketing” (Figure 1). According to Gummesson (1994), “it [the 30R’s] is an effort to transform theories of relationships, networks, and interaction into something tangible which can be applied in a company’s marketing

planning.” The relationship type list (Figure 1) emphasizes both mega and nano relationships, customers as part of the organizational network, and the imaginary organization i.e. both tangibles and intangibles within the company. The relationships are not listed in ranking order, except for relationship 1, as they occur alongside one another and have different properties. Some of the relationships are external facing and others are inter-firm relationships, yet overlap can occur. Gummesson (1994) sees these relationships in a “series of concentric circles.” Each circle represents a different type of relationship among the 30: nano, individual, mass-marketing, inter-organizational and mega, and demonstrates the notion that each of the thirty relationships are unique, each “in some way contains others and is contained by others,” and none of the relationships operate alone (Gummesson, 1994). This case study will evaluate the proposition that the relationship marketing concept is operational through the “30 R’s of Relationship Marketing.”

2.2.3 Management Theory Contributions to Relationship Marketing

The Total Quality Management theory creates operational links across internal and external organizational functions i.e. connectedness among IT and sales or another internal and external function. Emphasis is placed on quality internal relationships being part of customer perceived quality/benefit. The Network Organization theory maintains an inclusive environment where the customers are brought within the company networks and strategies. Internal marketing has a strong presence within a network organization because the idea of unit cohesion and relationship value is strong within the company structure.

Furthermore, the concepts of customer equity, return-on-relationships, new accounting, and the balanced scorecard support the relationship marketing constructs of relationship longevity, loyalty, profitability, and satisfaction (Gummesson, 2002).

2.3 FOCUS OF RELATIONSHIP MARKETING

Relationship marketing concepts and theory are found within the service and industrial marketing sectors due to the nature and variety of their customer, employee, supply, internal, influencer, and network markets. Relationship marketing (RM) fits well within the services industry due to its “in-person” delivery of products and services to the consumer. With hopes the companies will work together long-term, industrial marketers are suitable for RM because there are often multiple persons and levels involved in making a sale (Buttle, 1996). While different, Jackson (1985) notes the obvious parallels between the service and industrial marketing industries. RM, at its core, focuses on relations, maintenance of those relations, and all players in their micro/macro-environments (Ravald & Grönroos, 1996) i.e. the buyers, suppliers, public officials, customers, and middleman existing in the service and industrial marketing. The literature generally speaks towards both sectors when discussing applicability and implementation of concept and theory. The following is a quote from The Nordic School of Marketing Thought:

“Understanding and managing services in the relationship is at the core of relationship building and maintenance, although relationship marketing is supported by other factors such as building networks, creating strategic alliances and marketing partnership

agreements, developing customer databases and managing relationship-oriented integrated marketing communications” (Grönroos, 2004).

RM also focuses on the internal environment of a firm since interdepartmental relationships, and their associated characteristics, play a role in how the company is able to serve its customers. Buttle (1996) claims internal marketing must be adopted within the firm to be successful in its ultimate goal of maintaining long-term customer relationships. Berry, Grönroos, and Gummesson note that if company leaders create a positive experience for its employees, then they will in turn deliver positive experiences to its customers. This concept, internal marketing, is concerned with ‘attracting, developing, motivating, and retaining qualified employees’ (Berry & Parasuraman, 1992). Internal marketing treats employees as “internal customers,” so within the firm, there is always a supplier and customer working together (Christopher, Payne & Ballantyne, 1991). And although employees within the marketing or sales functions are continually engaged in marketing practices, Gummesson (1990) conceptualized “part-time marketers. Part-time marketers are employees in other functions within the industrial or service firm that are also equally engaged in marketing practices. An internal marketing strategy must be adopted in order to support a relationship marketing strategy (Grönroos, 1994). Additionally, Stershic (1990) makes the claim that research within these relationship and internal marketing domains rarely focus on the employees as units of analysis. However, they are the ‘critical link’ in providing the desired customer experience on behalf of the firm. Research collected from the employee perspective is ‘a critical tool in managing customer satisfaction’ according to Stershic (1990), and many studies have been done to show employee effect on customer satisfaction. Schneider and Bowen (1985) have conducted studies that show firms being structured around service and satisfaction should have employees treating other employees as customers per se.

This case study will evaluate the proposition that internal marketing supports relationship marketing.

2.4 KEY RELATIONSHIP MARKETING CONSTRUCTS

Agariya & Singh (2011) conducted a summary and content analysis of the relationship marketing literature to identify all definitions and constructs existing thus far. To date, the authors identified 50 constructs/processes leading towards relationship marketing that exist within literature. Furthermore, they sub-identified constructs for the banking, healthcare and insurance sector because most relationship marketing literary works and empirical studies had been conducted in those areas. While 146 constructs were found, the researchers concluded that 50 exist based on the requirement that they must have appeared/been cited a minimum of ten times. The paragraphs that follow specifically discuss the constructs of commitment, trust, communication, value, service. These constructs were used in this case study because they appear in the top 10 out of the 50 most cited constructs identified by Agariya & Singh (2011). Cooperation, concern, and interaction were used alongside those constructs because cooperation is the direct outcome of commitment and trust, concern occurs through interaction and communication, and interaction is a parallel process to communication that leads to value creation. This case study will evaluate the proposition that defining constructs exist within relationship marketing.

The commitment-trust theory by Morgan and Hunt (1994) states that relationship commitment and trust are the core constructs of successful relationship marketing (RM). They

promote efficiency, productivity, and effectiveness; thus creating cooperative actions and behaviors to achieve successful RM amongst the parties involved. Their commitment-trust theory presents the Key Mediating Variable (KMV) model. The KMV model places both commitment and trust as key constructs within the relationship that mediate between important relationship antecedents and outcomes. In this model, commitment is defined as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it. Morgan & Hunt (1994) along with many other researchers studying buyer, seller, and organizational behavior, conclude relationship commitment is essential in RM and all relational exchanges. Becker (1960) studied organizational commitment and its criticality to inter-organizational relationships and in services marketing Berry (1995) concluded that “relationships are built on the foundation of mutual commitment.” Newman & Werbel (1973), Day (1970), and Assael (1987) were also cited by Morgan & Hunt (1994) for their contributions to measuring similarities and equalities amongst firms achieving brand loyalty and relationship commitment. However, some researchers argue that either trust or commitment alone, and separately, are the key constructs of relationship marketing (Palmatier, Dant, Grewel, & Evans, 2006).

The second key construct of the KMV model, trust, exists when one party has confidence in an exchange partner’s reliability and integrity (Morgan & Hunt, 1994). Morgan & Hunt theorize that trust influences commitment because of the many ways trust leads to commitment. Trust has also been widely studied throughout the literature of many industries, but relevant here would be Berry’s (1995) claim that “customer-company relationships require trust” and Ford (1990) comments that relational trust is key within industrial marketing. Morgan & Hunt’s commitment-trust theory extends both forwards and backwards from those constructs as well.

The researchers claim that relationship termination costs, relationship benefits, shared values, communication, and opportunities all influence either commitment, trust, or both. Cooperation, functional conflict, uncertainty, acquiescence, and prosperity to leave are the outcomes of commitment and trust. Morgan & Hunt theorize these precedents and antecedents to be critical in relationship marketing success. However, they place special emphasis and attention on cooperation. The competitiveness of the global environment in which relationship marketing exists requires effective cooperation where individuals work together in accomplishing mutual tasks and goals in order to compete. Thinking back to the KMV model, cooperation is the only direct outcome of commitment and trust, and in summary, it is said that a relational partner committed to his/her relationship will actively cooperate to ensure the relationship works (Morgan & Hunt, 1994).

Grönroos (2004) discusses interaction, communication, and value as the key processes of RM. Interaction replaces the product as the core concept of a relationship marketing strategy by developing a relational approach that puts customer processes and internal value generation, not products, as the focus. He claims that successful RM is centered among the “management of an interaction process,” where multiple individuals from a network are integrated together in this interaction process (Grönroos, 2004). Interaction is more effective than one-way persuasion (Gummesson, 2002), it involves multiple parties amongst networks and firms. For commercial relationships to develop, an open dialogue must follow, and to generate success the two firms/individuals must be aligned among all facets of one another’s processes, resources, demands, and valued outcome(s). Communication, in the context of RM, is a committed two/multi-way process, where both parties’ perspectives and needs are important and considered (Grönroos, 2004). In transaction marketing, the communication is most often mass produced

and distributed, but the relational approach employs management and integration of multiple communication methods to support the acquisition, long-term maintenance, and retention of customer relationships. Most often, communication will precede and then be integrated within the core interaction process (Grönroos, 2004). Third, is value, which can be seen as the desired outcome of any relationship marketing strategy (Grönroos, 2004 & 2011), and a parallel to the communication and interaction processes described above. The value concept, by Ravald and Grönroos (1996) claims adding value to the company's core product will create improved quality, improved customer satisfaction, and loyalty achievement. This concept begins with a full economic and strategic understanding of the buyer's value chain, plus their criteria for satisfaction and loyalty (Ravald & Grönroos, 1996), since the authors note customer satisfaction and loyalty to be outcomes of value. The understanding is unique and situational per each customer, such that the seller truly understands each buyer's internal processes and desired solutions (Grönroos, 2004). This understanding is called "customerization," where the individual, rather than the customer base as an entirety, becomes the firm's focus (Gummesson, 2002). In the relationship marketing domain, these firm's offerings are not only the core product or service, but also additional value-added offerings (Grönroos, 2004). Value is then achieved through providing cost or market efficiencies specific to each customer (Wikström & Normann, 1994), and evaluated on an episode and total relationship basis. It [value] can be seen when customer's receive benefits from their relationship partner (Palmatier, Dant, Grewel, & Evans, 2006), and is a foundational aspect of both marketing and business (Grönroos, 2011).

Buttle (1996) also characterizes RM through service and concern. Concern occurs through a relationship marketers' desire to meet/exceed customer expectations, produce customer satisfaction, and effectively communicate. Concern is the intense understanding of

customer needs and desires through interaction and communication to ultimately result in customer satisfaction. Service demonstrates company commitment to provide quality, reliable, and excellent service to improve profit levels. The author claims RM requires a commitment to service from everyone involved within the organization. Buttle (1996) presents researched evidence from Storbacka, Strandvik & Grönroos (1994) that high-quality service leads to customer satisfaction, which increases relationship strength. A stronger relationship will lead to relationship longevity, thus resulting in greater relationship profits for the firm (Storbacka, Strandvik & Grönroos, 1994). This case study will evaluate the proposition that defining constructs exist within RM.

2.5 STRATEGIES FOR RELATIONSHIP MARKETING

Relationship marketing (RM) according to its founder, Leonard Barry (1983), “is a philosophy, not just a strategy – a holistic, sum of integrated parts that drive a firm’s marketing competencies.” Berry (2002) proposes five strategies for RM: core service, customizing the relationship, service augmentation, relationship pricing and internal marketing. The core service strategy centers the relationship on a “core service,” a design or marketing strategy to provide a framework for selling additional products throughout the long-term nature of the relationship. Customizing the relationship occurs when a firm offers their customers incentive to remain with the firm, rather than switching suppliers. Customization involves personalized attention, custom-fit, particular and tailored offerings (Berry, 2002). Service augmentation builds “extras” into firm products such that they are not available by competitors. According to Levitt (1983),

customers whom are offered these “extras” will prefer doing business with the firm which offers them. Relationship pricing rewards better customers with better prices in an attempt to influence customer buying patterns; if customers place all their sales with one firm, the firm will promote loyalty through these pricing rewards. Internal marketing, discussed previously in section 2.3, creates the organizational environment, placing customers within, to enhance quality, products, and services offered. The processes determining quality, products, and services offered will be enhanced by the skills and attitudes of company employees if engaged in an internal marketing strategy (Berry, 2002). While there are many strategies centered on relationship marketing, this case study will evaluate the proposition that relationship marketing within a firm is a holistic, company-wide philosophy or approach.

2.6 EMPIRICAL TESTING OF RELATIONSHIP MARKETING

Much has been empirically tested and studied within relationship marketing (RM), but primarily among the service industry rather than industrial marketing. Gummesson (1995) notes although the RM domain includes both industries, and its literature includes a great deal of industrial marketing works and applications, the marketing literature more often speaks of marketing directly to consumers. The marketing literature sometimes fails to recognize the amount of goods that are marketed business-to-business in the industrial sector multiple times before reaching the consumer. Within the services industry, retail/corporate banking, insurance companies, credit cards, financial advisory firms, airlines, hospitality organizations and advertising agencies have been heavily researched and documented. These studies focus on

multiple areas in which relationship marketing affects each respective industry. Some examples are: customer retention levels, profit increase levels, RM constructs in the firm, the role of those constructs in their RM strategies, the effect of employees on RM, processes and best practices, relationship formation, implications of RM and more. Most commonly, both quantitative and qualitative data from these studies have been collected via surveys, interviews, field research, in-depth organizational studies, and field research/testing (Buttle, 1996).

Within the relationship marketing literature, nothing has been written, researched, or studied in the area of food and agribusiness. While noted earlier the depth of food and agribusiness literature devoted to marketing, relationships, and customer relationship management, there have not been studies conducted that directly focus on the relationship marketing theory. Similar to how Lewin and Johnston (1997) studied relationship marketing constructs among manufacturers and a wood distributor within the industrial marketing sector, this research seeks to explore RM among the industrial sector via analysis of its constructs and theoretical propositions. However, this case study involves a seed and biotechnology firm in food and agribusiness. Lewin and Johnston's (1997) "*Relationship Marketing Theory in Practice: A Case Study*" tested relationship marketing literature's constructs within the organization and sought in-depth understanding of managerial relationships through interviews conducted at the firm. The same economic shift that brought about RM, also brought buyer-seller relationships built upon the foundation of competitive advantage. This is where firms shifted towards cooperative, long-term relationships, with suppliers that help increase a firm's competitiveness. These cooperative relationships are characterized by buyers and sellers working together to achieve stronger competitive advantage via differentiated/higher quality products, greater services, logistics, etc. Morgan & Hunt (1994) claim that "a firm's

procurement strategy may be the most important ingredient in its ability to deliver superior value to its customers” because industrial firms spend large amounts of dollars with other companies that supply products responsible for their future product’s performance, competitiveness, success, etc.

With buyer-supplier relationships being the focus of the study, participants were asked to identify both an average and a preferred supplier at the interview’s start. Researchers would then proceed with a guided interview designed to the constructs within buyer-supplier relationships surrounding this firm (Lewin & Johnston, 1997). This current study, involving the seed and biotechnology firm, will further evaluate relationship marketing in the industrial space. This will be the first known effort in exploring RM and its constructs and theoretical concepts within the food and agribusiness industry.

Although a lack of primacy for relationship marketing in the agriculture industry, the relationship marketing literature in itself is both plentiful and expansive. The sources portrayed above are only a mere snapshot of the writings and research conducted within this area. And while many sources referenced here are older, they are the most widely cited, and from the authors or workings of those that founded, developed, operationalized, and built this concept into today’s business environment.

Figure 1: The 30 R's of Relationship Marketing

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- R1. *The classic dyad: the relationship between the supplier and the customer.*
 - R2. *The many-headed customer and many-headed supplier.*
 - R3. *Megamarketing: the real "customer" is not always found in the marketplace.*
 - R4. *The classic triad: the customer-supplier-competitor relationship.*
 - R5. *Alliances change the market mechanisms.*
 - R6. *Market mechanisms are brought inside the company.*
 - R7. *The service encounter: interaction between the customer and front line personnel.*
 - R8. *Interfunctional and interhierarchical dependency: the relationship between internal and external customers.*
 - R9. *Relationships via full-time marketers (FTMs) and part-time marketers (PTMs).*
 - R10. *Internal marketing: relationships with the "employee market."*
 - R11. *The non-commercial relationship.*
 - R12. *Physical distribution: the classic marketing network.*
 - R13. *The electronic relationship.*
 - R14. *Megaalliances.*
 - R15. *Quality providing a relationship between production and marketing.*
 - R16. *Personal and social network.*
 - R17. *The two-dimensional matrix relationship.*
 - R18. *The relationship to external providers of marketing services.*
 - R19. *The relationship to the customer's customer.*
 - R20. *The owner and financier relationship.*
 - R21. *Parasocial relationships via symbols and objects.*
 - R22. *The law-based relationship.*
 - R23. *The criminal network.*
 - R24. *The mental and physical proximity to customers vs. the relationship via market research.*
 - R25. *The customer as member.*
 - R26. *The relationship to the dissatisfied customer.*
 - R27. *The green relationship.*
 - R28. *The knowledge relationship.*
 - R29. *The mass media relationship.*
 - R30. *The monopoly relationship: the customer or supplier as prisoners.*
-

CHAPTER THREE

METHODOLOGY

3.1 THE CASE STUDY METHOD

3.1.1 What is the case study method?

The case study method, a comprehensive research strategy, provides an all-inclusive approach to data collection and analysis as a way to empirically investigate a topic through preset procedures (Yin, 1994). It is a research strategy focused on understanding dynamics within settings (Eisenhardt, 1989). The method always includes a unit(s) as the basis for which data is collected and analyzed (Gomm, Hammersly, & Foster, 2000), is able to involve single or multiple studies, and multiple levels of analysis (Eisenhardt, 1989). The strategy is both defined and implemented in a multitude of ways across all areas of research. Yin (1994) provides a two part technical definition for the case study method: (1) an empirical inquiry that ‘investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident’ and (2) an inquiry that ‘copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis.’ Results generated from case studies can be used to provide a description, test a theory, or generate a theory (Eisenhardt, 1989).

There are five components of the case study research design: (1) a study's questions, (2) theoretical propositions, (3) its unit(s) of analysis, (4) logic linking the data to the propositions and (5) criteria for interpreting the findings. The study questions are important in choosing the case study design, whether it be a single or multiple case scenario, and either holistic or embedded. They should be substantial and precisely defined as a result of thorough examination of literature, previous studies, and potential for new research (Yin, 2014). Theoretical propositions further guide the design, but also specify the study's research questions, variables, assessments and the nature of execution (Lee, 1999). They provide focus of what shall be evaluated within the study's scope and directs the researcher towards areas where evidence may exist. Thus, the unit of analysis in a case study is then derived from the research questions and propositions presented in the case. If research questions and propositions are clearly defined, choosing a unit of analysis will be somewhat obvious. The last two components of case study research are less explicitly defined, since they are illustrative of the strong foundation set forth by the first three components. Pattern matching, explanation building, logic modeling, time-series analysis, and cross-case synthesizing are widely used analytic techniques that will link case study data to the study's preliminary propositions, but it can be challenging to determine which method for analysis best suits the data set, which may or may not lead researchers back to their data collection phase in attempt to acquire more evidence. Lastly, interpreting the findings of a case study, is most commonly done without the application of statistical methods (Yin, 2014). Yet, it can be done quantitatively, qualitatively, or as a combination of both (Eisenhardt, 1989). Researchers often employ alternate ways of thinking about and explaining their data, its relevance and implications, as well as its competing theories or explanations (Yin, 2014).

3.2 CASE STUDY DESIGN

3.2.1 Study Profile and Design

This case study was designed to provide the state of relationship marketing in a leading agribusiness firm. The case study method is appropriate for this research study since the aim is to investigate a previously ‘unstudied situation’ and to further explore currently existing theory (McCutcheon & Meredith, 1993). Sufficient evidence that supports the results of this case study will follow since Eisenhardt (1989) claims ‘to provide description’ as one of the uses for the case study method.

The case study method fits well with the focus firm for two additional reasons: 1) the study’s subjects of analysis wished to remain anonymous and 2) the conducted interviews minimized disruptiveness among the organization. Case study research is useful in areas of exploration, i.e. relationship marketing in food and agribusiness, where this firm could remain anonymous and somewhat of a “pilot” in this field. The individual interviews conducted within this study also involved less intrusion within the firm as an entirety in comparison to a survey, field experiment, etc (Lee, 1999).

3.2.2 Study Questions

This case study is meant to provide the state of relationship marketing in agribusiness, using this focus firm and key relationship marketing constructs to develop an interview dialogue between myself and employees of the firm. The neutral questions asked within the interviews were developed to produce results that would explicitly describe the relationship marketing environment, via these employees’ relationships and responses, within this organization. The

neutral questions were written without explicit mention of the construct itself, as they were meant to be more probing in nature – prompting the interviewees to fully elaborate and describe their relationship without bounds. The semi-structured interview transcript (Appendix A) contains 56 questions plus 35 additional probing questions. After the initial question asking the key informants to identify their relationship of choice throughout the interview, questions were sub-divided amongst the relationship constructs and processes used in this study: commitment, trust, cooperation, interaction, communication, value, service and concern. Certain questions were more or less relevant to each interviewee based on their position within the firm, which was adjusted for adequately in the semi-structured nature of the conversation. Thus, not all 56 questions and 35 probing questions were asked within each interview.

3.2.3 Theoretical Propositions

The relationship marketing literature is structured around key themes: its definitions, theory and economic contributions, defining constructs, strategies, and empirics. This case study is built around the expectation of these theoretical themes and propositions: 1) relationship marketing is operational through the “30R’s of relationship marketing,” 2) defining constructs exist in relationship marketing, 3) relationship marketing within a firm is a holistic, company-wide philosophy or approach, 4) an internal marketing strategy supports relationship marketing and 5) buyer-supplier relationships are critical components in relationship marketing. The interview instrument (Appendix A), used to develop a data set to analyze this concept and theory, and was built around the following relationship marketing constructs: commitment, trust, cooperation, interaction, communication, value, service and concern. Relationships that operate with a foundation built from these constructs are engaged in relationship marketing, and

ultimately achieve the expected [positive] results for the firm. Definitions for commitment, trust, cooperation, interaction, communication, value, service and concern were pulled directly from relationship marketing literature (Figure 2) and it is hypothesized they will occur as theoretically suggested. Since the literature proposes that relationship marketing exists via its constructs, the strength of the interview instrument meant that interview responses were used to analyze all five theoretical propositions.

3.2.4 Units of Analysis

Due to the access gained within the host organization, the embedded case study design included the firm, 10 key informants i.e. employees of the firm, and their relationships. Interviews were conducted and recorded with 10 employees across the procurement, product management, marketing, logistics, customer operations, and sales functions to deeply understand their key relationships within the workplace. The interview process is a good way to gain insight on “personal views, perceptions, attitudes, and meanings” (Yin, 2014) – which is key to comprehending the interviewee’s relationships and constructs within them. To start the interview, the key informants were asked to identify a key relationship of theirs within the workplace (Appendix A). The relationship could be a supplier, customer, stakeholder, or internal business partner, but it was specified the relationship should be one of great significance or importance, one that occupies a large portion of their day, and one that would be used as the relationship of reference throughout the entire interview. From there, the semi-structured interview began (Appendix A). Semi-structured, because, relationship marketing was both the topic and theme, and specific questions were asked and placed in a relatively predetermined order (Lee, 1999). However, not entirely structured because additional topics and alternative

orders were sought when necessary, dependent on the participants' response and/or reaction to a particular question(s) (Lee, 1999). Time spent on each interview varied between 30 and 45 minutes

3.2.5 Logic Linking Data to the Propositions

First, the interview transcripts in their entirety, were used to gain a comprehensive understanding of the relationship marketing environment within the host firm. Since this case study is exploratory in agribusiness, key informant responses and relationships will be key in identifying ways to connect the focal firm's business environment with relationship marketing to adequately generate results.

Second, the process of general inductive coding was initiated to evaluate the 10 interview transcripts. Coders included myself and two other agribusiness faculty researchers at the university. The use of multiple researchers in the inductive coding process provided additional insight, multiple perspectives, and assurance in the findings (Eisenhardt, 1989). Inductive coding begins with a thorough reading and understanding of the text [transcripts] generated from the interviews in this case study before the coder(s) can identify and highlight meaningful text units within the interviews (Thomas, 2006). Text units were considered meaningful and relevant if coders believed they demonstrated the relationship marketing constructs described in this study. The coders then assigned meaningful text units to specific categories – each with an explicit meaning and relevance. Once the text units were identified, coders assigned them to the category for which they are relevant. Pre-determined categories from this case study's research objective and theoretical propositions were subsequently given to the other coders (Figure 3). The six categories were: cooperation, service, trust, interaction, communication, and value

(Figure 3) which were the constructs used in this case study. Two upper-level categories, commitment and concern, also exist (Figure 3) since they are precursors to the other constructs. The same text unit may be assigned to multiple categories within those six, since overlap can occur in this instance (Thomas, 2006). In order to assign the text unit to a particular category, coders simply placed the corresponding number(s) next to the selected text unit on the interview transcript. The figure that displays categories (Figure 3) as given to the coders noted that commitment and concern were constructs used in this study, but not given category numbers, since the literature explains them as precursors leading to the constructs below them. The introduction and instructions around inductive coding is provided in Appendix B.

While it is important coders withdraw the text units meaningful and relevant to this case study, not all of the interview text will be used. A large portion, usually greater than 50% in most studies using inductive coding, will not be marked as a meaningful text unit, and therefore not be assigned to any category (Thomas, 2006). The numbers of constructs and meaningful text units identified via inductive coding were used to analyze and group the firm's relationships.

3.2.6 Interpreting the Findings

Thinking back to subsection 3.2.3 and the theoretical propositions expected in this case study, the interview texts in their entirety were first used to describe the types of relationships existing in this space, and provide an in-depth description of the internal and external relationships. Direct quotes and examples are provided to the reader throughout the results chapter that follows – to better understand the employee, their relationship, behaviors, etc., and how they meet the literature's criteria for each relationship type.

Next, the quantifiable data were synthesized from the three coders' categorical choices for the text units and constructs identified through the inductive coding process. For each key informant and their respective interview transcript, the following numbers were collected:

- The number of significant text units identified by each coder.
- The total number of significant text units identified by all three coders combined.
- The average number of significant text units identified by each coder.
- The total number of significant text units identified by all three coders combined, based on the average number of significant text units identified by each coder.
- The total number of significant text units identified by all three coders that represent the construct *trust*.
- The total number of significant text units identified by all three coders that represent the construct *cooperation*.
- The total number of significant text units identified by all three coders that represent the construct *service*.
- The total number of significant text units identified by all three coders that represent the construct *interaction*.
- The total number of significant text units identified by all three coders that represent the construct *communication*.
- The total number of significant text units identified by all three coders that represent the construct *value*.
- The level of congruence between the three coders, based on the total number of significant text units identified by all three coders combined, calculated on the average

number of significant text units identified by each coder, where at least two coders identified the same text unit as significant (Appendix C).

- The level of congruence between the three coders, based on the total number of significant text units identified by all three coders combined, calculated on the average number of significant text units identified by each coder, where at least two coders identified both the same text unit as significant and the same construct category to which it represented (Appendix C).

For each of the four identified relationship types existing within the host firm, the following numbers were collected:

- The total number of significant text units identified by all three coders that represent each of the six constructs, within each of the four identified levels of relationships
- The average number of significant text units identified by all three coders that represent each of the six constructs, within each of the four identified levels of relationships

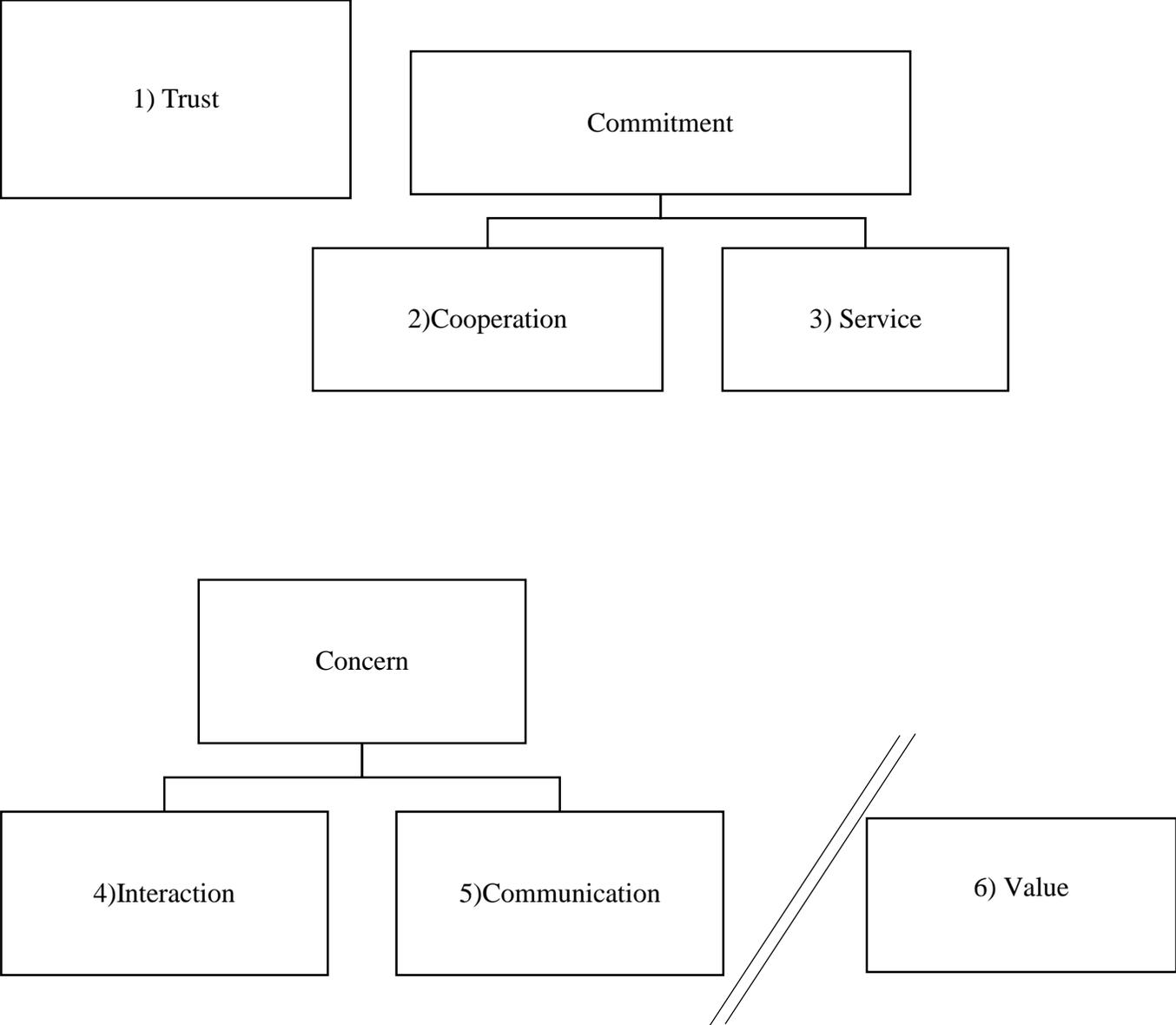
As seen in the following results chapter, with the combination of the full interview transcripts and the quantitative statistics produced via inductive coding, analysis was conducted to evaluate the theoretical propositions in this case study.

Figure 2: Relationship Marketing Constructs Used in this Case Study

<i>Construct</i>	<i>Definition</i>
Commitment	<i>An exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it.</i>
Trust	<i>Exists when one party has confidence in an exchange partner's reliability and integrity</i>
Cooperation	<i>Individuals working together to accomplish mutual tasks and goals in order to compete</i>
Interaction	<i>Replaces the product as the core concept of a relationship marketing strategy by developing a relational approach that puts customer processes, not products, as the focus. An open dialogue must follow, and to generate success, the two firms/individuals must be aligned among all facets of one another's processes, resources, demands, and valued outcome(s).</i>
Communication	<i>A committed two/multi-way process, where both parties' perspectives and needs are important and considered. In transaction marketing, the communication is most often mass produced and distributed, but the relational approach employs management and integration of multiple communication methods to support the acquisition, long-term maintenance, and retention of customer relationships.</i>
Value	<i>Achieved through providing cost or market efficiencies specific to each customer and evaluated on an episode and total relationship basis. The firm's offerings are not only the core product or service, but also additional, valuable offerings.</i>
Service	<i>Requires a commitment from everyone involved within the organization to provide quality, reliability, and excellence to improve profit levels</i>
Concern	<i>A relationship marketers' desire to meet/exceed customer expectations, produce customer satisfaction, and effectively communicate - the intense understanding of customer needs and desires through interaction and communication</i>

**It is important to note the concept of internal marketing in this case study. Many key informants chose internal relationships, where researchers note that fellow employees are treated as "internal customers," thus the same constructs will be expected for both internal and external relationships.

Figure 3: Inductive Coding Categories



CHAPTER FOUR

RESULTS

4.1 INTRODUCTION TO THE DATA ANALYSIS PROCESS

After complete understanding and inductive coding of each interview transcript in its entirety, results from this case study are generated alongside the theoretical propositions outlined in the previous literature review and methodology chapters. Those theoretical propositions include:

- 1) *The relationship marketing concept is operational through the “30 R’s of Relationship Marketing.”*
- 2) *Defining constructs exist in relationship marketing.*
- 3) *Relationship marketing within a firm is a holistic, company-wide philosophy or approach.*
- 4) *An internal marketing strategy supports relationship marketing.*
- 5) *Buyer-supplier relationships are critical components in relationship marketing.*

4.2 THEORETICAL PROPOSITION 1

Relationship marketing (RM) emerged as an economic shift from a world of only markets and firms to the ‘new’ world economy. The ‘new’ world economy includes many complex

relationships between firms and among employees of the same firm. Gummesson (1994) presented the “30Rs of Relationship Marketing,” a collection of relationships that make RM operational and in attempt to set boundaries for what constitutes the RM concept. The 30 R’s are both external and internal oriented relationships. Overlap occurs among some relationships, as certain relationships serve to support others i.e. internal relationships supporting the external facing relationships with customers. The relationships are not listed in rank order, except for relationship 1, (Figure 1) but instead seek to provide companies with a bounded focus for their marketing plans (Gummesson, 1994). Within this case study, 10 of the 30 relationships that constitute RM operated in the firm.

- 1) *The classic dyad: the relationship between the supplier and the customer.* Considered the “parent relationship” of marketing (Gummesson, 1994), three of the 10 relationships in this case study are supplier-customer. Two existed where the firm was the customer and one existed where the firm was the supplier. Between the two relationships where the firm acted as customer, one was a positive-working relationship and the other was a negative working relationship. In the first supplier-customer relationship, a marketing manager and agency supplier were very trusting of one another, strategic, engaged on a daily basis, knew one another both personally and professionally, considered each other to be partners, and generated better products for the firm’s customers at the end of the day because of their great relationship. According to this manager, “we pat each other on the back a lot because we know in order to get everything done, we have to work hard, and we work really, really well together.” In the second supplier-customer relationship, a procurement manager and agency supplier were very strained. The supplier failed to meet expectations and deadlines, generated performance concerns, and had known

relationship problems with multiple employees of the firm. All were reasons which led to the creation of key performance indicators and a search for alternate suppliers.

The third supplier-customer relationship, where the key informant acted as supplier to the firm's customer, was very unilateral, but extremely beneficial to the firm. The customer was extremely receptive to the attention, communication, and financial assistance provided to him, which led to increased sales for the firm. The key informant described this relationship as "high maintenance" and notes that "if you don't support them with a relationship, they'll drop you."

- 2) *The many-headed customer and the many-headed supplier.* Nine of the 10 relationships in this case study are this type of relationship, which exists specifically in the industrial marketing sector where the firm operates. This relationship type occurs when marketing from one organization to another. Relationships between a many-headed customer and many-headed supplier mean that multiple contacts from the organization all work with the supplier(s) or customer(s) (Gummesson, 1994). For example, the customer operations and product management key informants travel on customer visits with their relationship counterparts in sales and agronomy, the marketing and procurement managers engage employees from many other functions of the business to partner with them when facing internal and external customers, suppliers, and other business partners, the sales manager engages his/her boss plus team members when interacting with customers, and the logistics manager must include both sales and customer operations while solving customer issues.
- 3) *The service encounter: interaction between the customer and the front line.* Seven of the 10 interviews included discussion of the key informant's personal interaction with the

firm's external customer base. Whether it be at meetings, dinners, conventions, on the phone, e-mail, visits, trips, etc., customers receive numerous forms of interaction with the firm's employee base. One relationship in this case study was specifically between a front line employee (sales manager) and an external customer of the firm. The sales manager travels to visit the customer at least once a week and describes their relationship as "candid" and with "high trust." When asked about how the assistance or help provided to this specific external customer plays a role in how the company creates value for them, the sales manager replied that "without a relationship with a customer like [name], I'm not able to fulfill my job and I honestly make [firm] look bad.....I need to make sure I am doing everything I can to make my presence known, and him know that I support his business so that [name] and [name]'s customers get the best product, for the best prices, and ultimately their businesses are going to be the most profitable."

- 4) *Inter-functional and inter-hierarchical dependency.* This relationship type exists in the firm since they operate in a matrix structure. Therefore, each inter-organizational function relies heavily on one another and the hierarchy of managers that support them. Nine of the ten key informants explicitly mentioned dependency on other functions of the organization, as well as their interaction with superiors. In the three supplier-customer relationships, key informants claimed their superior's involvement helped gain perspective of what is going on, address performance concerns, and provide additional support to key customers of the firm. Within the internal relationships, key informants claimed their superior's involvement helped solve issues, share ideas, and offer feedback.
- 5) *Relationships via full-time marketers (FTMs) and part-time marketers (PTMs).* Full-time marketers are employees occupying either marketing or sales roles. In this case study,

there are four FTMs: one sales manager and three marketing managers. FTMs, according to Gummesson (1994), are the “professional relationship-makers.” The FTMs in this firm all portray positive and beneficial relationships for the company. One marketing manager says “we get a lot of good feedback on the progress we’ve made, year after year – on the improvements and enhancements.”

Part-time marketers, employees in any other type of role, comprise six key informants in this case study. They also directly and indirectly influence customer relationships (Gummesson, 1994). Four of those six PTMs reference their direct interactions with customers on a regular basis. For example, three PTMs, a customer operations manager and two product development managers, go on territory visits with sales managers to meet and develop relationships with external customers. Another PTM, a supply chain manager, contacts external customers directly to confirm proper delivery of products.

- 6) *Internal marketing: relationships within the “employee market.”* In this case study, seven of the 10 relationships chosen by the key informants were internal, i.e. relationships within the organization, that support the relationships outside the organization. Internal marketing was an evident theme in this case study. The key informants explicitly noted ways their internal relationships benefit the external customers i.e. “we are constantly challenging each other to think about it...how do we put the customer at the center of this,” “us having a good relationship helps him provide his customers with better information,” “I got questions from customers on my relationship partner’s product that I could confidently answer, which helped our relationship with those customers,” and “it’s relationships like this one...that ultimately end in better products for the customer and end customer.”

7) *Personal and social network.* Relationships in one's personal and social networks will commonly affect their relationships in the workplace. For example, a manager concluded his/her interview with this remark: "I will level-set by saying I tend to be a relationship-type person, so I gravitate towards people, connecting with people, learning from people, so that is kind of a foundation for me personally, so I will probably connect with people across all planes whether they are in my function or not, my company or not, whether we're working in similar fields or not..." which implied their relational-type personality clearly affects the relationships they have in the workplace.

Two of the ten participants chose their closest friend at work for their most significant relationship, and each marketing manager admitted they are just relationship-type people in all facets of the workplace. They actively seek strong relationships and pride themselves for maintaining positive relations with everyone. One manager not only claims this person as their best friend at work, but rather "family" at work, because their personal and social networks engage with each other outside of work, on weekends, etc.

8) *The relationship to external providers of marketing services.* Relationship marketing should exist heavily between suppliers of services to the firm (Gummesson, 1994). Two of the three supplier-customer relationships were between the firm and a supplier that offers marketing and advertising services (see 1) *the classic dyad: the relationship between the supplier and the customer*). The relationship between the marketing manager at the firm and an agency supplier was very partnering, while the relationship between the procurement manager and agency supplier was very strained.

9) *The relationship to the customer's customer.* Gummesson (1994) claims that relationships in successful companies should include a thorough understanding of their

customer, customer's customer, and the ways they can aid their success. Each of the ten interviewees referred to and understood their customer, their customer's customer, and what each of their needs and/or expectations are of the firm. Two marketing managers mentioned their work to be "customer-centric" and "keep things from the perspective of the [end]-customer versus just marketing." Plus, both product management managers strive to give customers a "localized feel" and provide products and information most relevant to the customer's geographic location, business, and operation-type.

10) *The knowledge relationship.* These relationships are based around "knowledge acquisition" being a strategic reason to relate with one another. There are four ways the knowledge relationship occurs in this firm. First, it exists between four key informants and their four respective internal customers and business partners, each who rely on the key informant for knowledge, help, guidance, and support to provide better service, quality product, and information to external customers. Second, exists a relationship between two internal business partners where the key informant, a procurement manager, calls himself/herself the "student" of the relationship and their partner the "teacher." The key informant relies heavily on the knowledge gained from the partner to drive down costs, influence COGS, create multiple-source options, and negotiate with the firm's suppliers. Third, is the knowledge relationship between the sales manager and external customer, where the external customer relies solely on the sales manager to provide knowledge on products, their pros/cons, pricing, financing options, and other forms of support. Last, are the knowledge relationships between the three marketing managers and their respective partner. These three relationships involve explicitly stated partnerships, reliance on one another for expertise in the field, dependence on one

another to help develop strategies, presentations, and products; as well as other forms of knowledge-based support that can be directed toward their relationship partners.

These results cannot confirm or deny the proposition that the relationship marketing concept is operational through the 30 R's of Relationship Marketing, since only 10 of the proposed 30 relationship types appeared within this case study. The literature does not state whether each of the 30 relationships must be present for relationship marketing to operate, but it explicitly states these are the 30 relationships that constitute and parameterize the relationship marketing concept.

4.3 THEORETICAL PROPOSITION 2

Agariya & Singh (2011) conducted a summary and content analysis of the relationship marketing literature to identify all definitions and constructs existing thus far. To date, the authors identified 50 constructs/processes leading towards relationship marketing (RM) that exist within literature. The literature proposes that RM exists and operates via relationships built upon, and around, its constructs. Commitment, trust, interaction, communication, value, service, and concern were chosen for use in this study. These constructs were used because they appear in the top 10 out of the 50 most cited constructs identified by Agariya & Singh (2011).

Cooperation, concern, and interaction were included alongside those constructs because cooperation is the direct outcome of commitment and trust, concern occurs through interaction and communication, and interaction is a parallel process to communication that leads to value creation. Per the description outlined in the previous chapter, inductive coding was used to evaluate and identify the relationship marketing constructs existing within this firm.

Identification of the constructs at play within the host firm will be key to determine the state of relationship marketing in this firm. Figure 4 below outlines the number of significant text units identified per relationship and the total number identified within the entire case study. The data also include the number of text units that the coders assigned to each construct. Important to note though, was the ability for coders to assign the same significant text unit to multiple constructs, since overlap can occur in the inductive coding process (Thomas, 2006). Interaction was the most frequently identified construct, followed by communication and cooperation. Next were value and trust, with service being the least present. Congruence levels between the three coders and their identification per construct are attached in Appendix C.

Figure 4: Significant Text Units Identified Per Construct

<i>Total Significant Text Units Identified by the 3 Coders that Represent Each Construct</i>							
	<i>Total Significant Text Units Identified by the 3 Coders</i>	<i>Trust</i>	<i>Cooperation</i>	<i>Service</i>	<i>Interaction</i>	<i>Communication</i>	<i>Value</i>
Relationship 1	62	18	28	6	28	26	20
Relationship 2	110	23	16	19	46	42	22
Relationship 3	90	12	32	15	42	51	24
Relationship 4	76	14	33	11	37	28	22
Relationship 5	75	24	23	4	31	26	15
Relationship 6	43	6	10	10	13	14	17
Relationship 7	37	4	14	2	21	15	7
Relationship 8	77	11	24	10	23	25	13
Relationship 9	32	0	12	0	13	16	6
Relationship 10	28	0	15	0	12	19	2
Totals	630	112	207	77	266	262	148
Percent of Total		18%	33%	12%	42%	42%	23%

Based on figure 4 above, it is shown that relationship marketing constructs are present in the firm and its relationships, but there are notable variances in the amounts of constructs

identified in comparison with each relationship and each construct. Additionally, the number of significant text units that represent trust, service, and value are much lower than those representing cooperation, interaction, and communication.

Low numbers of trust, value, and service generate concerns. For example, Berry's (1995) claim that "customer-company relationships require trust" and Ford's (1990) comment that relational trust is key within industrial marketing lead to the belief that trust must be high for RM to exist. Out of all 50 constructs that exist in the RM domain, trust was the most widely cited and researched as being a requirement for this concept. In this study, trust ranks fifth among the constructs, and was completely absent in two of the ten relationships. Trust was also lower in two additional relationships – only identified four and six times respectively. The next highest identification numbers of trust were double those amounts.

Second is the notion that value is a parallel outcome to the interaction and communication processes (Grönroos, 2011). With interaction and communication as the most frequently identified constructs, the literature suggests that value would be numerically comparable. Yet in this case study, each time interaction and communication came into play, value was clearly not generated. Like trust, there are relationships with significantly less value creation than the rest i.e. relationships 7, 9, and 10 (Figure 4).

Lastly, service was the least identified construct. Service existed among relationships in this firm only seventy-seven times, in only eight of the ten relationships, and was absent from the same two relationships where trust was not present. In accordance with the relationship marketing literature, this was completely unexpected. The service industry is the primary space in which RM exists and operates, plus out of all 50 constructs existing in the relationship

marketing domain, service was the fifth most widely cited and researched as being a requirement for this concept.

With three of the six constructs significantly less existent than the other three, the results are mixed and cannot confirm or deny that defining constructs exist in RM. It is alarming that two of the most prominent constructs in all of RM are found least within this firm and its relational space.

4.4 THEORETICAL PROPOSITION 3

As Figure 4 of section 4.3 demonstrates, four types of relationships were chosen by the ten interviewees: 1) three participants chose, according to them, their most significant relationship, 2) two participants chose a fellow team member that is their closest friend at work, 3) three participants chose a relationship that is less significant than others in the workplace, and 4) two participants chose their most painful relationship.

All interviews began with the same opening clause, asking the key informant to identify a relationship with a customer, supplier, stakeholder or internal business partner which was ‘important, large, significant and occupied a large portion of their day.’ However, not all key informants selected relationships of that nature. The relationships chosen were extremely heterogeneous and diverse within the same firm, as seen in the variance across the numbers of constructs identified for each relationship (Section 4.4.2). Two relationships were completely absent of trust and service, and the relationship with the most constructs identified had approximately five times the constructs as the relationship with the least (Figure 4). Section

4.4.1 will outline the four relationship types observed in this case study, before section 4.4.2 quantifies the variances among the relationship-types. The results neither confirm nor deny the proposition that relationship marketing within a firm is a holistic, company-wide philosophy or approach due to the variance in relationship types chosen by the key informants. Radar graphs based on the total number of constructs within each relationship-type plus the average number of constructs within each relationship type visually demonstrate the heterogeneity in relationships within the firm, while direct quotes from each key informant's interview provide further evidence.

4.4.1 Description of Relationship Types

- 1) *Three key informants chose their most significant, important, time-consuming and well-working relationships.* In the first case, a procurement category manager and their internal business partner [Relationship 1] began a relationship the first day of employment at the host firm. According to this manager, his business partner “is involved in everything that I do” and “things have to be in lock-step between to two of us to control costs” for the firm. The manager claimed this relationship to take up the greatest amount of time, being roughly ten to fifteen percent in a given week, and that this being such a strong relationship is significant to the organization as a whole since they are able to control costs, create leverage, and increase product performance. In the second case, a marketing manager chose their relationship with an agency supplier [Relationship 2], which is “definitely one of the best relationships I have” and takes up over half of the manager's time in a given work week. “I'd say on a scale of 1 to 10, this relationship would be a 9 in terms of its importance to our company. They are a really

critical piece of completing the marketing projects we have.” Those were the words used by this marketing manager to put the relationship into perspective in terms of these two business partners and their jobs. This supplier operates not only with this marketing manager, but also other teams and brands, making their touch point throughout the organization extremely significant. They engage with each other multiple times throughout a single day and even “call each other partner because they really are a part of my day-to-day.”

Lastly within this category, is a relationship between a sales manager and external customer [Relationship 3], where the manager claims “it’s a higher maintenance relationship, but the return on investment in the relationship is higher than my other relationships.” It is evident that this relationship is not only critical to this one manager, but also their entire sales team and the organization as a whole. This external customer is very influential across a statewide geographic region, and has been a key stakeholder in the organization for a long time, so the two make contact with one another at least once a week, whereas the manager makes contact with other external customers only about once per quarter. Comprehensively, this relationship occupies twenty hours of this manager’s time per week, compared to ten hours per week for their next best relationship in the workplace.

- 2) *Two key informants chose a fellow team member, who also works for the firm, and is their closest friend at work.* The two key informants in this category [Relationships 4 and 5] were both between marketing managers who chose a fellow internal team member, that also works for the firm in a different role, but reports to the same boss as the key informant. Both key informants claimed this internal team member was their closest

friend at work. Direct quotes that describe this type of relationship include: “it is just very close, we call each other ‘step,’” “it is just more focused,” “we joke a lot more, we have that comfort level, we know each other’s families,” “he is probably more like family at work, where everyone else is like a friend at work,” “even the organization knows we are very, very close and good friends,” and “if we ever left the company, 20 years down the road, we would still be friends, and our families would still be friends.” The average number of constructs identified in this relationship type was less than the previous type, where key informants chose their most significant relationship at work. However, the levels of trust and cooperation were higher in the relationships between two fellow team members and close friends at work.

- 3) *Three key informants chose relationships that are not their most significant ones.* The key informants in this space all chose internal customers they serve within the company. The relationships are characterized by a great deal of information sharing back and forth between the two individuals in each relationship, however this generally takes place via phone or e-mail since none of the managers interviewed work in the same geographic location as their relationship counterpart.

Two of the three relationships [Relationships 6 and 7] exist between product development managers and their internal customers, who are also both [the internal customers] in the same role, and work off-site from the firm’s headquarters. Both managers commented on the importance of their relationship to develop better products for the firm and provide more quality information to their external customers. The knowledge base and services they can provide to their internal customers are critical since those internal customers work each day on the “front line” with external customers. However, these two managers

explicitly claimed they have more strategic, time consuming, and developed relationships with other coworkers. For example, one of the product development managers noted that this relationship only occupies one hour of time per week and is “less intense than a lot of others, which will be more on business strategy.” The other product development manager said this relationship was “very small in comparison to others at work” and that it only takes up less than a half hour per week, and will only continue as long as they continue in their respective jobs and roles.

The third relationship, between a customer operations manager and their internal customer, [Relationship 8] that works off-site from headquarters, is also not this manager’s most significant relationship. The manager described this relationship as “typical” and described how relationships with other internal customers are very much the same type of relationship. When asked questions about this relationship specifically, the manager rarely referred to the relationship by itself. The manager continuously grouped the relationships with all their internal customers and referred to them as a whole and clear significance of the chosen relationship was not generated from the interview texts. However, approximately twice as many constructs exist in this customer operations manager’s relationship (Figure 4) versus the two other product management managers’ relationships of this type, and the reason for this variance is unclear since each of the three managers noted the relationship they chose in for the interview was less significant than their other relationships at the firm.

- 4) *Two managers chose their most painful relationship.* There are two relationships in this last space: one external relationship between a procurement category manager and a supplier [Relationship 9] and one internal relationship between two supply chain

managers [Relationship 10]. Both relationships are painful for the managers because their counterparts repeatedly fail to meet expectations in numerous areas.

In the first relationship, the procurement category manager expressed there have been “significant kind of concerns where we bring in their leadership and our leadership,” “there have been problems, so we’ve engaged a lot more than relationships where things are operating smoothly” and “it’s a revolving door problem.” The interview concluded with a powerful statement from this manager, suggesting they have no interest in a relationship with the supplier counterpart, and noted this relationship “is transactional from their point of view because we wouldn’t have as in-depth of a relationship if he performed his job, on time, to our specifications” and “I would like to move on to the next thing, I’m not interested in having a relationship on my weekends and evenings with [name].”

Second, is the internal relationship between the two supply chain managers, where the key informant expressed neither of the two speak highly of one another, although there is a “good front put on, we do what we have to do to maintain business, but there is a trail of issues there.” This relationship comprises eighty percent of the key informant’s time, far exceeding the time commitment they have to any other relationship in the workplace, solely due to its bad workings and negative nature. While the relationship “has gotten somewhat better,” frustration still exists because “[name] has a tendency to not make our weekly calls that we have scheduled” and “we have a lot of issues.” Notable, too, is the fact that the manager is not comfortable sharing information with them. “In fact I try not to...it’s just that things get twisted and turned” and its “questionable” whether they

would reveal information that shouldn't be, is how the manager demonstrated his/her discomfort in sharing information.

4.4.2 Quantified Relationship Variances

The total number of constructs identified within each of the four types of relationships can be seen in the following four radar graphs (Figure 5, 6, 7 & 8). Although distinctions between the relationship types are demonstrated through examples of text units, situations, and relationship descriptions explained in the previous subsection; radar graphs that demonstrate the constructs existing for each relationship type were also created so visual comparisons and distinctions are made between each level. The radar graphs are based upon the numbers given in section 4.3, Figure 4. Since not all relationship types contain the same number of employees, i.e. relationship types one and three contain three employees and relationship types two and four only contain two, the average number of constructs was calculated within each type. The average calculation is a more accurate representation of the relationship constructs in each type, due to the different number of relationships in each of the four types.

Figure 5: Total Constructs Identified for Relationship Type 1

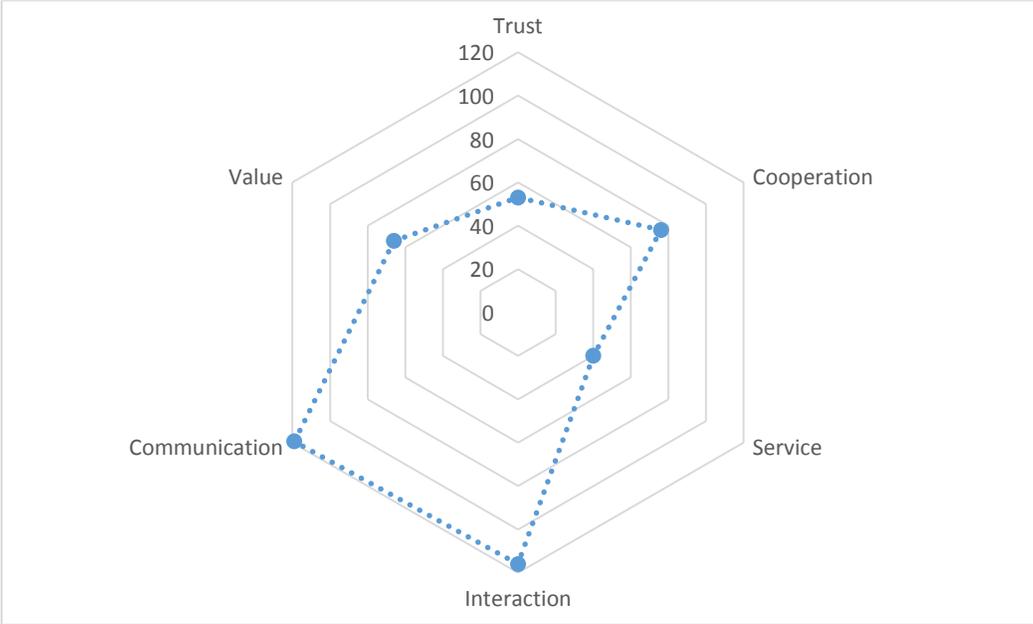


Figure 6: Total Constructs Identified for Relationship Type 2

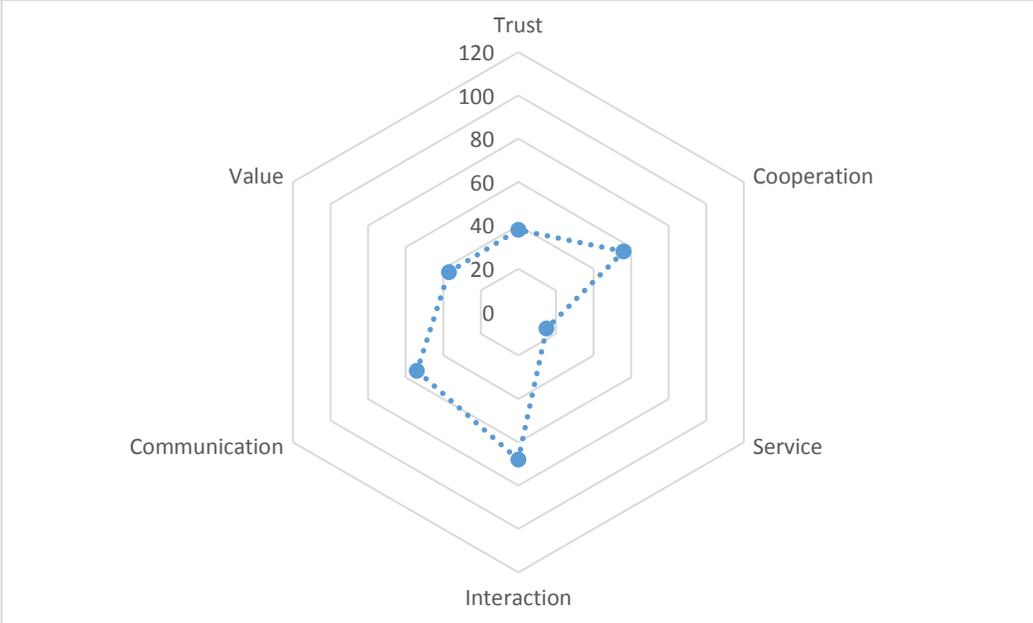


Figure 7: Total Constructs Identified for Relationship Type 3

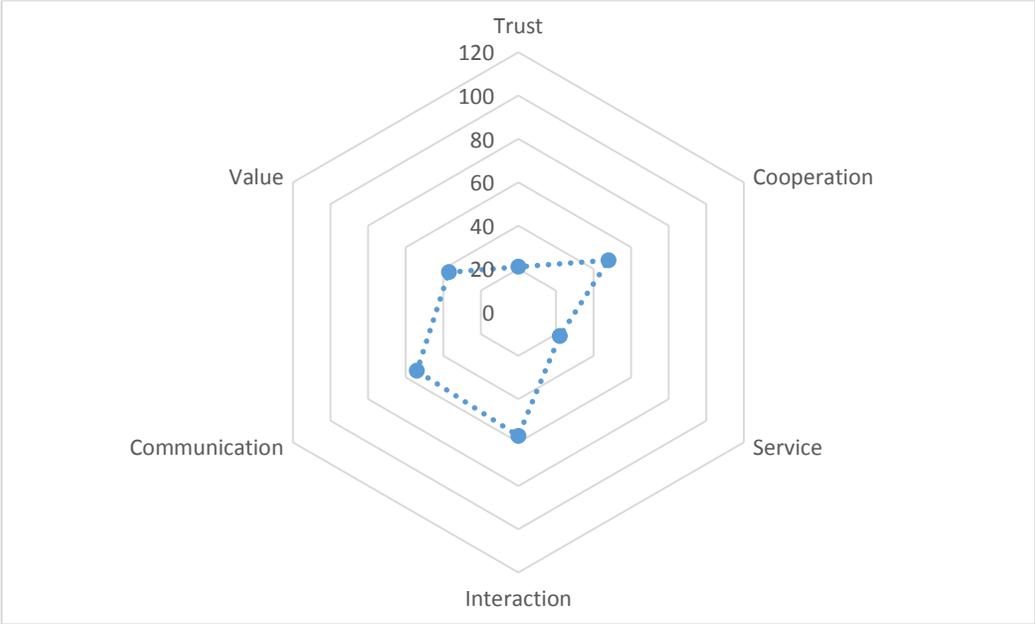


Figure 8: Total Constructs Identified for Relationship Type 4

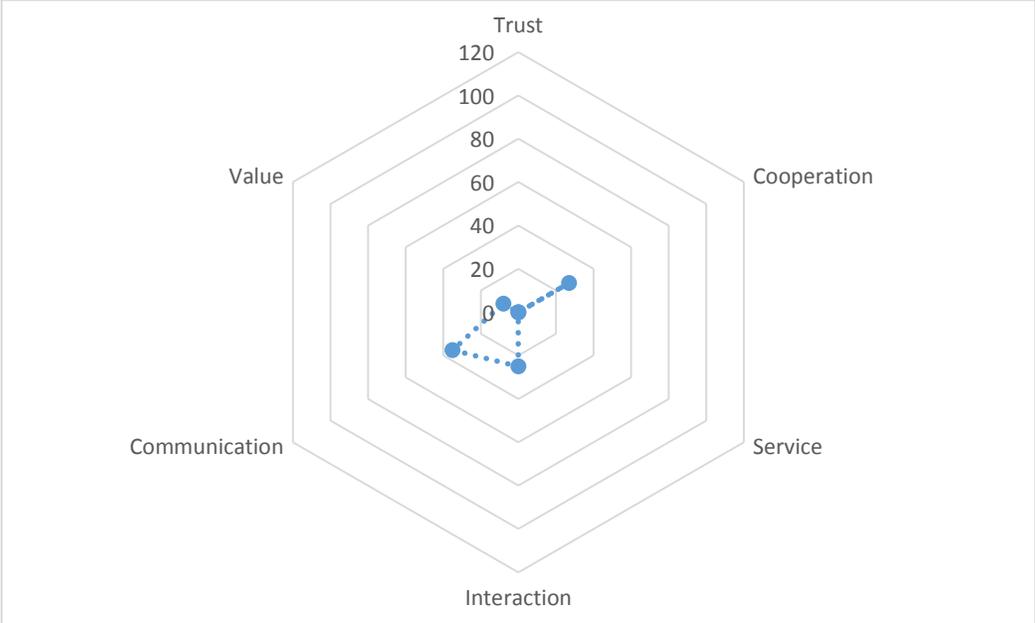


Figure 9: Total Number of Constructs Identified for All Relationship Types

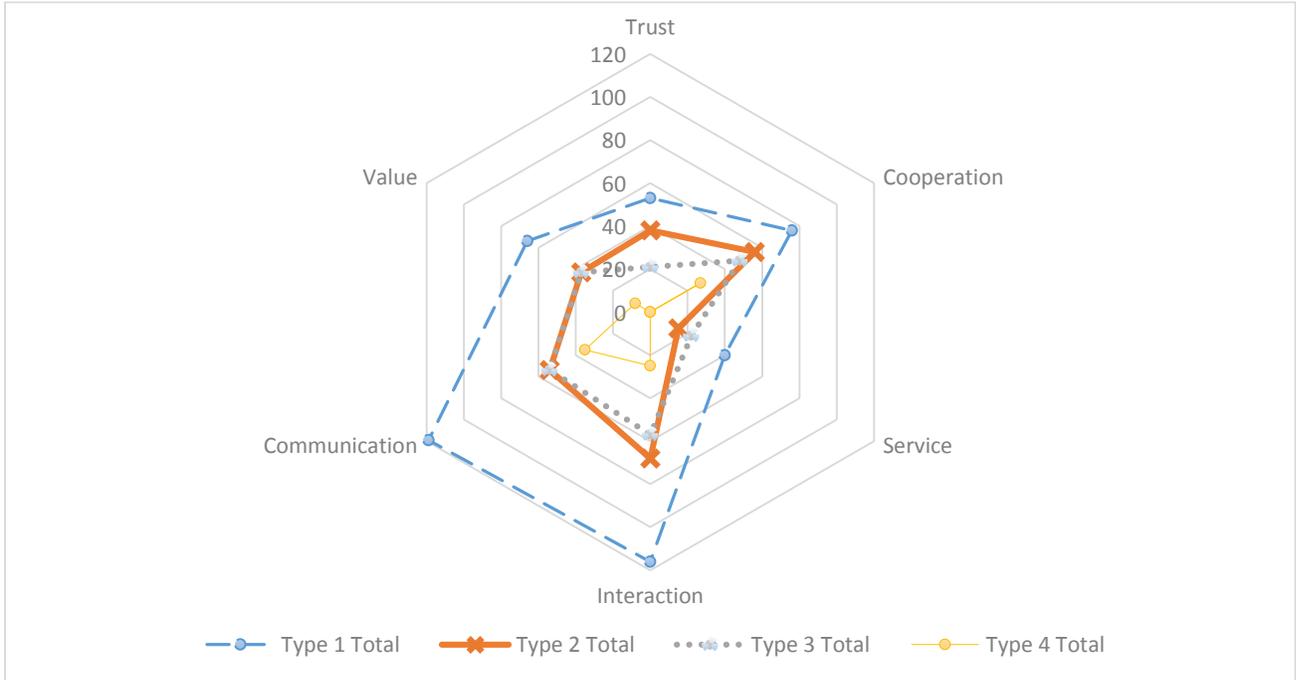
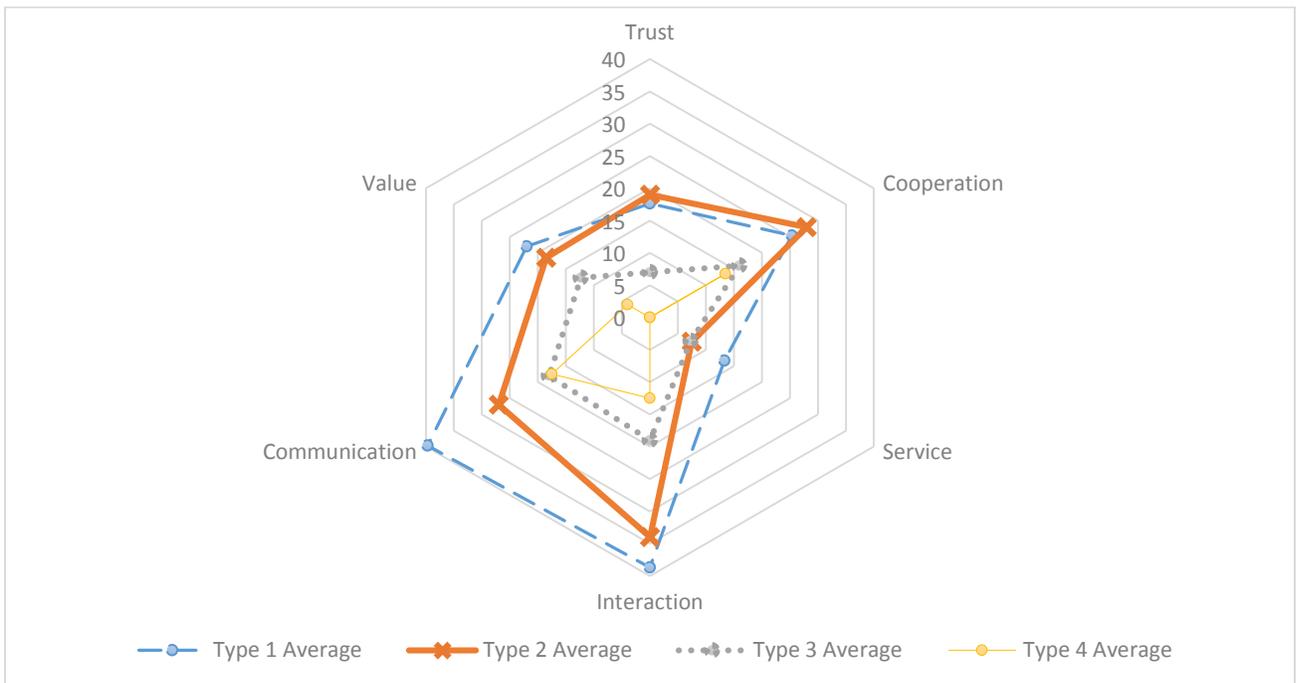


Figure 10: Average Number of Constructs Identified for All Relationship Types



4.5 THEORETICAL PROPOSITION 4

The relationship marketing literature proposes that an internal marketing strategy must be adopted in order for an organization to support a relationship marketing strategy (Buttle, 1996). Therefore, interdepartmental relationships and their associated characteristics play a role in how the company is able to serve its customers i.e. better quality internal relationships will benefit the external customers. Operation of an internal marketing strategy treats employees as “internal customers,” (Christopher, Payne & Ballantyne, 1991) where employees treat other employees as their customers (Schneider and Bowen, 1985). Seven employees within this case study chose internal relationships. Three of those relationships exist between the key informant and one of their internal customers while the other four relationships exist between the key informant and a fellow team member or internal business partner. Six of the seven internal relationships portrayed ways in which the relationship partners, together, benefited the external customer at the end of the day. However, the remaining relationship, between two supply chain managers, did not benefit the external customer.

In the case of the three key informants that chose an internal customer, the managers explicitly described their internal relationships’ importance to the firm’s external customers. According to the customer operations manager, “it [my relationship with a sales manager] directly influences how our company’s sales go” and “the more knowledge base we have among the employees within the company definitely helps the end customer at the end of the day.” The other two key informants in this group, product development managers, chose their internal customers in agronomy. They comment that “us having a good relationship helps him [internal customer] provide his customers with better information; and it probably helps with

strengthening his relationships between him and his salesmen....plus him and the [external] customers he interacts with....so it really helps him strengthen his relationships and provide more value” and “it [the relationship] is helping the external customer understand how to use the product better.”

In the case of the three key informants that chose fellow team members or internal business partners that work in other departments, the managers explicitly described their internal relationships’ importance to the firm’s external customers. Two marketing managers chose a fellow team member, in different roles, but that report to the same boss as them. They commented how the work they do on the same team as their relationship partner ultimately benefits the external customers. It allows them to “think things through [together] a little deeper...we are able to keep things from the perspective of the customer, versus just marketing” and “we are constantly challenging each other to think about it....it’s a cliché term for companies, but for me it is near and dear to the heart...’customer centric’...so how do we put the customer at the center of this.” The procurement manager that chose their internal business partner in technology claims that things have to be in “lock-step” between the two of them and their relationship in order to control costs.

Last, the internal relationship between the two supply chain managers, does not benefit the external customer. The key informant admits that “at times we both have a common goal...even though there are days it doesn’t seem like it...I think that it’s we both want to improve the brand, grow the brand, and make sure we have good customer service; but sometimes there’s a real conflict between what needs to be done, what gets done the proper way, and how we service the customer” However, at the close of the interview, the manager implied potential to increase the quality of the relationship and effect on the external customer in the

future and stated that: “I think since we’ve been working together with other managers, and now that we’ve got a new lead that is really starting to address some things, I think it is really going to make things change and be better and help improve the brand and the customer experience.”

These results confirm the literature’s proposition that internal marketing supports relationship marketing through its direct effect on the end customer, and that it must exist for relationship marketing to exist. Each of the six managers that identified an internal relationship as their most significant relationship, understood and eluded that the external customer was the most important benefit of their relationship together. Although the seventh internal relationship does not currently benefit the external customer, the manager is aware that improvements within their internal relationship will ultimately create positive results for the end customer.

4.6 THEORETICAL PROPOSITION 5

4.6.1 A Buyer-Seller Exchange – the case firm as customer

Lewin & Johnston’s (1997) case study of relationship marketing between buyers and sellers shed light on the characteristics of relationship marketing among businesses-to-business relationships in the industrial marketing sector. Since this firm also operates in the industrial space, they too, seek supplier relationships that are cooperative, have both businesses working together, and one that is long-term. These relationships ideally generate competitive advantage and further increase competitiveness. The literature suggests these types of relationships are critical in order for an organization to compete and two of the key informants chose relationships

with their supplier counterpart. One was a well-working relationship, and the second was heavily strained.

The first relationship, between a marketing manager and agency supplier, is clearly characterized by a foundation of trust and unwavering ability to work well together. The manager calls this supplier a “partner” because they engage multiple times within the day, rely on one another to complete projects, products and strategies, and the supplier knows the firm’s business inside-and-out. According to the marketing manager, “they have to know us as good as we know us...they have to be experts on our information and our products and our strategy. They are literally our right arm to get our campaigns done, our communications....like you can’t be sending out communications to [another business] or a customer if they [the supplier] don’t understand our business or understand our brand...so they have to know us inside and out..... I would say we end up with better products at the end of the day because of the relationship, because of the honesty and the trust....because if I was just to say ‘we need to create this’ and she would just go do it, maybe we wouldn’t think about the full picture. We would just go down a bunny trail and not get over here....where she says ‘maybe we should think about this a different way’ or ‘have we talk to some of our sales representatives to see if this is the right direction to go?’...so they challenge us. We work together to find a solution.....”

It is evident from this buyer-seller relationship that they are operating cooperatively to achieve the best results. For example, “we think together: ‘how do we provide the best strategy?...products for our brand?’...and I think that’s why it is so important to have a good relationship” and “I share with them as much as possible that is going to add value to whatever the project might be, so I think it is mutually beneficial when you have that trust there [in the relationship] and you’re both looking out for the best interests of the brand” are clear and

demonstrated ways in which they jointly operate. This marketing manager is fully aware of the positive results generated from the relationship and is committed to making sure it continues. “You would have to get someone else up to speed, build another relationship there, and ensure they’re just as good as the person you’re replacing... which would be pretty hard,” and “I would work really hard to make sure it [the relationship] continues because they are such a great partner” are additional indicators, not only of the great relationship, but also of the manager’s desire to make this a sole source, long-term relationship.

The second buyer-seller relationship, between a procurement manager and event supplier, is both negative and bad-working. Unlike the previous relationship, the manager at the focal firm has no desire to continue working with the supplier and no desire to have more than an extremely basic and minimal relationship with them. For instance, the manager admits “because there has been problems, we’ve engaged a lot more than relationships where things are operating smoothly,” which is grounds for believing the manager isn’t seeking relational behavior with any supplier. They compared this supplier relationship to that of their best supplier relationship, describing those meetings as “more about them coming prepared with an update of where they’re at with projects, timelines, savings, spend and all of this...and its much different...seems more professional.” But that description lacks any mention of cooperation, working together, longevity, etc. and is very different than the relationship we saw previously with the marketing manager and agency partner. It is very one-sided, with only the supplier engaged, and that the host firm manager in turn finds it a positive relationship because it requires little to no engagement from their end. Further supporting that claim, is the closing interview statement, where the manager admits “we wouldn’t have as in-depth of a relationship if he performed his job, on-time, to our specifications, and if our internal customers were maybe a little more

amicable to work with,” suggesting that in-depth relationships aren’t necessary in the buyer-seller exchange unless one, or both, of the parties are acting poorly. Although the interviewee ultimately admits this vendor “makes us look good with the other vendors we are competing with at the show and then also with our customers if it seems like we have a pretty show and ways of engaging with our customer,” they are in search of alternative suppliers, regardless of the transaction cost involved with switching suppliers.

4.6.2 A Buyer-Seller Exchange – the case firm as supplier

One relationship, between a sales manager and their external customer, is also that of buyer-seller nature, but with reversed roles making the host firm the supplier. Levitt (1983) uses a marriage analogy to describe this type of relationship in the industrial space:

- “...the sale merely consummates the courtship...how good the marriage is depends on how well the relationship is managed by the seller.”

This type of proposed relationship management by the seller, in this case the sales manager at the firm, is very evident here. The interview was a very candid and in-depth description of the relationship, which the key informant called “high maintenance” since this customer is such a key stakeholder for the company and has proven that “if you don’t support them with a relationship, they’ll drop you.” The sales manager takes full responsibility for managing the relationship with them, admitting it is “my responsibility to make sure I’m giving [the customer] the attention they deserve...it is also my responsibility to confront any issues that I think are going to happen and give him any news he is going to need from the company..... [the customer] wants to feel important.”

The sales manager goes above and beyond in many ways to increase relations with the customer and mentioned how “this year they didn’t meet their growth goals that they agreed to last year, but I paid them anyways, because that was very important to our relationship. I had to go above and beyond and get a customer accommodation process for them to be able to pay them the full amount, but in the end, [the customer] recognized that I had to go above and beyond and work really hard to get that for them.” Additionally, the manager notes the importance of a personal relationship with the customer and explained how “I took [the customer] to a college football game on a weekend...had to tend to them when my whole family was there. So just going above and beyond so [the customer] knows I really support them, their business, their family....I want to make [the customer] feel really important basically.” As seen here, Levitt’s marriage analogy is fully operational by this sales manager, as they unilaterally manage the relationship post-sale.

Based on the evidence from these three buyer-seller relationships, the results were mixed and cannot confirm or deny the proposition that buyer-seller relationships are critical components of relationship marketing. Although two of the three managers maintain the types of buyer-seller relationships that the literature suggests, one of the three managers has no interest to maintain a relationship with their supplier counterpart.

CHAPTER FIVE

CONCLUSION

5.1 CLOSING REMARKS

This thesis research was conducted to provide an example, using the case study method, of exploratory research in relationship marketing within the agricultural industry. The study will provide the state of relationship marketing in a leading agribusiness firm. Based on the relationship marketing literature, expectations were that relationships will be rich and vibrant, since no empirics or literature exists that imply relationship marketing will be any different in this firm. An embedded case study was conducted to take a preliminary, exploratory, and conservative first step amongst identifying relationship marketing in the agribusiness industry – using the firm, its employees, and their relationships. The research findings were: 1) only ten of the 30 R's are operational in this firm, 2) three of the six constructs are significantly less existent than the other three (especially trust and service), 3) value is not always generated parallel to interaction and communication within the firm's relationships, 4) four types of relationships exist within the firm, 5) internal marketing does support relationship marketing through its direct effect on the end customer, and 6) three buyer-supplier relationships exist in the firm, although one key informant has no interest to continue the relationship.

These results motivate future research not only within this firm, but in others throughout the agribusiness sector, or a cross-section of multiple agribusiness firms. Interviews from both relationship partners, interviews from employees about both their best and worst relationships,

and company-wide surveys additional options for future research. This case study research is necessary in response to the fundamental changes in the business environment, where a new business approach involved a shift from transactional marketing to relationship marketing, leading to sustainable competitive advantages achieved through quality relationships. With agriculture being the country's largest industry, it is important to identify opportunities for research around relationship marketing in this space.

5.2 LIMITATIONS AND NEXT STEPS

The sample size and lack of triangulation from multiple data collection methods are limitations of this case study. Additionally, with the lack of primacy among relationship marketing in agribusiness, there was not a clear or parallel roadmap to conduct this pilot assessment and exploratory case study. More relationship marketing literature and direction, specifically within the industrial marketing sector, will help in future research.

Moving forward for this firm in particular, and based on the results of this case study, a uniform and company-wide approach to relationship marketing is recommended. Relationship marketing according to its founder, Leonard Barry (1983), "is a philosophy, not just a strategy – a holistic, sum of integrated parts that drive a firm's marketing competencies." But in this organization, there was no company-wide philosophy and approach to, or formal training(s) provided around relationship marketing. None of the key informants expressed prior knowledge of the relationship marketing concept before the start of their interview, so not only were the relationships chosen by them extremely varied, but so too, were their understandings of

relationship marketing. In addition, there were the lacking levels of trust, service, and value and the variance in the types of relationships chosen.

In conclusion, the organization's relationships were found to be completely situational and unique to each key informant that was interviewed. Without a company-wide philosophy and approach to relationship marketing, the firm loses out on the full potential and opportunity that it has to offer. There are many benefits of relationship marketing, as outlined throughout the literature, left unattained by the firm.

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APPENDIX A: SEMI-STRUCTURED INTERVIEW TRANSCRIPT

Think about a relationship [in the workplace] you have with a customer(s), supplier(s), stakeholder(s), or internal business partner(s). For the purposes of this conversation, we will consistently use this relationship for discussion. Try to think of one that is important, large, significant, occupies a large part of your day, etc. It could be a big client, important regulator, key farmer, key team member, etc.

Tell me about the relationship(s) between you and that person.

Describe the relationship's importance to your job and to your company.

Do you speak highly of your relationship partner? Do they speak highly of you?

Do you engage with each other repeatedly?

Do your business functions continue to work with one another?

Do managers or superiors ever involve themselves in the relationship?

Is this relationship new or old?

How does it compare to your other relationships?

Are most of them approximately this many years long?

How did you acquire this relationship?

What did the relationship look like at the start?

How has it changed since the beginning of the relationship?

Is there potential for it to end or will it continue?

What is the outcome if the relationship ends?

What is the outcome if the relationship continues?

How often do you speak with this person?

Describe the ways you communicate with your relationship partner.

Why do you communicate in the way(s) that you do?

Communication both inside/outside of working hours?

In person or electronic communication?

How often?

Is there a particular communication strategy? If so, what is it?

Whose communication needs are placed first?

Or is this situational, because the relationship is mutually beneficial?

How much time do you spend on this relationship per week?

How does that compare to your next best relationship?

Is this during work or outside of hours?

Within your job description or both inside and out?

How many deadlines are there in (insert relevant activity that pertains to this relationship)?

How often do you meet yours? How often do they meet theirs?

Do they miss meetings or appointments?

Do they buy year after year?

Do they supply year after year?

Do they pay on time?

Do they order on time?

Do they request services on time?

Do they correctly execute the procedures set forth in your 'transaction'?

Do you work on projects together?

What is that big event/project/thing you work on, etc?

How many components go in to making that work?

Can you count on them for good input and ideas?

Do you develop strategies together?

Do you support company goals together?

Do you sell company product together?

Do you create contracts together?

Do you develop presentations together?

Do you lead a team together?

Do you develop ideas together?

Do either of you provide financial assistance?

Do they meet standards set forth for them?

Can you count on what they say to be true?

Do they tend to follow through?

Do you help to complete their job tasks if they need it?

Do they help you complete your job tasks if you need it?

Is their confidential information involved within your relationship?

Are you quick to disclose information with them?

Would they reveal information that shouldn't be revealed?

Do they respect company confidentiality?

Do you fix issues together?

What are some issues that would come up?

Do you both offer advice?

Do you both make suggestions?

Do you both answer questions?

Do they provide you with materials? Do you provide them with materials?
Do they provide you with services? Do you provide them with services?
Do they provide you with product? Do you provide them with product?

Do you help drive down costs?
Do you increase sales?
Do you produce?

Is the relationship significant outside of the parties involved?
Is the outcome of your relationship appreciated? If so, by who?

How does the relationship increase the quality of (insert relevant activity that pertains to this relationship)?

How do you choose suppliers?
Now think about how that relationship compares to a much higher priced supplier/or a relationship that is much more transactional.

How do you prioritize customers?
Now think about how that relationship compares to a customer spending much less \$.

How do you prioritize product?
How do you prioritize internal customers?

Is a new relationship with a competitor of greater importance?
Do competitors' products play a role in your relationship?
Do competing firms play a role in your relationship?

Can you negotiate pricing?
Can you offer better pricing?

Do you provide additional(s) outside of what is expected?
Are you a source of reference?
Do you provide a knowledge base they might not have otherwise?

Does the assistance/help, etc. you provide to your relationship counterpart play a role in how the company is able to create value for its customers?
If so, how?

IN CONCLUSION:

How would you compare this relationship to others that you have [in the workplace]?
Are all of your relationships [in the workplace] like this?
Is this typical or are some more/less intense?

If you could describe this relationship as being relational or transactional – which would it be?
And why?

APPENDIX B: INDUCTIVE CODING OVERVIEW

This case study will provide the state of relationship marketing in a leading agribusiness firm. Based on the relationship marketing literature, expectations are that relationships will be rich and vibrant, since no empirics or literature exists that imply relationship marketing will be any different in this firm. An embedded case study was conducted to take a preliminary, exploratory, and conservative first step amongst identifying relationship marketing in the agribusiness industry. The case study method is appropriate for this research study since the aim is to investigate a previously ‘unstudied situation’ and to further explore currently existing theory (McCutcheon & Meredith, 1993). The case study method also fits well with the focus firm for two primary reasons: 1) the study’s units of analysis wished to remain anonymous and 2) the conducted interviews minimized disruptiveness among the organization (Lee, 1999). Case study research is useful in areas of exploration, i.e. Relationship Marketing in food and agribusiness, where this firm could remain anonymous and somewhat of a “pilot” in this field. The individual interviews conducted within this study also involved less intrusion within the firm as an entirety in comparison to a survey, field experiment, etc. (Lee, 1999).

Key relationship marketing constructs were used to develop an interview dialogue between myself and employees of the firm. The neutrality of questions asked within the interviews were meant to produce results that would explicitly verify the existence of relationship marketing, via the use of its constructs, within this organization.

The constructs of commitment, trust, communication, value, and service were used in this case study because they appear in the top ten out of the fifty most cited constructs identified by Agariya & Singh (2011). Cooperation, concern, and interaction were used alongside those constructs because cooperation is the direct outcome of commitment and trust, concern occurs through interaction and communication, and interaction is a parallel process to communication that leads to value creation. Relationships operating with a foundation built from these constructs and processes are in-turn engaged in relationship marketing, and ultimately achieving the expected [positive] results for the firm.

Interviews were conducted and recorded with ten employees across the procurement, product management, marketing, logistics, customer operations, and sales functions to deeply understand key relationships and their respective constructs and processes existing within the workplace.

To start the interview, participants were asked to identify a key relationship of theirs within the workplace. The relationship could be a supplier, customer, stakeholder, or internal business partner, but it was specified the relationship should be one of great significance or importance, one that occupies a large portion of their day, and one that would be used as the relationship of reference throughout the entire interview. From there, the semi-structured interview began. Semi-structured, because, relationship marketing was both the topic and theme and specific questions were asked and placed in a relatively predetermined order (Lee, 1999). However, not entirely structured because additional topics and alternative orders were sought when necessary, dependent on the participants’ response and/or reaction to a particular question(s) (Lee, 1999).

After the initial question asking participants to identify their relationship of choice throughout the interview, questions were sub-divided amongst the relationship constructs and processes used in this study: commitment, trust, cooperation, interaction, communication, value, service and concern. Based on the literary definitions of each construct and process, the neutral questions were written to evaluate each participant's relationships. Certain questions were more or less relevant to each interviewee based on their position within the firm, which was adjusted for adequately in the semi-structured nature of the conversation.

Relationship Marketing was first defined by Berry, Shostack, and Upah in 1983, at an American Marketing Association Conference, as a marketing strategy that involves all activities of a firm to build, maintain, and develop customer relations. Since then, seventy-two definitions and fifty constructs of relationship marketing have been identified; primarily in relation to the acquisition and retention of customers, and the associated profits which result (Agariya & Singh, 2011).

The relationship marketing concept emerged in response to fundamental changes within the business environment (Palmer, 2002) i.e. increased national/global competition, market fragmentation, high standards for product quality, increased consumer demand, and variance in customer buying patterns (Buttle, 1996).

Relationship marketing concepts and theory are found within the service and industrial marketing sectors due to the nature and variety of their customer, employee, supply, internal, influencer, and network markets. Relationship marketing, at its core, focuses on relations, maintenance of those relations, and all players in their micro/macro-environments (Ravald & Grönroos, 1996) i.e. the buyers, suppliers, public officials, customers, and middleman existing in the service and industrial marketing. The literature generally speaks towards both sectors when discussing applicability and implementation of concept and theory.

Relationship Marketing also focuses on the internal environment of a firm since inter-departmental relationships, and their associated characteristics, play a role in how the company is able to serve its customers. Buttle (1996) claims relationship marketing must be adopted within the firm to be successful in its ultimate goal of maintaining long-term customer relationships. Berry, Grönroos, and Gummesson note that if company leaders create a positive experience for its employees, then they will in turn deliver positive experiences to its customers. This concept, internal marketing, a core strategy of relationship marketing, is concerned with 'attracting, developing, motivating, and retaining qualified employees' (Berry & Parasuraman, 1992). Internal marketing treats employees as "internal customers" – so within the firm, there is always a supplier and customer working together (Christopher, Payne & Ballantyne, 1991). And although employees within the marketing or sales functions are continually engaged in marketing practices, Gummesson (1990) conceptualized "part-time marketers: - i.e. those employees in other functions within the industrial or service firm that are also equally engaged in marketing practices. An internal marketing strategy must be adopted in order to support a relationship marketing strategy (Grönroos, 1994). Additionally, Stershic (1990) makes the claim that research within these relationship and internal marketing domains rarely focus on the employees as units of analysis – even though they are the 'critical link' in providing the desired customer experience on behalf of the firm. Research collected from the employee perspective is 'a critical

tool in managing customer satisfaction' according to Stershic (1990), and many studies have been done to show employee effect on customer satisfaction. Schneider and Bowen (1985) have conducted studies that show firms being structured around service and satisfaction should have employees treating other employees as customers per se.

The table below outlines the constructs/processes of relationship marketing: commitment, trust, interaction, cooperation, communication, value, service and concern.

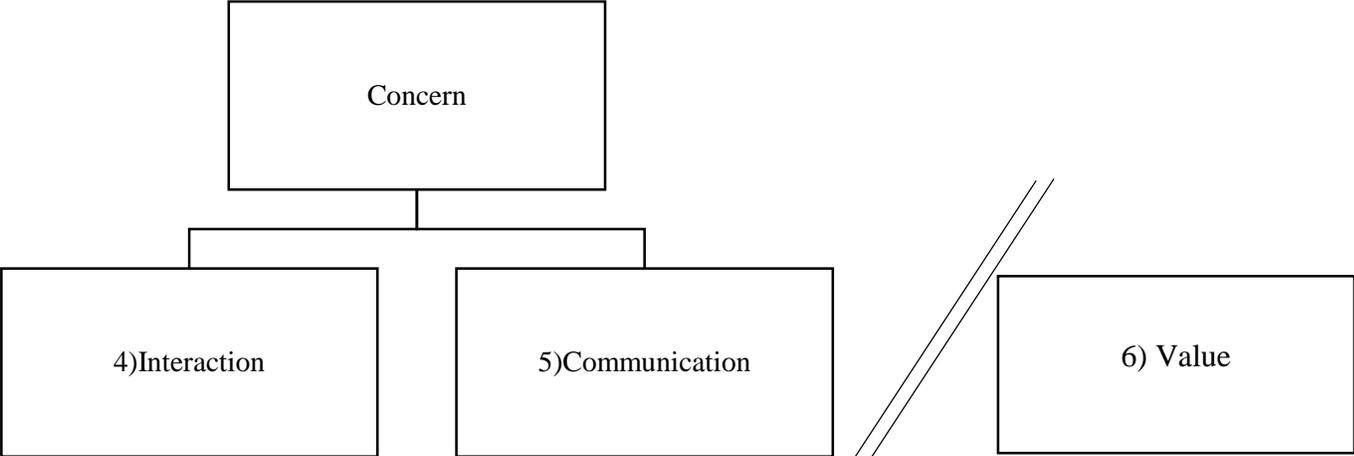
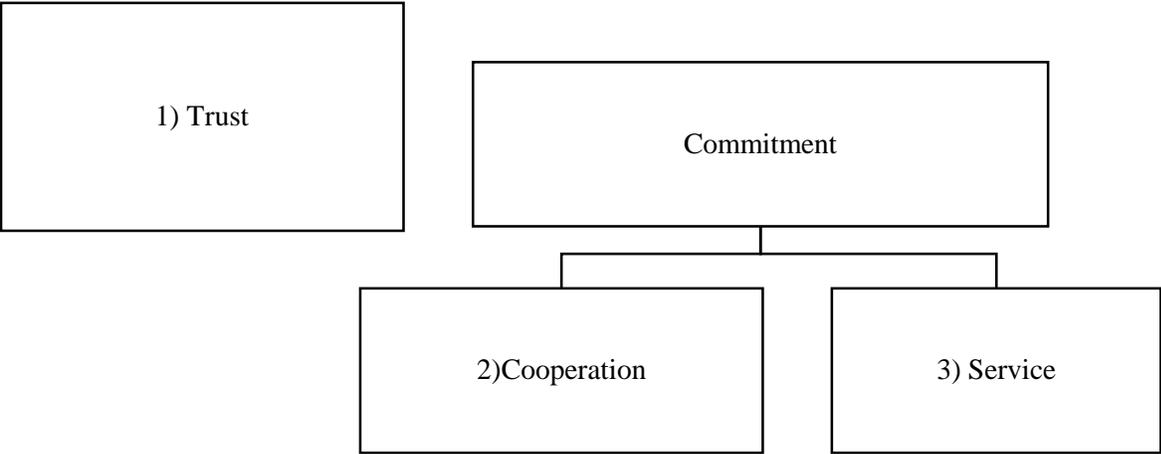
<i>Construct</i>	<i>Definition</i>
Commitment	<i>An exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it.</i>
Trust	<i>Exists when one party has confidence in an exchange partner's reliability and integrity</i>
Cooperation	<i>Individuals working together to accomplish mutual tasks and goals in order to compete</i>
Interaction	<i>Replaces the product as the core concept of a relationship marketing strategy by developing a relational approach that puts customer processes, not products, as the focus. An open dialogue must follow, and to generate success, the two firms/individuals must be aligned among all facets of one another's processes, resources, demands, and valued outcome(s).</i>
Communication	<i>A committed two/multi-way process, where both parties' perspectives and needs are important and considered. In transaction marketing, the communication is most often mass produced and distributed, but the relational approach employs management and integration of multiple communication methods to support the acquisition, long-term maintenance, and retention of customer relationships.</i>
Value	<i>Achieved through providing cost or market efficiencies specific to each customer and evaluated on an episode and total relationship basis. The firm's offerings are not only the core product or service, but also additional, valuable offerings.</i>
Service	<i>Requires a commitment from everyone involved within the organization to provide quality, reliability, and excellence to improve profit levels</i>
Concern	<i>A relationship marketers' desire to meet/exceed customer expectations, produce customer satisfaction, and effectively communicate - the intense understanding of customer needs and desires through interaction and communication</i>

**It is important to note the concept of internal marketing in this case study. Many key informants chose internal relationships, where researchers note that fellow employees are treated as “internal customers,” thus the same constructs will be expected for both internal and external relationships.

The process of inductive coding will now be used, with your gracious assistance to evaluate the ten interview transcripts. Inductive coding begins with a thorough reading and understanding of the text generated from the interviews in this case study. I then ask that you identify and highlight meaningful text units within the interviews. Text units shall be considered meaningful and relevant if you believe they demonstrate the relationship marketing constructs described to you in this study.

The meaningful text units will then be assigned to categories – each with a specific meaning and relevance. Once you have identified those text units, I ask you first assign them to the upper-level category for which they are relevant. I, the primary evaluator, have pre-determined the upper-level categories from my research objective and the relationship marketing literature, and they are given in the figures below. There are six upper-level categories: cooperation, service, trust, interaction, communication, and value. You may assign the same text unit to multiple categories within those six, since overlap can occur in this instance. In order to assign the text unit to a particular category, simply place the corresponding number(s) next to the selected text unit on the interview transcript. While it is important to withdraw the text units meaningful and relevant to this case study, not all of the interview text will be used of course. A large portion, usually greater than 50% in most studies using inductive coding, will not be marked as a meaningful text unit, and therefore not be assigned to any category (Thomas, 2011).

Upper-Level Categories:



Explanation of Categories:

While the definitions for each construct can be seen in the previous table, the categories were created for the reasons explained here:

- (1) Trust is a key construct of relationship marketing. Trust has also been widely studied throughout the literature of many industries, but relevant here would be Berry and Parasuraman's (1991) claim that "customer-company relationships require trust" plus Ford (1990) and Håkansson (1982) both comment that relational trust is key within Industrial Marketing. Morgan & Hunt (1994) hypothesize that trust promotes commitment.
- Commitment is a key construct of relationship marketing, with two of its many antecedents being cooperation and service. Both (2) cooperation and (3) service first require commitment.
- Concern is expressed through (4) interaction and (5) communication, which are processes parallel to generating (6) value. Ultimately – the combination of concern, through interaction and communication, plus value creation will lead to satisfaction – i.e. retention and beneficial maintenance of the relationships.

Ideally, there would be a roadmap or perfect list of examples that could help you identify which meaningful text unit belonged to which category (or categories). However, after much reading on how to measure each of these constructs, I believe adhering strictly to the definitions given to you will be the best method. Due to the pilot nature of this case study, there is no agribusiness-specific measures for these constructs in this small, exploratory, semi-structured interview context.

Notes –

APPENDIX C: INDUCTIVE CODING CONGRUENCES

