Marketing Management Relational Approaches Focused on Consumer’s and Customer’s Needs and Desires

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ABSTRACT
Currently, because of the evolution in the knowledge-based society, the marketing reveals another dimension, the one of relational marketing, which represents the special relationship established between the company and its consumers, with win-win advantages over a long period. In these circumstances, the managerial approach of marketing has new connotations for a more efficient managerial approach of the new national and international business environment.

Within the marketing management process of a company, consumers or customers play a very critical role as these are the people who finally buy the goods and services of the organization, and the firm is always on the move to make them buy so as to earn revenue. This article presents the managerial approach of marketing management concept toward the strategic planning of a company and the marketing planning focused on needs and desires of consumers and customers. Therefore, consumers are the beneficiaries of the general and marketing strategy of the company while customers are those who respond to the loyalty process established by the firm. In this context, the purpose of this analysis is to highlight the strategic planning process of a company by integrating the strategic and operational marketing.

In addition, we also consider important the issues related to Michael Porter’s generic strategies, which are thus presented in the context of relational knowledge within the process of marketing management. All these approaches are related to winning customers’ loyalty and obviously to customers’ value that determines the company to achieve a value chain in the business process. Hence, the consumers and customers are the most important people for any organization. They are the resources which trigger the success of the business.

KEYWORDS: marketing management, strategic planning, marketing planning, customers’ value, value chain

JEL CLASSIFICATION: L11, L 26, M21, M31, M53

INTRODUCTION
Social and economic, technological and information transformation at global level, in the perspective of the current crisis, have made both individuals and company rethink their business behavior and redesign adequate strategies. In this respect, adaptation or resistance

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to change is important for the firms as they have to become or remain profitable or disappear from the market.

Nowadays, technology represents the fruit of superior human thinking, being the basis of material infrastructure and a major determinant of globalization. Technological revolution of the third millennium has been dominated by more main forces, among which being the digitalization. So, information is transformed into bites, which are arranged in computers thus, allowing the codification and electronic flux of digital products - for example music and video images - for electronic commerce and in the electronic markets (Hartman, Sifonis & Kador, 2000).

Marketing management is a broad concept that includes social processes, incurring implications not only for itself, but also for the roles of the parties directly involved in the marketing process (Gamble & Gilmore, 2013). In this respect at global level, besides the economic factor, other forces such as liberalization of markets and privatization determine economic changes (Kotler, 2003).

The marketing management thinking within a firm, seen from a holistic point of view, comprises all the attitudes that influence and lead the whole organization, planning the activity of employees in order to establish the functional orientation towards the client and competition. Thus, marketing management is on the one hand, operational (functional), as it instruments and establishes the selling of products, and services, and, on the other hand, acts in a transversal manner in order to identify adequate solutions to customers’ requirements and competition’s behavior in accordance with the field or activity of the company (Santhidran, Chandran & Borromeo, 2013). In this way, the company is market oriented and takes action in order to solve present and future needs of clients in a better way (cheaper and/or more convenient) than the competition.

In this context the marketing management experts present consumers’ behavior as a new field of study emerging out of the traditional discipline of marketing. So, it is remarkable that the consumer’s behavior is focusing on the business profit and on better understanding of the consumption (McGregor, 2007).

The concept of modern marketing concentrates all the aspects referring to the consumers, clients and competitors, taking into account the requirements formulated or not by the former for a certain product or certain activity according to the complex motivations that lie at the basis of that need. Therefore, it is important to consider the communication need within the marketing mix via the Internet in order to integrate new characteristics such as rapidness and convenience in real time transactions (Dubois & Jolibert, 1992).

Practically speaking, the concept of marketing management represents the marketing-based management, in other words, it highlights the acceptance, understanding, and usage by the firm’s management of how business processes unfold from the marketing point of view.

According to the definition provided by Kotler and Keller (2008), marketing management is the art and science of choosing target-markets and attracting, retaining and developing customers by creating, communicating, and furnishing superior value for the consumer and customer. So, for a firm to survive in a market and, if possible, to outpace competition, it should shift from a product based philosophy to a client-based one. The key to the problem resides in satisfying customers' needs as well as possible.

From the practical point of view, the marketing tools lie at the core of marketing and this is the reason why marketing management is closer to marketing than to management.
The process character of all marketing activities, the way in which the concepts of strategy, marketing mix, plan (program) and strategic planning are defined and used are valuable examples of utilizing management instruments.

Management functions, especially those of forecasting (planning), organization, appointing, control-evaluation, if understood and soundly used, will ensure the correct implementation of marketing tools into firm's management system.

Figure 1 presents a relational approach to company marketing management for business success.

![Diagram of Marketing Management Approach for Company Business Success]

Figure 1. Marketing Management Approach for Company Business Success

Therefore, for implementing the concept of marketing management one should proceed from the initial situation of the organization/firm, analyze the market environment and establish specific objectives. All these are shaped through the development and use of an efficient information system. Planning the managerial functions of marketing (planning, organization, control) are related to customers’ problems whose needs have to be met on long term in order to obtain the optimal planned profit (Schneider, 2005).

According to Dieter J.G. Schneider, the strategic business triangle is the place where marketing management integrates customers, the company and the competition. Here, through marketing, the customers are provided facilities related to prices and/or service better than the competition’s (Schneider, 2005).

The essence of marketing management concept means that it can be viewed as a planning tool for designing and implementing a marketing program or project. The concept focuses on elements that include marketing management objectives, primary audience and target
market, attitudes and behavior of the target market, influencing the target market's behavior and the key message of the initiative.

Success of any business organization depends upon its policies and strong marketing management team, although the art to know its customer is the key success for the company.

2. STRATEGIC PLANNING OF A COMPANY AND MARKETING PLANNING

If we refer to marketing planning, we consider that it is integrated into the strategic planning of the company. In this respect, the strategic planning process of a firm includes the following stages: mission, SWOT analysis of both the internal and external environment of the firm, formulation of objectives, formulation of strategies and of the program action plan, implementation, feedback and control (Kotler & Keller, 2006) (Figure 2).

![Diagram of management marketing process on consumers](image)

Figure 2. Influences of Management-Marketing Process on Consumers

We will continue by highlighting some aspects regarding each stage of the strategic planning process of the company. The company's mission stresses details regarding its product, market, main technological fields etc. according to strategic priorities of decision makers.

Therefore, firm’s mission shows the fundamental purposes and its view regarding the evolution and development of specific actions that differentiate it from similar firms in terms of field, of specific activity /own field of activity and the markets covered (Nicolescu & Verboncu, 1999).
The analysis of the external environment of the firm (strong points and favorable occasions, weak points, and threats) involves the continuous monitoring of activities and interactions on national and international scale of some factors that reflect all society, in fact, the economic activity representing only one of the components (Kotler, Keller & Lane, 2008: 78). The sum of these factors and the result of their interaction make up the firm’s microenvironment (economic, technological, demographical, cultural, political, international legislative and natural environment).

At the same time, marketing informational system of the firm has to follow the tendencies and evolution of micro media factors (suppliers, service provider, customers, competitors, intermediaries and public organisms) (Kotler, Jain & Maesincee, 2009).

Regarding the observation of the actions and weaknesses of the internal environment of the company, the effectiveness and efficiency of its activity fields are mainly targeted (the following functions are monitored - marketing, financial, production and generally organization). Taking into account the marketing function, some criteria are considered: firm’s reputation, market share, client’s satisfaction, client fidelity, quality of product and service, efficiency of distribution, promotion, sale capacity, innovation, and replenishment (Kotler & Keller, 2008).

The formulation of concrete goals, for a considerable planning period, takes place after performing the SWOT analysis. The objective of a strategic plan is to set the direction of a business and create its shape so that the products and services that are provided by company will meet its overall business goals. According to the experts’ estimation, firms/organizations establish their objectives in terms of dimensions and their fulfillment in time, referring mainly to profitability, increase of sales, improving the market share, risk limitation, innovation, improving the reputation etc (Kotler & Keller, 2008). In addition, the firm establishes an objective-based management in order to obey more criteria regarding: their hierarchical organization, their specification in quantitative terms (when possible), and their real and coherent nature (Kotler & Keller, 2009).

Formulation of strategies. Management has developed a series of specific tools which should be understood and used, otherwise the application of marketing into companies is not possible. Among them, strategy is of utmost importance as management and marketing rely on strategy; that is why the concept was first developed by management, and then adapted and properly used by marketing. Therefore, firm’s strategy starts from the objectives; strategy is an action plan through which objectives are met. In order to function in an efficient way, each company promotes a strategy to reach the established objectives. Overall, company strategy mainly integrates the marketing strategy and other strategies (technological, supply, and production etc.) that have to be compatible with the former (Kotler, 2010).

The global (general) strategy of a company represents its long term major objectives, main means to reach them together with the allocated resources in order to gain competitive advantage according to the mission of the organization (Nicolescu & Verboncu, 1999). In the business process, this strategy helps establish a connection between internal resources, abilities, opportunities, and risks by developing the SWOT framework. Therefore, based on this, the fundamental objective of the general strategy of a company consists in the identification of the business environment that matches its profile and implicitly of the market competition. In the same vein, alternative strategies of the firm are developed through the evaluation of opportunities and threats (as external factors) which it confronts.
with in different markets, as well as through the evaluation of strong and weak points (internal factors) (Hunt, 2013).

Based on the analysis or management and marketing practice, we have noticed that the most current mistakes managers and marketers make when doing business refer mainly to: excessive specialization that stops the company from addressing customer's needs; wrongly established objectives that do not stress the customers and their importance; market segmentation that is not adapted to the current requirements; internal rigid processes, oriented towards the firm and not the customer; performance management that is not piloted enough and not connected to reword systems; lack of competences (leadership, customer orientation, influence, motivation etc.); negative impact on employees, especially in the current economic situation; lack of interest in improving the organization's state of mind and its benefic orientation towards market requirements; setbacks in the delegation process as 90% of the managers forget to delegate authority together with responsibility; lack in rallying the employees around the common flag of satisfying customers' needs.

**The marketing strategy** draws the lines of company's attitude and conduct in order to reach certain objectives (Florescu, 1997). It is represented by the group of concrete objectives that have to be met over a period of time, of means and methods through which the former are put into practice, expressing the trends and exigencies to be taken into account in order to meet established performances whose level is measurable with the help of economic indicators such as: economic activity, the market share, profit etc. According to the indicator, the marketing strategy can take multiple forms such as: market strategy, product strategy, pricing strategy etc. Thus, the terms that define marketing strategy are synthetic and concise as they have to indicate undoubtedly what is actually meant to be done and how the goals are to be reached. In the same vein, the marketing strategy is the object of a series of decision-making processes that start not only from objectives established by the company in its business plan, but also from the actions taken by competition. Therefore, strategy should be confused neither with (marketing) plan, which is in the end a series of decisions, nor with marketing policy.

According to Trout (2005), for a strategy established by a company to be used in a world of competition, it should embody the real survival and subsistence method of the so-called tyranny of choice. So, nowadays, the market is led by the possibility of choice as the consumer or customer has at disposal so many good alternatives that the commodity or service traders will pay dearly any mistake they have made. Under these circumstances, the firm has to design and apply strategies (general; of marketing) based on finding ways to differentiate their offers in the market from those of the inordinate number of competitors by permanently improving the standards required to satisfy consumers' and customers' needs as they are also becoming more demanding (Trout, 2005).

Hunt's arguments (2010), whose **R-A Theory (Resource-Advantage)** provides the foundations of the modern consumer-focused marketing theory, suggests that firms confront with various challenges according to the resources they have at their disposal. Based on these, strategies will be developed in accordance with the limited and homogenous number of offerings, which requires the firm to concentrate on a sole market segment (or a limited number). Therefore, considering the resources of a company within the framework of the R-A Theory offers an explanation to the situation in which certain firms choose to produce and put in the market more different marketing offerings, and other do not (Hunt, 2010).
In planning and developing the strategic thinking, at the company level, an important role is played by the generic strategies according to expert opinions (Porter & Lawler, 1968).

According to the above mentioned, a company gets a competitive position in business if it applies M. Porter’s generic strategies regarding the costs, differentiation, and focus (Kermally, 2009).

Regarding the cost dominated strategy, the company leadership takes action in order to become the cheapest manufacturer from its branch. In this respect, the strategy has as objectives the field of its profile that offers an advantageous position through price, compared to the competition, the requests to reduce the price coming from the customers, and the pressure of suppliers being a barrier for potential customers (Dumitru, 2004).

The differentiation strategy is concentrated on furnishing the company with something unique for its target customers. So, being unique refers to offering distinctive and important characteristics such as: the way to deliver products and services; promotion of products/services in the market to influence and modulate the perception; obtaining technological advantage; ensuring adequate and attractive service conditions; creating a brand image to determine customers to perceive the offers as unique (Kermally, 2009).

The strategy of focusing means that a firm refers selectively to certain market segments in order to concentrate on it with its products and services while it excludes the others. To this end, the company projects and applies the mentioned strategy stressing the costs, the differentiation, or both strategies.

It, thus, results that through marketing management strategies, companies have to perform those activities that are necessary to accomplish the business objectives by anticipating consumers' and customers' needs so that the goods and services will be properly redirected towards them. This tests marketers' competences of being permanently consumer-oriented and forcing companies' management to take action in this direction and correlate the market requirement with production (Trout, 2005).

Experts argue that as a result of the analyses made in the North American economy, it has been concluded that the strategy (general; marketing) of the company has to be developed starting from the top and not the other way around. So, we could highlight the fact that strategy is based on the in-depth knowledge of economic reality and on its involvement in the tactical approach of that specific business. This does not always happen as many managers and marketers start from the idea that first they need to establish the general and marketing strategy of the firm, and only then, should they concentrate on the related implementation tactics (Trout, 2005).

Based on the foreseen strategy, companies establish in a detailed way the action plans and programs which put together the excerpts from the plans and programs elaborated on the activity fields from the structure (marketing, research-development, production, logistics etc.).

In the implementing the strategy, the company refers to the stockholders, but also the needs of customers, employees, furnishers, distributors — interested through their relationship in the business processes (Kotler & Keller, 2008).

According to specialists’ estimation, a perfectly made marketing strategy has to be put into practice through adequate plans and programs in order to avoid any differences. Thus,
marketers have to estimate the costs related to the application of each marketing plan/program (Włodarczyk, 2009).

Therefore, the implementation of a marketing plan involves putting into practice the actions planned in order to meet the marketing strategic objectives. To this end, marketing managers make decisions that involve shaping the marketing plans according to their specific field on issues regarding: target segments, brands, wrappings, promotion, distribution etc (Kotler, Armstrong, 2008).

According to experts, the structure of a marketing plan comprises the following: introductory exposition, current situation, analysis of threats and opportunities; objectives and problems; marketing strategy; action programs; budgets; control mechanisms (Kotler & Keller, 2006).

In our estimation, the marketing plan is extremely important to any business. In fact, its role is to guide, to steer business so that the company goals will be met, according to the established marketing strategy.

At the same time, a sound marketing plan will assist the management team in evaluating the data about the company taking into account the market and the connected industry. So, the same marketing plan will lead to the same results which will clarify the marketing management of the company regarding the functional and non-functional elements in the initial or subsequent stages of business. Moreover, a marketing plan is extremely useful in identifying the potential customers that could be addressed by the company.

Taking into consideration the importance and the role of a marketing plan, we could stress some major mistakes that will lead to business failure. The first mistake is the lack of the firm’s marketing plan. It is obvious that based on the marketing plan, one can make sound decisions and have cognizance of actions that need to be taken. With the help of the marketing plan, solutions can be found to current problems, exact calculations can be made, costs reduced and areas for making investments identified.

Another mistake connected to marketing is the fact that many businessmen cannot adapt to change because the company is not connected in a dynamic way to the economic and social environment and implicitly to customers' requirements. People are attracted to new things and that is why any business should keep the pace with the changes in consumers' mentalities and behavior.

If the firm spends the money from the marketing budget plan having no constraints or limitations, this may also lead to failure. The investment made in an intelligent way in the marketing plan could provide the company with many chances of earnings taking into account the fact the marketing strategies could determine real success by their focus on consumers and customers if they are implemented at the right moment by competent managers and marketers.

The price of firm's goods has to be reduce at the right time. So, another mistake in the companies’ marketing plan is the cut-down prices at the wrong moment which may very often lead to bankruptcy. It is evident that the position of a product at a certain moment on the lifecycle curve concerning its accessibility to consumers or customers, should also explain its price.
Based on the aforementioned, we state that the marketing plan is of utmost importance as, for obtaining the success expected by a company, management and marketing specialists should not repeat those mistakes, which unfortunately are sometimes difficult to avoid.

Based on the abovementioned, the firm’s strategy will be successfully implemented if it manages to establish the synergy of systems and resources (human, material, technical, and information) in order to meet the objectives (their strategic directions) formulated through actions, plans and programs according to its functions/fields. The same thing can be said about the market strategy of the firm (integrated into the general strategy) which has to be in accordance with its system of values and convictions shared by all the people from the organization (Kotler & Armstrong, 2008).

While the strategy is implemented, the firm uses the feedback and control procedures through which it monitors the results and supervises possible evolutions. The market fluctuations determine continuous changes, which force the firm to revise aspects regarding the objectives, the strategy, plans, and programs, together with their implementation (Kotler & Keller, 2008).

Control involves the continuous evaluation of results obtained through efficient plans and programs (including the marketing ones) that should also allow corrective actions in order to ensure their accomplishment. According to Peter Drucker, regarding business, it is more important for the firms to do what has to be done (efficacy) than do things how should be done (efficiency). Therefore, extremely profitable companies meet both aforementioned requirements (Kotler & Keller, 2008).

In order to be successful for a business organization in today tough competitive scenario, it is necessary for the companies to focus on customers. Customer is the only factor, who plays a significant role in deciding the performance of marketing management strategy.

Marketing-management business strategy is different from the commodities marketing, which deals with the company’s focus on certain elements of the marketing mix. Experts agree that marketing management business strategies have to be based on the continuous evaluation of the company, competition, and customers. In the same vein, they consider that successful strategy concentrates on the identification of those opportunities through which the company can provide superior customer value to based on its competences. From this point of view, marketing management can be better understood as a process of defining, developing, and delivering value (Hut & Speh, 2009).

3. RELATIONAL ASPECTS OF MARKETING MANAGEMENT PROCESS

Currently, many forces are involved in satisfying the requirements of markets, but the most important factor is comprised in the desires and needs of the organization’s target customers. Hence, the main factors that influence the process of marketing management are the desires and needs of the target customers by determining the specifications of the marketing mix embodied in the marketing management system (that comprises marketing systems concerning planning, organization, implementation and control), as illustrated in figure 2.

Also, marketing management in developing a strategy to satisfy the needs of its target market must also adapt to a microenvironment consisting of suppliers, marketing intermediaries (distribution channels), competitors and publics (including shareholders).
At the same time, there are other factors that influence the process of marketing management in commercial organization such as demographic and economic forces, political and legal forces, technological/physical forces, and social and cultural forces that form the macroenvironment (Emerson, 2007).

Another scientific approach from the managerial point of view can be made connecting the marketing concept presented at the beginning with its application using Ph. Kotler’s formula (Kotler, 2003):

\[
MR \rightarrow STP \rightarrow MM \rightarrow I \rightarrow C
\]

Where:
- MR = market research;
- STP = segmentation, targeting, positioning;
- MM = marketing mix;
- I = implementation;
- C = control (getting feedback, evaluating results, revising and improving STP strategies and MM tactics).

Further, we will present some aspects regarding each element of the formula presented.

Therefore, the starting point in marketing is \textit{market research} or market study. In this situation, quality marketing has to be planned in order to involve the thorough study of the market so that the company can understand the real behavior of buyers as far as the needs, perceptions and likes are concerned that will be detailed further based on income, backgrounds and tastes (Kotler & Keller, 2008).

\textit{Strategic marketing targets segmentation, stability of target market and positioning}. To this end, every segment is carefully chosen as it involves superior competences and performance of the company for considering the offer, and opportunities offered by the competitive environment. Therefore, positioning a brand takes place taking into account more attributes in order to quantify their value together with an accessible price, established in a fair way (Kotler & Keller, 2008).

According to Philip Kotler, marketing specialists concentrate their efforts on the \textit{marketing mix} also known as the \textit{marketing tactics}.

The \textit{marketing mix} is defined as all the marketing measures established by the company for each product/service that is part of the market exchange.

The creator of the concept was Neil H. Borden, from Harvard University, in the 50s. The term \textit{mix} comes from the English \textit{mixture}. Jerome McCarthy defined the mix through 4 Ps (\textit{Product}, \textit{Price}, \textit{Promotion}, \textit{Place} or \textit{Distribution}) (Florescu, 1997).

Conceptually, the marketing mix has appeared as an idea of using resources in different combinations so that it will allow the company to meet marketing objectives efficiently in the target market. This is in fact a combination (mix) of variables, structured in such a way so that they will react as well as possible to the changes in the marketing environment. The variables of the marketing mix are considered internal as with their help, managers establish policies, tactics, make decisions and ensure control.

In the specialists’ view, in the conditions of the new economy are created „new marketing instruments” as an extension of „4 Ps”. In this respect, three instruments are considered:
physical facilities, personnel, and process (Kotler, Jain & Maesincee, 2008). Hence, the implications for marketing management process consist of applying performance strategies in the situations where there are concentrations of consumers who purchase/consume repeatedly without affecting the complex aspects of the marketing mix (Runjie, Uncles & Laurent, 2013).

*Marketing implementation* involves a series of measures for the best marketing strategy to be shaped and imposed within the company. Therefore, based on strategic and tactical planning, the company initiates and shapes market research/study; manufacturing the product, establishing its price, promoting it, and distributing it. To this end, all company departments take action according to the marketing concept being implemented (research and development, acquisition, production, marketing, sales, human resources, finances, and accounting) (Kotler, 2003).

The implementation involves the application of main principles of marketing oriented towards the customer and employees in order to harmonize the complex processes within efficient teams. In this respect, specialists agree that the management of human resources and the entrepreneurial culture should not be neglected in order to shape an adequate marketing vision (Włodarczyk, 2009).

*Marketing control* involves checking structures, processes, and results of specific activities (of marketing), being oriented towards the past and having as main objective the meeting of efficiency parameters. The phrase „marketing controlling” was coined referring to the marketing coordination, which is based on the data and information, furnished by market research and the financial sector having as the main objective the analysis of result-oriented measurement (Zollondz, 2007).

This type of „control” involves a part of the control system of the enterprise and targets the non monetary measures. The challenge faced by marketing management refers to keeping control of decision-making in the complex situations of specific current financial and economic crisis of businesses.

Normally, the marketing view is understood as an open process, as the results of the control process which lead to reanalyzing the marketing management situation. Therefore, in this respect, corrections and other measures could be made to the initial measures according to the derived level of the strategy, respectively of the company measure.

4. WINNING CUSTOMERS’ LOYALTY

The companies’ capacity to adapt to challenges and market changes has become a competitive advantage. In these conditions, profitable firms establish organic knowledge management systems, which allow them to obtain information rapidly about customers, competitions distribution, and suppliers. As a result, companies design and apply efficient marketing methods in order to obtain the win-win formula in the consumer/user-firm relationship (Porter, 2008). These methods have as objective the development of profitable business according to consumer’s requests establishing priorities for products/services for the market: high quality, low prices, high market share, adaptation and individuality, continuous improvement of the product/service, innovation, penetration on fast growing market, exceeding customer’s expectation to his delight and satisfaction (Kotler, 2003).
According to Trout (2005), marketing leads the business strategy through which company’s success will be obtained. Thus, from this results the firm's conduct in having a better product or service or in focusing on the support of distribution and sales force in the market. Therefore, the better the marketers understand customers’ mind-set, the less probable it is for the firm to fail. In this context, the marketing strategy is the one that gives company a unique character that helps it make an impression on the potential customers' and consumers' minds.

Currently, the majority of companies have given up the transactional marketing practices and moved to the design and application of strategies focused on building and winning customers/users’ faithfulness.

The major changes in the current market determines the firm to apply a new strategy on consumers and customers. After having analyzed the business environment, the firm has to give up the phrase “this is what we can offer you,” as consumers are overwhelmed by the competition offers, and in this context, it is crucial that marketers keep abreast to customers’ needs and wishes and offer them incentives to convince them purchase.

Therefore, it is necessary to define, build, and apply relational marketing to business. Specialists define relational marketing as being the process through which sales and customers reunite for profitable, personal, professional, and mutual relationships on long term. This type of relation is characterized by efficiency, stability, satisfaction, and ethics.

Widely developed after the 90s, relational marketing connects the new type of consumer with the society, stating that the purchasing decision (individual or institutional) is based on customers’ real needs and expectations. In these conditions, there is a shift regarding customer’s satisfaction - which becomes of utmost importance and influences manufacturer’s and seller’s behavior on the market through superior quality and service (Emerson, 2007).

For example, firms take practical actions to provide lifelong deliveries or services to customers. In order to ensure customers’ loyalty, companies provide cut prices for furnished goods and services taking into account long-term secure earnings (Kotler, Jain & Maesincee, 2009).

Theory and practice in the field highlights the fact that relational marketing being customer-oriented marks the end of the macro-marketing era and the beginning of micro-marketing one as a result of replacing the macro segmentation strategies with the ones of niche (Stoica, Teodorescu & Gruia, 2007).

The marketing practice shows that the chances of long-term relationships with customers will increase as long as they are more relationally involved in business. New marketing actions are those that demonstrate that companies: „treat their customers as partners - especially in business to business markets - soliciting their help in the design of new products or improving their customer service” (Kotler & Keller, 2008).

In marketing, loyalty can be regarded as the customer being attached to a certain brand. The companies’ role is not only to produce and provide customers with commodities, but make them consume only their products. Normally, by concentrating the marketing strategy on profitable segments from their customers data base, the company will get the most part of their necessary income and will increase the market share without investing in new customers. Winning new customers is more expensive as it takes place in an unknown universe where many companies fail from different causes.
After the company has had success in winning customers, maintaining their loyalty brings many benefits. Marketing management experts consider that getting a new customer may imply costs that are five times greater than those for retaining an existing one. Analysis highlights that a firm loses annually approximately 10% of its customers (Edelman & Malak, 2000). Economists highlight in a case study the importance of getting the trust of only 5% of the existent customers, which can generate sales of up to 25%, of course taking to account the type of business (Trout, 2005).

Very often, firms do not stress the increase customers' loyalty level through alternative sale strategies or through clubs for customers. In order to develop efficient strategies of retaining customers, a company should have detailed comprehension of its customers' behavior and need. In this respect, loyalty represents a temporary state of mind, a physical and emotional engagement bestowed by a customers so that his needs can be satisfied.

From our point of view, customer's loyalty will increase if the firm changes the way it treats them by satisfying their needs regarding the quality of goods, the relationship, service, information, and trademark. In this respect, the company will support customers' objectives regarding: the opportunity and easy access to the products and services offered; a contract and adequate communication with trained personnel; privileged, special position for known customers; recognition of their relation with the company; efficient and timely solving of their problems; anticipation of their needs; professional and friendly mutual dialogue.

By using customer-related information from the database, there is not reason why the customer loyalty program should not work in order to provide most of the customers with the best services possible.

The customer loyalty scale is a simple graph which highlights the level of customer loyalty, each step showing a superior level of loyalty and more profitable buying behavior: Knowledge; Interest; Preference; Purchase; Satisfaction; Retaining; Affinity; Support (Meseșan, 2010). To this end the company is directly interested in winning customers' loyalty and carries out a complex of activities which are referred in figure 3.

The financial aspects that result from winning and retaining loyal customers are also very important being explained as follows: they will remain longer- they will purchase further; they will buy more- they will get new goods and services; they will cost less- their service will be less costly as they need less effort to be convinced and assisted; they will tell other persons - they will contribute to the positive advertisement by recommending the brand to their friends.

Building customer loyalty is understood differently considering the different techniques and tools firms use and which are sometimes different from the company itself, the employees, products and services. The use of the "artificial" tools has lately led to customer loyalty being more associated with cards, bonus points, and incentives. In this respect, more types of customer loyalty could be mentioned such as:

- **real, life-long loyalty**, which means that the customer will remain loyal to the company, its products or company brands regardless of the number of competitors where he could go and the possible bonuses and advantages the latter may offer to newcomers. This type of loyalty involves a high level of general satisfaction that customers feel when they do business with the firm; the wish to build a relationship with the firm; the wish to purchase repeatedly; the wish to recommend the goods/services to others; resistance to go to competition;
• **bonus-based loyalty** is a system that does not result in direct loyalty to the organization, but to the loyalty program itself. When the firm gives the customer any incentive, bonus, or reward in order to win his loyalty, then this type of loyalty is created and we could exemplify further by mentioning the *loyalty cards of chain stores, and car manufacturers; point based credit cards; fuel cards with allotment of point for future purchases; bonus cards for hotel chains; airline cards with allotment of points etc.* (Meseșan, 2010).

![Figure 3. The Company Effort to Winning Customers′ Loyalty](image-url)

Moreover, over 50% of the companies that have increased their budget for winning customer loyalty in the last two years have also recorded an increase of their turnover according to the survey conducted by Forrester in 2013. These results are also visible with the increase of the number of loyalty programs. In the same vein, the survey shows that the most important business objectives for the loyalty programs are as follows: customer retention - 70%, customer involvement - 64%, and earnings - 34%. Only 14% of the companies have listed customer experience under objectives which demonstrates that there are still many things to be learnt in this field (Customer Loyalty & CRM Forum, Bucharest, 2013).

The master of marketing worldwide, Philip Kotler stresses the need of firms to pay special attention to the relationship with customers/users of products/services. According to the degree of involvement and complexity, the relationship with the customer/user can be **reactive, responsible, and proactive** (Kermally, 2009).
Through the reactive relationship, offer and request are connected having as a result sales and buys. Following the decision to buy, consumers are told to inform the suppliers whether they need more information or have any complaints.

The responsible relationship involves the sale-buy process, and later, the seller getting in touch with consumers/users in order to understand if they are satisfied with the purchased products/services.

The proactive relationship between sellers and buyers involves the latter getting in touch with the former in order to collect information regarding improvements that can be made to products/services.

As a result, within the market, the participants in the exchange process plan, build, and develop different relationships with the consumers/users taking into account the nature and the importance of products and services provided. To this end, the environment plays a crucial part in establishing relationships with customers and is one of the decisive factors in developing consumer loyalty due to the rapid response of the company to customer's requests.

It is important that a company solve customers' dissatisfaction in order to regain their trust. A discontented customer in the market can cause problems to business, that is why it is important that his loyalty be regained immediately. We consider that in these situations, marketers have to be empathic and understand the customers that are not satisfied with the commodity or service provided. It results that the company staff involved in customer care should be motivated enough to outpace the tasks and functions from the job description such as: politeness, smiles, listening to problems, positive approach towards apparently contradicting situations etc.

5. CUSTOMER VALUE

According to professionals: The difference between customer, consumer and selling is more than semantic. For example, consumers/users get products/services with well-established characteristics according to their requests after discussions and negotiations with sellers. In contrast, compromises are made in the relationship sellers-buyers to clarify the needs, identify the problems, and recommend the solutions to build efforts. So, if a close relationship is not needed in the case of consumers/users and sellers, in the case of customers, it is important to develop a relationship that becomes close, personal, with a high level of responsibility and respect. So, the customer value given by perspicacity and cooperation relationship \( \text{Customer value} = \text{Perspicacity} \times \text{Cooperation relationship} \); qualities associated with perspicacity are: being independent, altruistical, emphatic, motivated, possessing integrity, the ability to think and judge, and the capacity of synthesis and rationale (Kermally, 2009). From here, according to Kotler, it results that marketing is “Marketing is the science and art of finding, keeping, and growing profitable customers” (Kotler & Keller, 2008).

Customer retention means keeping the customers by firm that has invested in their acquirement. And if company is in an industry where its customers make multiple purchases over the years, its entire team should be very focused on retaining those customers.
Studies show that costs are ten times more to generate a new customer than to maintain an existing one. In the opinion of specialists „a 5% improvement in customer retention rates will yield between a 25 to 100% increase in profits across a wide range of industries” (Reichheld, 1996). Customer value, a concept defined by Michael Porter, highlights the importance of value chain, which represents for the company a tool meant to identify ways to create this value (Kotler & Keller, 2008) as we have shown in figure 4.

![Figure 4. Elements of value chain](image)

From functional point of view, value chain involves functions or other fundamental elements of the organization that refer mainly to: human resource management, organization’s infrastructure, technology, supply, inbound logistic, conversion operations, outbound logistic, marketing, sales and services (Gattorna, 1999). Value chain requires a number of activities through which value is obtained, and which, at their turn consist of primary activities and support activities.

According to specialists, primary activities involve a series of operations related to the inbound of raw materials in the company (internal logistics), to their transformation in the manufacturing process in finite products (conversion activities), to ship products for consumers/users or customers, to offer, procure, distribute etc. on the market (marketing and sales), to improve and maintain the value of the product/service (Kotler & Keller, 2008).

Support or auxiliary activities are also specialized on fields and functions mainly targeting procurement, technological development, human resources management and firm infrastructure (Gattorna et al., 1999).

In our estimation, consumers and customers choose a product or a service taking into account the knowledge, mobility, income, and expectation. Consumers/customers judge the advantages and costs of a product, compare them with others and if the offer will live up to the expected value, it will be accepted.
In the market, the consumer and customer value is the difference between the total value offered and the total cost. Moreover, the value perceived by consumer/customer is the difference between the advantages and costs expressed in value-form (Kotler & Keller, 2008).

It results that the total customer value is the total sum of economic, functional, and psychological advantages that the customer expects from the offer expressed in value form. At the same time, the total customer cost is the sum of all costs incurred by the customers in the researching, buying, and obtaining a given offer. So, customers will buy from the firm that has really given them the impression that will offer them the best value. Figure 5 presents a possible structure for the company’s customer delivered value.

Further, we consider that for buying an "X" number of products, the purchasing firm/customer has the possibility to choose between two brands. So, the desired product should possess certain characteristics in terms of reliability, durability, performance, and resale value.

In order to obtain the win-win performance agreement, the selling company should evaluate the total customer value and the total cost it incurs for competition’s offers so that it will understand how attractive its offer is for the potential purchasing firm/customer.

As a result of its evaluation, the selling firm has at its disposal two possibilities to be the first on customers’ top choice list as follows: • either to increase customer total value by increasing the advantages offered by the product, services or offered image; • or reduce customer total cost through reduced price, simplified order and shipping process or reduced customer risk by offering the performance warranty.

After the analysis of costs and specific performance of each activity that produces value, the firm estimates the potential of competition (focusing on costs and performance), establishing criteria for comparative evaluation. The results will enable the firm to plan and
assign value to customers by applying the holistic marketing. According to this concept, activities of study, creation and furnishing of value can be integrated to ensure high quality standards for the product/service that have as objective finding and keeping customers (Kotler & Keller, 2008).

The company analyses its own value chain in order to make decisions regarding the ways to reduce costs or make different products from those of the competition in order to perform the business potential. Therefore, the manufacturing firm plans to obtain from performance a competitive advantage starting accordingly to analyze its own value chain and looking at the influence on suppliers’ value chain, but also at the one of the customers’ and of their customers.

Attitudes towards the consumers, perceived ubiquity and favorability are identified as significant predictors of behavioral intentions of purchase and use. In their action, the marketers, producers and sellers need to think carefully about the cause of the purchasing process, as well as about the analysis of the satisfaction degree of the internal consumption demand (Gorton, Angell, Robert, John & Tseng, 2013).

For this purpose the marketing management specialists analyze continuously six marketing factors such as: solvent customers, brand value, degree of competition, the price as a barrier to entering the market, demand compared to supply, as well as market share (Jobber & Shipley, 2013).

In emerging economies, there is a need to study the impulse to buy in consequence of the recent development in retailing and the huge cultural differences compared to developed economies regarding the increases in personal available income, life style and credit availability. However, the economic crisis phenomenon has created a low, slower trend with less positive aspects (Muruganantham & Bhakat, 2013).

CONCLUSIONS

As competition is more forceful than ever, it is increasingly difficult to have different products and services than those offered in the market. This results in a number of competitive offerings of products due to globalization, access to information, better logistics etc. Substitutes and cheaper products compete now with the traditional products and services that is why many companies try to win more customers by reducing prices and providing more attractive products.

Nowadays, customer lifetime value is the value of the entire stream of purchases that the customer would make over a lifetime of patronage. Under these conditions, retaining existing customers is easier and generally more profitable than winning new ones. Improving consumer satisfaction is about understanding what forms customer’s value and finding ways to deliver performance superior to that of company competitors. Delivering high quality products in time at a competitive price is no longer sufficient. Other managerial actions must be achieved by companies to ensure satisfying the aspirations of key customers. Customer satisfaction is relatively difficult to accurately monitor because it depends partly upon intangible issues such as peoples’ perceptions and the stance that they may adopt.
The only way to understand these issues is to maintain a close relationship with key people in company customers’ organizations. This is time consuming and expensive, so company will need to focus on key customers.

Now, we witness the beginning of a new eve of marketing 3.0 or orientation towards value. Instead of treating people as mere consumers, marketers treat them as human beings with mind, heart, and soul.

In a confusing world, they seek those firms that address their profound human desires in terms of social, economic, and environmental equity, in what they design as mission, vision, and values. In order to achieve these, specialists consider some possibilities that will be further discussed (Kotler, 2010).

- The future of marketing is horizontal not vertical. Consumers have no more trust in each other than in firms. This can be an incentive for firms to get involved in social media, where customers/consumers interact more with each other. The consumer/customer has to be placed first, not firm’s interests.
- According to Philip Kotler, 3.0 marketing is the one in which firms have to address not only the rational, but also have to take into account the consumer as a whole with his body, mind, heart, and soul. Messages have to be rethought. Marketing 1.0 (based on product) and 2.0 (based on consumers) will continue to be relevant. Marketing continues to deal with segmentation, choosing the right segment, ensuring the 4Ps, and strengthening the brand around the product.
- Consumers are the new owners of brands. When a product is successful, the firm cannot entirely control it, and consumers/clients can influence the decisions related to it.
- Employers, suppliers, and partners are as important as customers, so a firm that does not respect its values and employees cannot exist too long.

Consumer and customer satisfaction is at the heart of marketing management process. The relationship between the consumer or customer and the organization is, therefore, an important one. Building customer relationships can be seen as moving up the ladder. At the top of the ladder, loyal customers are located.

Consumer and customers expectations are regarded as their needs and desires for products in the market because they have preconceived ideas concerning the quality and price of goods and services. It means that customers tend to buy goods from companies with which they had good experiences even if their products are not better than those offered by the competition. Similarly, mass media will have a great impact on people’s expectation regarding new products which have benefited from a lot of advertisement.

Today, the firms must focus more on consumer and customers’ needs, link them to organizations objectives and by achieving all the realistic targets, must be actually increasing on market. The satisfied consumers would not only want to try again and again, but also they will recommend product or service of company to other persons that can be customers in the future.

Hence, marketing management approaches concentrate on the process of satisfying consumer or customer needs and managing corporate growth and development. The aim of the marketing management process is to plan the marketing operations in a management context as well as give resources and skills in how to manage the marketing policy in the firm. Also, marketing management means usable marketing knowledge and skills to ensure an organization’s competitiveness on marketplace.
REFERENCES


