

## REVIEW ARTICLE

# Relationship marketing and customer value proposition. Analysis and theoretical reflection

### ABSTRACT

Relationship marketing and the value proposition are essential components of customer relationship management and key to building long-term loyalty. In an increasingly competitive market, companies are looking for ways to differentiate themselves and gain competitive advantage. In this sense, the purpose of this paper was to find out, based on an analysis and theoretical reflection, whether relationship marketing and an appropriate value proposition contribute to having profitable relationships with customers in the long term. The study was based on the selection of 26 references using the PRISMA systematic review methodology. After searching databases such as Scopus, WOS and Scielo, inclusion and exclusion criteria were defined, leading to the identification of 13 most important studies conducted between 2016 and 2021 for further analysis, interpretation of results and discussion. The findings highlight the importance of customer-centric marketing strategies and the positive impact of an adequate value proposition in building lasting relationships. It is concluded that effective relationship marketing and value proposition management have a positive impact on customer retention and purchase decisions.

**Keywords:** Client; Relationship Marketing; Value; Management.

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## **INTRODUCTION**

Companies are facing new challenges due to rapidly changing markets, organizational practices, and information technology, which is why many companies find it difficult to retain customers due to a weak commercial relationship and an inadequate value proposition; thus, companies need to have long-term relationships with their customers in order to maintain profitability and market share. In addition, companies are struggling in a market where customers have a wide and varied choice, allowing them to choose the best value proposition. This study was conducted based on a systematic review methodology PRISMA; inclusion and exclusion criteria were used through a systematic review and it was possible to find 13 papers that are the most relevant made between the years 2016 to 2021 from a total of 26 studies selected. These papers were selected according to the proposed topic and were searched on July 30, 2023. The results indicate that customer-centric marketing strategies should be implemented. In this sense, it is appropriate to cite authors who mention how relationship marketing contributes to lasting relationships. Burbano-Pérez *et al.* (2018) state that relationship marketing focuses on maintaining a long-lasting bond between the company and the customer; to achieve this, personalized attention and knowledge of the customer are essential to achieve customer loyalty and satisfaction. Abeza *et al.* (2018) state that social networks become an effective strategic ally to build lasting relationships with customers. Kotler and Armstrong (2017) point out that success in the market depends on maintaining sustainable relationships and providing an effective value proposition. Pow *et al.* (2019) suggest that relationship marketing is a fundamental tool to increase sales and loyalty. In the same vein, regarding value proposition, Payne *et al.* (2017) argue that if a value proposition effectively communicates the advantages and benefits of the product and/or service, it can be relevant and contribute significantly to customer loyalty. Habib *et al.* (2021) suggest that an effective and compelling value proposition motivates word-of-mouth recommendations among customers.

Consequently, the purpose of the study is to determine whether customer-centric marketing

strategies and an appropriate value proposition generate profitable customer relationships. It is important to note that for the present study, eligibility criteria were used to collect information from databases such as Scopus, Web of Science and Scielo, and themes related to the main findings were analyzed. Analysis, synthesis, interpretation of results, identification of strengths and weaknesses, and discussion of results were successfully carried out.

## **PURPOSE OF THIS PAPER**

The objective of this paper is to determine, through analysis and theoretical reflection, whether relationship marketing and an appropriate value proposition contribute to having profitable relationships with customers in the long term.

## **ARGUMENTATIVE REVIEW**

Relationship marketing was first proposed by Berry (1995), who conceptualized it as a tactic to attract, maintain, and make relevant customer relationships. Guadarrama and Rosales (2015) argue that relationship marketing is a strategy that allows continuous learning from the customer, with the aim of knowing the value proposition. Rėklaitis and Pilelienen (2019) argue that relationship marketing strategies differ depending on whether the customers are business-to-business (B2B) or business-to-consumer (B2C). With B2B customers, the company focuses on rational and objective aspects, while with B2C customers it focuses more on emotional and subjective aspects. Regarding the use of the Customer Relationship Management (CRM) tool, Herman *et al.* (2020) point out that customer relationship management can be optimized by using a tool that allows managing the company-customer interaction in the long term. For this reason, Cao and Tiao (2020) argue that the use of CRM helps to improve customer service management, reduce costs, and increase customer loyalty. Similarly, Suarez *et al.* (2019) argue that relationship marketing is essential for the daily management of a business, as a relationship based on trust with customers and suppliers is essential to achieve mutual benefits. On the other hand, Yulisitearini (2015) states that customers feel more willing to be part of a long-term relationship with the company that provides better customer service.

Gómez (2011) states that maintaining highly loyal customers means a low cost for companies. On the other hand, Alguacil *et al.* (2020) state that it is essential to individualize the fictitious customer and apply effective relationship marketing strategies aimed at specific profiles. Finally, Retana and López (2021) argue that the vast majority of micro and small enterprises (MSEs) do not have a database of their customers, which makes it impossible for them to carry out good relationship management.

The purpose of this study is to determine, through analysis and theoretical reflection, whether relationship marketing and an appropriate value proposition contribute to long-term

profitable customer relationships. The search plan was established according to the PRISMA systematic review methodology, including the 13 most relevant studies.

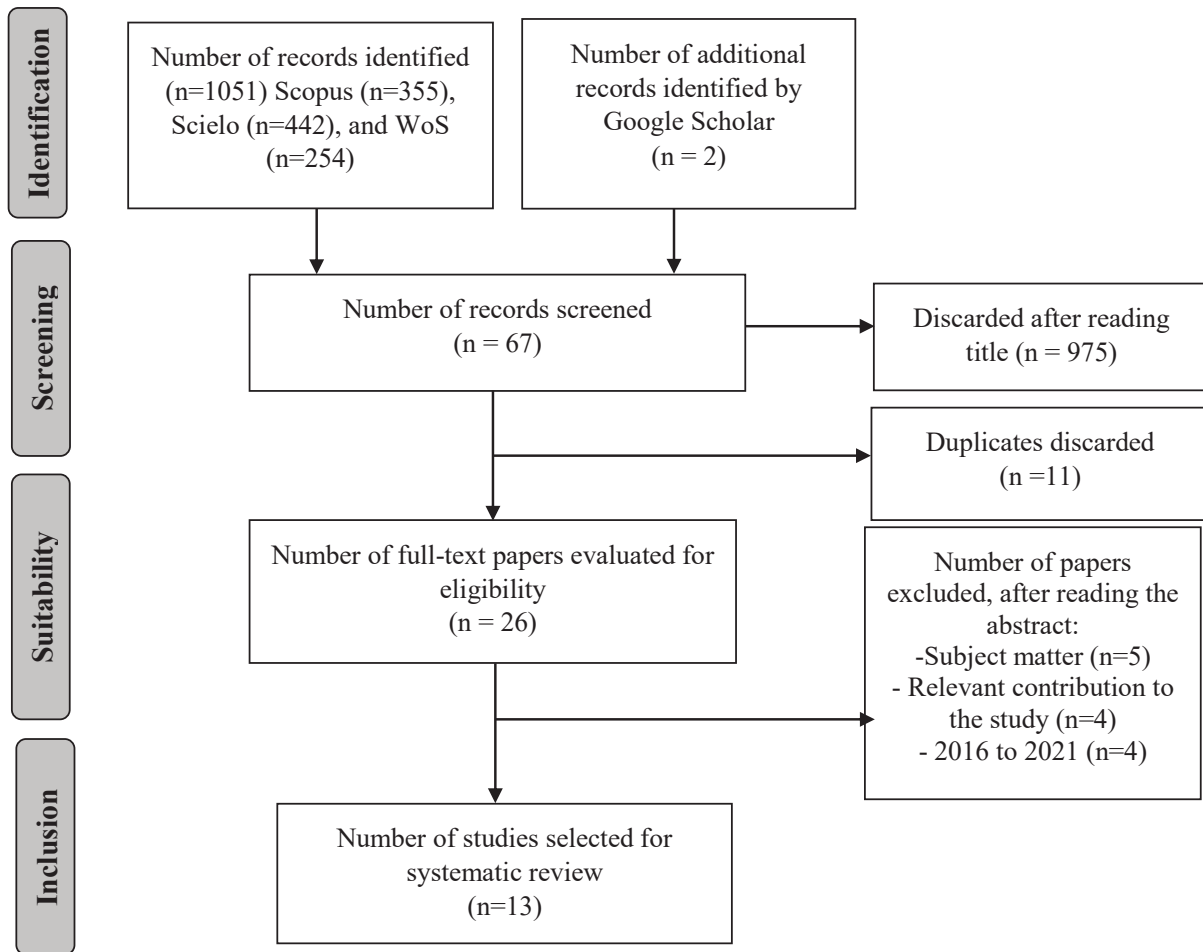
**Methodology**

Figure 1 below shows the flow of the PRISMA method on four levels:

The following search formula was established: Relationship AND Marketing AND Customer OR Value OR Proposition. Consequently, the search strategy in Scopus, Web of Science and Scielo databases used the following terms: “Relationship marketing”, “customer value proposition”, “customer loyalty”, “customer

**Figure 1**

*Four-level PRISMA flow chart.*



Note: Prepared by the author, 2023.

relationship management”, “customer experience”, “relationship marketing and customer value proposition”, “customer purchase decision”, “relationship marketing strategies”, “perceived value”, and “benefits of relationship marketing”.

### **Inclusion and Exclusion Criteria**

Table 1 shows the criteria relevant to the research objectives. According to these criteria, studies relevant to the present study were accepted and studies that did not meet the inclusion criteria were rejected.

### **Results**

Table 2 shows the systematic review of the 13 most relevant studies extracted based on the inclusion and exclusion criteria (Table 1). The following results were found for the present study:

Table 3 shows the distribution of the search results. Out of a total of 13 systematic review studies, 76.92% of the studies fall into the “relationship marketing” category, while 53.84% correspond to the “value proposition” category, and 30.76% of the studies are related to both categories. In terms of study type, 46.15% of the studies are quantitative, 7.7% are qualitative, 30.76% are descriptive and 15.40% are review studies. Likewise, it can be argued that organizations focus more on efforts to build long-term lasting relationships using different strategies that are within the framework of relationship marketing. Consequently, it has been observed that not all companies pay attention to improving their value proposition,

despite the fact that there is intense competition in the markets to attract and retain customers. In terms of methodology, 6 studies are quantitative, 4 are descriptive, 2 are reviews and 1 is qualitative.

The comprehensive systematic review in this study leads and provides sufficient evidence to demonstrate that good relationship marketing management, accompanied by an appropriate value proposition, allows organizations to enjoy profitable relationships with customers. According to the results, the following strengths were established: i) the studies contribute to the literature and are relevant to the co-creation of value; ii) there are still novel contributions regarding retention strategies and allocation of benefits to customers; iii) there are studies that provide value proposition and relationship marketing strategies that are profitable for companies; and iv) relationship marketing strategies have a significant impact on commercial ties with customers.

Regarding the weaknesses of the review, it is found that i) there are few studies on how to implement an appropriate value proposition using digital tools; ii) there are not enough studies that refer to the motives of customers in their purchase choices; iii) there are few studies that propose an improvement in relationship marketing management based on the use of artificial intelligence; and iv) not many studies were found in which the customer plays the leading role in the value proposition of the company.

**Table 1**

*Matrix of study selection criteria for synthesis*

Inclusion criteria	Exclusion criteria
C1. Studies come from journals indexed in Scopus, Web of Science, Emerald and Scielo.	C1. Studies are in other fields of knowledge.
C2. There is a relevant contribution to the stated objective.	C2. Not making a relevant contribution to the stated objective.
C3. The context of the research papers must be in the context of the business world.	C3. The studies are not dated between 2016 and 2021.
C4. The studies found should have been conducted between 2016 and 2021.	C4. The studies are not directly related to the topic of this study.
C5. Be directly related to the topic of the study..	

*Note.* Prepared by the author, 2023.

**Table 2***Matrix of papers included in the systematic review*

No.	Author/year/title	Contribution	Relationship Marketing	Value proposition	Methodology	
					Method	Technique
01	Abeza <i>et al.</i> (2018). The role of social media in the co-creation of value in relationship marketing: a multi-domain study	Social networks contribute to the development of long-term customer relationships.	X	X	Qualitative	Exploratory use of multiple data
02	Arosa y Chica (2020). La innovación en el paradigma del marketing relacional.	Collaborative work and product development are achieved to reach high levels of value and customer relationships.	X	X	Review	Systematic review
03	Cepeda y Ortega (2020). La co-creación de valor, y su influencia en los resultados empresariales en centros deportivos.	Through the co-creation of value based on the innovative paradigm of service-dominant logic, the know-how of organizations can be aligned with customers.		X	Quantitative	Survey
04	King <i>et al.</i> (2016). Dynamic Customer Acquisition and Retention	The Acquisition and Retention Resource Allocation Model enables customers to be retained and new ones to be acquired.	X		Quantitative	Survey
05	Fan and Dong (2021). A Study on Improving Customer Value Based on the Effect of Word of Mouth	The cross-selling strategy is critical to enhancing loyalty and the value proposition.		X	Descriptive	State of the art
06	Bermúdez y Ashqui (2019). El Efecto del valor percibido por el cliente en la decisión de recompra en las tiendas de ropa	A strong value proposition effectively communicates the unique and valuable benefits of a product or service.		X	Quantitative	Survey
07	Burbano-Pérez <i>et al.</i> (2018). El marketing relacional y la fidelización del cliente.	It aims to create a long-term relationship that focuses on loyalty for sustainable business success and growth.	X		Review	Systematic review
08	Habib <i>et al.</i> (2021). Influence of Electronic Word of Mouth (eWOM) and Relationship Marketing on Brand Resonance: A Mediation Analysis.	Personalized attention and tangible rewards are effective strategies that enhance the value proposition.	X		Quantitative	Survey
09	Ngoma y Natale (2019). Word of mouth communication: A mediator of relationship marketing and customer loyalty.	Maintaining a balance of investment between attracting new customers and retaining existing customers is essential for business sustainability and long-term success.	X		Quantitative	Survey
10	Darmayasa y Yasa (2021). The influence of relationship marketing on customer loyalty: Customer satisfaction as a mediation variable	Relationship marketing has a significant positive impact on customer loyalty and satisfaction.	X		Quantitative	Survey
11	Suárez-Morales <i>et al.</i> (2019). The relational marketing and confidence like strategies of the entrepreneurship.	A relationship based on trust creates loyal and satisfied customers by strengthening long-term relationships.	X		Descriptive	State of the Art
12	Payne <i>et al.</i> (2017). The customer value proposition: evolution, development, and application in marketing	The value proposition contributes to customer acquisition and retention by clearly and convincingly communicating the benefits of the product or service.	X	X	Descriptive	State of the art
13	Lemon y Verhoef (2016). Understanding Customer Experience Throughout the Customer Journey.	Understanding and managing the customer experience throughout the customer journey is critical to strengthening customer relationships.	X	X	Descriptive	State of the Art

*Note.* Adapted from Abeza *et al.*, 2018; Arosa y Chica, 2020; Cepeda y Ortega, 2020; King *et al.*, 2016; Fan and Dong, 2021; Bermúdez and Ashqui, 2019; Burbano-Pérez *et al.*, 2018; Habib *et al.*, 2021; Ngoma and Natale, 2019; Darmayasa and Yasa, 2021; Suárez-Morales *et al.*, 2019; Payne *et al.*, 2017; Lemon and Verhoef, 2016.

**Table 3***Distribution of search results*

Studies		Categories			Methods		
Authors	Relationship marketing	Value proposition	Both	Quantitative	Qualitative	Descriptive	Review
13 (100%)	10	7	4	6	1	4	2
% search result	76.92%	53.84%	30.76%	46.15%	7.7%	30.76%	15.40%

Note. Prepared by the author, 2023.

According to the strengths and weaknesses, it can be argued that there is still a need to develop more studies on value proposition and innovative relationship marketing strategies to maintain competitive advantage and market positioning. However, it was also found that there is a tendency to explore the contributions of digital tools to relationship marketing and value proposition.

## Discussion

The purpose of this study is to find out whether relationship marketing and the customer value proposition contribute to profitable customer relationships. In this sense, according to the results, several relevant contributions to scientific research could be found: First, the studies of Arosa and Chica (2020), Cepeda and Ortega (2020), and King *et al.* (2016) are of high quality because they contribute new models to the existing literature. These authors emphasize that the innovative paradigms of value co-creation and customer loyalty are very useful for organizations in their intentions to have lasting relationships with customers and improve the value proposition. In second place is the contribution of Abeza *et al.* (2018), which highlights the importance of using digital tools for customer retention. In third place are the contributions of Fan and Dong (2021), who point out that the strategies of diversifying the product offering to customers and making the intangible tangible can improve the value proposition. Finally, the contributions of Bermúdez and Ashqui (2019), Burbano-Pérez *et al.* (2018), Habib *et al.* (2021), Ngoma and Natale (2019), Darmayasa and Yasa (2021), Suárez-Morales *et al.* (2019), Payne *et al.* (2017), and Lemon and Verhoef (2016) point out that key aspects such as customer knowledge, trust, personalized

attention, communication, word-of-mouth, attraction, and retention make a value proposition attractive for building profitable relationships with customers.

Nowadays, organizations aim to maintain profitable relationships with customers, and for this purpose, they apply different strategies and actions to improve their value proposition. In this context, Abeza *et al.* (2018) and Arosa and Chica (2020) support that digital tools contribute to strengthening the value proposition and interactions with customers. This study contrasts with the study of Cepeda and Ortega (2020), who state that value co-creation is essential to align the intellectual capital of the organization with customer expectations, emphasizing that customers should participate more in the construction of value. Burbano-Pérez *et al.* (2018) argue that companies should invest in customer acquisition and retention in order to maintain relationship marketing. Such a statement contrasts with that proposed by King *et al.* (2016), who argue that companies should allocate resources to implement a loyalty program in order to attract and retain customers. On the contrary, Fan and Dong (2021) disagree with King *et al.* (2016) and Burbano-Pérez *et al.* (2018), arguing that the product diversification strategy will enhance loyalty and the benefits offered. It should be noted that Ngoma and Natale (2019) further elaborate on the objectives of customer acquisition and retention, pointing out that it is essential to seek a balance in the allocation of investments to both new and loyal customers. On the other hand, Bermúdez and Ashqui (2019) state that customers repurchase the product and/or service because they fully understand the company's value proposition. This statement is in line with the arguments of Payne *et al.* (2017), who claim that effective

communication of the value proposition contributes to attraction and retention. Ngoma and Natale (2019) suggest that relationship marketing should seek to create long-term relationships with customers based on loyalty strategies that support business management, an approach that contrasts with Burbano-Pérez *et al.* (2018), who state that loyalty is essential for sustainable business growth. Raka and Kerly (2021) confirm Burbano-Pérez *et al.* (2018), pointing out that consumer engagement strategies have a positive effect on loyalty and satisfaction. It is useful to emphasize that making the value proposition tangible, based on purchase rewards, is an effective strategy for strengthening customer relationships. This assertion is based on Habib *et al.* (2021), who propose that excellent customer service through the tangibility of benefits will lead the customer to recommend the product to others. However, Suárez-Morales *et al.* (2019) emphasize the relationship of trust with the customer, which is an intangible and overwhelming factor for the creation of lasting long-term bonds. Another no less important contribution is proposed by Lemon and Verhoef (2016), who state that it is imperative to create positive interactions at each stage of the experience process, even after the purchase.

## CONCLUSIONS

The study concludes that, according to a rigorous systematic review, it can be argued that good relationship marketing and value proposition management contribute to profitable long-term relationships with customers. On the other hand, the use of digital tools allows companies to achieve better results in terms of customer loyalty and satisfaction. Likewise, by implementing new paradigms of value co-creation, acquisition and retention, companies could have a greater chance of achieving lasting relationships with their customers. The collaboration between the company and the customer, as well as the leadership role of the latter, allows for the improvement of the shopping experience, the value proposition and the profitability.

On the other hand, according to the analysis carried out, it is possible to affirm that a successful marketing and customer management

strategy must achieve a balance between attracting new customers and taking care of the loyal portfolio. However, in certain circumstances, it is advantageous to focus on attracting new customers rather than just retaining the already loyal and empowered ones.

The present study makes a significant contribution to the knowledge of how to improve relationship marketing management and customer-centric value proposition. Although the objective of this study was achieved, limitations were identified, such as the need to determine which factors influence the customer's purchase decision apart from those already known. In addition, it is essential to conduct a deeper exploration of the impact of digital tools in improving relationship marketing management and value proposition.

The results of this study will serve as a basis for future research to confirm the importance of value co-creation and loyalty models in different types of businesses to achieve profitable interactions with customers.

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**Conflicts of interest**

The author has no conflicts of interest to declare.

**Author contributions**

Guido Jesús Choque Lozano (lead author): conceptualization, data curation, formal analysis, fund acquisition, research, methodology, project management, resources, software, supervision, validation, data visualization, writing (original draft, review and editing).