

# **Michael Kleinaltenkamp, Wulff Plinke, Ingmar Geiger (Eds.): Business relationship management and marketing: mastering business markets**

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In today's competitive business environment, customer satisfaction and customer relationship is becoming more and more important as an asset of any organisation. As we see a paradigm shift from transaction to relational marketing with a focus on customer relationship management and data analytics, this is a well-timed book for practising professionals and budding researchers. Although the book is a compilation of research papers, it covers all the important aspects and is a good read for clear understanding of concepts. The book is a compilation of nine individual research papers separated into three parts, maintaining a proper flow on the topic with each subsequent chapter complementing the previous one.

The first part deals with the basic principles of relationship management and consists of two chapters. Part two which consists of four chapters, deliberates topics related to goals, strategies and analysis in business relationship management. The last part has three chapters and provides insight on the implementation part of the business relationship management.

## **Chapter review**

### Chapter 1

Phenomenon and Challenge to Management by *Michael Kleinaltenkamp, Wulff Plinke, and Albrecht Sollner* deals with business relationships as a competitive marketing task defining competition and marketing within business relationship. It further goes on to explain the dyadic business relationship as a part of supplier/purchaser relationship involving many suppliers and customers. It chapter refers to the changing field of marketing and impact of technology on it. The chapter defines business relationship as an altered market focus that leads to increased Life Time Value (LTV) from same set of customers. It refers to LTV as relational transaction and differentiates it from Discrete transactions. The chapter defines the different constellation of business relationships like brand loyalty, system loyalty, problem loyalty, customer loyalty and reciprocal business relationship. It further goes on to describe the de-facto business relationship using two cases (Case 1a about isolated transaction and Case 1b about creeping commitment). Creeping relationship refers to switching cost based on supplier switching. The chapter wraps up with internationalisation of business relationships and responsibility in business relationship with a case point of Nike brand.

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## Chapter 2

Theoretical Perspective of Business Relationships: Explanation and Configuration by *Michael Kleinaltenkamp, Wuff Plinke, and Albrecht Sollner* builds up awareness for the significance of different theoretical perspective in regard to the topic business relationship. The behavioural approach explains measures that promote consumer loyalty. The second approach uses Thibaut and Kelley's (1959) social and psychological theory to explain the occurrence of commitments amongst people in social groups. The economic approach details switching costs and relationship value and bonding effects of switching costs from both customer and supplier perspective. The approach also offers an initial analysis matrix to compile appropriated specific investments, which are particularly influential factor in the economic approach to explaining loyalty. Within the economic approach, authors provide insight about the dyadic view of the commitment in a business relationship and also the commitment-trust model (Morgan and Hunt 1994), commitment in business relationship (Saab 2007). The chapter discusses structural attributes and process attributes of business relationship and closes with Opel Astra/Vectra case and relevant exercise questions.

## Chapter 3

Repeat Purchasing in Business Relationship by *Frank Jacob* starts with a case on The Danish toy manufacturer explaining repeat purchase behaviour. The chapter provides explanations for the purchase behaviour, which is distinct in the sense as the customer repeatedly makes purchase decisions in favour of the supplier forfeiting the opportunity to change. The authors in their chapter provide two different explanations for the repeat purchase behaviour in the respective market transaction and the description of the business relationship in the time situation. The rest of the chapter is deliberation of the differentiation of the two explanations. The chapter also formally introduces the concept of Customer Relationship Management (CRM). Along with repeat purchase due to bonding (including switching barriers) which forms the main component of the market transaction part, reasons for repeat purchase behaviour towards core services or the ancillary services are provided. In the business relationship over time,

Life cycle concepts are discussed. The chapter has many market-practised examples to provide clear understanding.

## Chapter 4

Customer Value and Customer Selection by *Michael Kleinaltenkamp* is about choice and selection of customer as it is an important part of business relationship management. The chapter starts with general classification of goals (marketing purpose) for customer evaluation. In the criteria for determining customer value the author brief about economic gauges of customer relevance and the typical distribution of company's revenue amongst the A, B, and C customers. Calculation of customer contribution margin and calculation of customer lifetime value (net present value) are the important contributions in the chapter. The author also discusses non-monetary gauges of customer value and other multi-dimensional approaches, like scoring models, for determining customer value. The section also includes practical application of different customer evaluation methods that shows the frequency of use of different customer evaluations methods. The chapter ends with a brief note on customer value controlling and relevant exercise for practise.

## Chapter 5

Strategies of Business relationship Management by *Ingmar Geiger* provides a strategic perspective distinguishing strategic decisions with ample of examples. Competitive advantage from the standpoint of both customer and supplier in the context of business relationship management is discussed in details. In the strategic analysis part, the author discusses and provides comparative analysis of different phases of Business Relationship Management with product-based life cycle concept and relationship phase concept. The chapter further details about the forms of entry into the business relationship and strategies to reduce uncertainty from the customer's perspective and defending the business relationship. Termination process along with the possible reasons from suppliers' perspective is discussed. Handling parallel relationship and prioritising during resource bottlenecks is discussed within corporate networks which forms the last part of the section.

## Chapter 6

Business Relationship Management and Marketing in a European-Chinese Context by *Alexander Tirpitz and Miaomiao Zhu* deliberate about the roles of cultural rules and norms on business relationship. The chapter starts with concept of culture, cultural distance and cross-cultural communication outlining the potential cultural impact on business relationship. To enhance the understanding, the authors cite cultural differences between Europe and China in details. The section also discusses key factors affecting business relationship in the respective parts. For example, trust, bonds, fairness, and power and interdependence are important for westerners while for China the key factors are Confucian value and the notion of Guanxi. Guanxi is then explained in required details and comprehensive Guanxi model is discoursed. The chapter wraps up with managerial implications for doing business in China reflecting on contemporary business culture and business strategies for China.

## Chapter 7

Instrument of Business Relationship Management by *Ingmar Geiger and Michael Kleinaltenkamp* basically deals about binding the customer to the company by maintaining or increasing the value for the customers and creating switching costs for the customer. Instruments presented in the chapter are examples of ways to achieve customer loyalty. As the modern business-to-business is no “one size fits all”, the authors talk about from product supplier to solution supplier and make a comparison of system supplier and system integrator offerings. The paper debates on bonding effects due to service creation process, which results from service/product customization and customer integration. Concepts like cross-selling, product-related services and after-sales services are detailed in the later part. Efficient consumer response and Just-in-Time Delivery are discussed within instrument of distribution policies. The chapter briefs instrument of communication policies and instrument of pricing policies in the last part.

## Chapter 8

Internal Implementation of Business Relationship Management by *Ingmar Geiger and Michael Kleinaltenkamp*

is about organisation of a business relationship management providing fundamental understanding of a customer-based organisation structure. Key account management is deliberated in detail in the first part. Depending on the firms’ need, different form of Key accounts functions/positions is discussed with composition of the position and departments responsible for key account management. As key account forms a complex function, the later part of the paper addresses the requirements from a key account manager, key account management teams, success factors and effects of key account management teams. The last section gives some valuable information of controlling, supervising and monitoring business relationship management.

## Chapter 9

Customer Relationship Management by *Martin Gersch* serves for fundamental understanding of the concept customer relationship management with ample of implemented examples from industry. The chapter imparts knowledge on subtasks involved in customer relationship management, which includes operative, analytical, strategic and communicative customer relationship management. The author refers to the contemporary issues in the CRM at crossroad section of the chapter and concludes by recommending development scenarios for the same. Ample of examples help in through understanding of the topic. The chapter ends up with couple of scenarios for CRM implementation in details in the field of sales and e-business.

By and large, the book can be treated as a basic introduction, despite delving into foundations of business relationship management, and comprehensions on customer relationship management. The USP of this book are the frameworks, case and examples in each of the chapters from the actual market scenarios that are aimed at facilitating readers not only to understand but also to conceptualise the topic be able to become authentic through self-exploration. However, the book may fall short of expectations of the management educators, as it does not provide standardised format. The book can be used by management educators as their reference material and doctoral students for building on the basics on the topic.

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