

CUSTOMER RELATIONSHIP MARKETING IN INDIAN STEEL INDUSTRY

Abstract

Relationship is a dominant paradigm of marketing in business-to-business market. As relationship marketing is gradually replacing transactional marketing in Indian business sectors, clear understanding of different aspects of customer-supplier relationship is critical. However, literature examining this phenomenon is scarce among Indian business sectors, particularly in the Indian steel industry.

The purpose of this study is to identify the strategies, capabilities and circumstances that helped relationship building and the identification of antecedents of customer-supplier relationship in Indian steel industry.

This study commenced with qualitative research. In first phase, in-depth interviews were conducted with customers and suppliers. Subsequently, the results of these qualitative studies were used as the basis for testing of hypotheses through nationwide cross-sectional survey among customers and suppliers. Reliability and validity of both qualitative and quantitative methods were ensured.

This study revealed seventeen different strategies and tactics successfully used by suppliers for building relationships with customers. Eight organizational capabilities and eight different circumstances were found to have varying influence on the formation and enhancement of customer-supplier relationship. It was found that customers' and suppliers' perceived value strongly influence their relationship intention. Customer's perceived value was strongly influenced by customer centricity of the supplier, quality of steel, support services and the opportunistic behavior of the supplier. Trust, emotional comfort, perceived risks, and salesperson's image were not found to have significant effect on customers' perceived value. Suppliers' perceived value was strongly influenced by customer's purchase potential and opportunistic behavior. Payment pattern,

negotiation friendliness, dealing member's quality, information exchange and dependency avoidance were not found to have significant effect on supplier's perceived value of a customer.

This study has contributed to a comprehensive understanding of customer-supplier relationship in Indian steel industry. In addition, the study has contributed to some important areas of relationship marketing, where further research was required. Further, several new constructs were developed and relational antecedents of Indian steel industry were comprehensively investigated. From a managerial perspective, this study can guide both customers and suppliers in forming and strengthening their relationship with each other.

Keywords: Relationship marketing, customer-supplier relationship, relationship intention, value creation, Indian steel industry