Relationship Marketing and Relationship Managers: A Customer Value Perspective

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Abstract

This working paper outlines a doctoral research[2] project on customer value determination in business markets. In long-term business relationships, relationship managers are a key component in delivering customer value. The paper presents a literature review and proposes a conceptual framework for the determination of customer-perceived value of relationship managers in long-term business-to-business relationships.

Introduction

The focus of marketing has moved from managing transactions to managing relationships (Christopher, Payne and Ballantyne 1991; Webster 1992; Grönroos 1994; Grönroos 1995; Gummesson 1997). Alongside this shift in the focus of marketing, there have been many calls for organisations to focus on 'superior customer value delivery' (Narver and Slater 1990; Day 1990; Band 1991; Gale 1994; Slater and Narver 1994; Naumann 1995), with several authors suggesting that the creation and management of customer value is now seen as the next source of competitive advantage (Slater and Narver 1994; Woodruff 1997).

In business-to-business markets, the operationalisation of the relationship marketing paradigm for the selling organisation is largely carried out through salespeople who play a key role in the formation of long-term buyer-seller relationships (Burger and Cann 1995; Biong and Selnes 1996; Doney and Cannon 1997; Weitz and Bradford 1999). Increasingly these people are seen as value creators (Weitz and Bradford 1999) and as a key component in delivering value in business-to-business markets (Garver and Gardial 1996). A greater understanding is needed of these roles and how they deliver dimensions of customer value from the customer's perspective (Woodruff 1997).

However, relationship marketing has also brought a change to the practice of personal selling and sales management as a result of the increased attention on long-term, buyer-seller relationships (Biong and Selnes 1996; Wotruba 1996; McDonald, Millman and Rogers 1997; Weitz and Bradford 1999). The salesperson's role is changing to that of a *relationship manager* (Weitz and Bradford 1999). Many organisations are making significant investment in, for example, key account management programmes, in order to retain customers by building long-term relationships; the prime orchestrators for this process are the salespeople and key account managers. Managers are keen to understand the roles, tasks, skills and attitudes required of relationship managers in order that they can successfully implement and maintain a long-term relationship-building strategy and to identify how relationship managers can be more effective in their jobs. However, some fact-finding interviews revealed that while managers intuitively understand that this is a fundamental strategy for their organisations, they have little or no knowledge of

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their customers' perceptions of these roles or how they are perceived as adding value for the customer. There is also a lack of empirical research on the customer's perspective of the relationship management role.

The primary objective of the proposed research is to carry out an empirical assessment of customer-perceived value of the relationship manager role in long-term relationships through application of a model based on means-end theory This will involve identifying, from the customer's perspective, the *attributes*, *consequence* and *goal* levels of value delivered by the relationship managers that enable or inhibit customer-perceived value in long-term business-to-business relationships. Attributes are typically what would be mentioned if a customer was asked to describe a product or service, consequences are the outcome experienced by the customer through the use or consumption of the product or service and these will satisfy a number of goals or values.

Attributes, consequences and goals can be linked in a hierarchy based on means-end theory called the 'customer value hierarchy'.   This theory assumes that customers are motivated to achieve the goals they value by purchasing or using a given product/service offering based on specific product/service attributes sought and the consequential benefits and product/service value provided by the attributes.   The research will apply the customer value hierarchy developed by Woodruff and Gardial (1996) and Woodruff (1997) with the objective of building a model which will help to define the 'attribute', 'consequence' and 'goal' dimensions of the value created by the relationship managers from the customer's perspective.

From Salesperson to Relationship Manager
The practice of personal selling and sales management is changing as a result of the increased attention on long-term, buyer-seller relationships (Biong and Selnes 1996; Wotruba 1996; McDonald, Millman and Rogers 1997; Weitz and Bradford 1999). It is nearly 20 years since David Ford suggested that in managing long-term business-to-business relationships there is a clear role for a 'relationship manager' who is the major 'contact man' for the client company and who takes responsibility for the successful development of the relationship with the client. It should be 'someone of sufficient status to co-ordinate all aspects of the company's relationships with major clients at the operational level' (Ford 1980). The idea of the 'relationship manager' promulgated by Ford (1980) has materialised during the 1980s and 1990s. Often referred to as 'national accounts' (Shapiro and Moriarty 1980, 1982, 1984a, 1984b; Stevenson 1980; Stevenson 1981; Tutton 1987; Wotruba 1996; Dishman and Nitze 1998), 'major accounts' (Barrett 1986; Colletti and Tubridy 1987) and more latterly, in the UK and France, 'key accounts' (Wilson 1993; Pardo, Salle and Spencer 1995; Millman and Wilson 1995,1996; Millman 1996; McDonald, Millman and Rogers 1996, 1997; Millman and Wilson 1998; McDonald and Rogers 1999) this specialised form of managing customers is gaining increasing importance in business-to-business markets. More recently the term 'relationship manager' is being used to describe these roles (Weitz and Bradford 1999). This is the term adopted throughout this paper.

The role of relationship manager is a response to the move from a transactional focus to a relationship focus (Jackson 1994; Wotruba 1996; Weitz and Bradford 1999) coupled with the economic imperative of customer retention. Historically the principles of personal selling have been viewed from a transaction orientation (Jackson 1994) with

the salespeople committed to customer acquisition; the thrust has been to obtain the order and get the sale, backed up by reward systems designed to focus on revenue generation (Wotruba 1996). Salespeople have considered their roles fulfilled when the sale is made (Corcoran et al 1995). One of the largest barriers to relationship development is the organizational reward system which encourages salespeople to sell, not manage relationships; while senior management talk about relationships, the relationship managers operate in a transactional mode (Wilson 1995). Revenue generation will need to change to satisfaction generation as the main responsibility of those in relationship management roles and selling as a persuasive act will diminish in importance as effort focuses on facilitating a relationship between the customer served and the company providing satisfaction (Wotruba 1996). Leading companies are beginning to measure salesperson success not only by units sold, but also by contribution to relationship quality through customer satisfaction (Biong and Selnes 1995; 1996).

The Importance of Personal Contact

In managing the buyer-seller interface, interpersonal contact is of prime importance. Personal contact is described by Cunningham and Turnbull (1982) as the means by which inter-company relationships are established and maintained. Looking at personal contact from the dyadic perspective (based on a case study approach) they suggest that the roles of the personal interactions at the buyer-seller interface are:

- *Information exchange role*: encompasses the transfer of 'hard' data eg price, specifications and terms of contract and 'soft' information eg company news
- *Assessment role*: assessment of a supplier's competence or a customer's suitability frequently involves personal judgements as well as objective facts; these judgments are improved through interacting with the other party in both formal and informal situations.
- *Negotiation and adaptation role*: negotiation will generally take place over a wide range of topics with personal contacts being the normal means of persuasion and negotiation. Similarly adaptations to products and services are discussed
- *Crisis insurance role*: contacts are often formed as a form of crisis insurance on both sides of the relationship – when a major problem or crisis occurs these contacts are utilised often as a means of obtaining rapid action
- *Social role*: when people meet other people who they like a social relationship may develop which may continue even if the contact is moved to another function within the organisation
- *Ego-enhancement role*: a second form of social contact occurs when an individual deliberately establishes contact with senior people in the supplier or buyer organisation because they believes it will enhance their status in their own organisation.

This model is helpful as it could form the basis for the types of roles that the relationship managers need to adopt if they are to successfully manage the buyer-seller interface.

The 'Sales' Role in Long-Term Relationships

A few studies in business-to-business markets (Legace, Dahlstrom and Gassenheimer 1991; Biong and Selnes 1995; Corcoran et al 1995; Wotruba 1996; Leuthesser 1997) and services markets (Crosby, Evans and Cowles 1990) have attempted to identify the roles, skills and behaviours required by salespeople in relational situations as opposed to

transactional situations. Biong and Selnes (1995) identified several role descriptions of salesperson behaviours and skills based on a review of the literature on saleforce management and interorganisational relationships; these were:

- ***Communication***: the exchange of information between supplier and customer – a salesperson may mediate communication between the customer and supplier and as the parties move closer and become more dependent, open communication in the form of exchange of strategic information increases in importance. Several studies suggest the exchange of information is an important part of both traditional industrial selling and relational selling (Cunningham and Turnbull 1982; Håkansson 1982; Anderson and Weitz 1989; Dwyer, Schurr and Oh 1987).

- ***Conflict handling***: within a buyer-supplier relationship conflict as a consequence of different perceptions of goals and roles is as predictable as misperceptions and incorrect deliveries (Dwyer, Schurr and Oh 1987). Anderson and Narus (1990) suggest boundary personnel should be trained in conflict resolution to solve conflicts before they reach manifest state. Relationship marketing demands the establishment of mutually accepted norms of redress (Dwyer, Schurr and Oh 1987) so conflict handling is suggested to be an important skill in relational selling.

- ***Personal similarity***: personal similarity is reflected in the nature of the interpersonal contact between the salesperson and the members of the customer's buying centre. Relationship failures can be tracked back to interpersonal problems. Rationale for expected importance of personal similarity is that it makes solving disagreements easier and reduces communication barriers. Personal similarity is also expected to contribute to the creation of trust thus contributing to the relationship as a risk-reducing mechanism.

- ***Sales aggressiveness***: some aggressive behaviours could be effective to make an immediate sale, but may weaken the long-term relationship. In a relationship with a high degree of dependence on the supplier, an aggressive selling behaviour can be perceived as a misuse of position causing an even more negative effect on the customer's willingness to continue the collaboration.

- ***Control***: defined as the salesperson's attempt to control the business relationship. Salespeople who exert high levels of control frequently direct the interaction toward an outcome that is more compatible with the supplier's needs than the customer's needs. In a continuous relationship it is probably more effective for the salesperson to emphasize customer needs instead of controlling the process in favour of the seller and the immediate sale. Control can harm the relationship because it may dilute the sense of goal congruence which will probably become even more important as the relationship becomes closer.

From empirical research, Corcoran et al (1995) compare 'traditional selling' and 'consultative selling' and suggest there are three key roles for salespeople in managing long-term relationships:

- ***Strategic Orchestrator Role:*** works to harness all of his or her company's resources for the customer; builds co-operation; involves colleagues at all levels of the organisation; adopts a problem-solving appoach to production, delivery implementation and service concerns; weighs the costs and benefits of various value-adding activities and makes the customer aware of them in a way that builds the business relationship

- *Business Consultant Role:* uses internal and external resources to gain an understanding of the customer's business and marketplace; thoroughly educates the customer about products as well as how they compare to the competitor's offerings; has well thought out plans for each account/territory; approaches problem-solving and decision-making with creativity and an understanding of the 'big picture'
- *Long-term Ally Role:* acts as a business partner; works to support the customer even when there is no immediate prospect for a sale; positions products and services honestly and turns down business that isn't in customer's long-term interest; 'goes to bat' for the customer whenever necessary and helps customers to carry out fact-finding missions with their own companies; shows pride in their company, products and services

Wotruba (1996) takes a different perspective and looks conceptually at the role that may be required now and in the future in terms of the sales position, the sales process and the skills required of the sales people:

- **Sales Position**
  - *The salesperson's position becomes:* the manager of customer value; a customer advocate; a resource to policy and strategy-makers in their own company
- **Sales Process**
  - *The salesperson must in the sales process:* establish a relationship of trust and mutual benefit; actively obtain information from the customer; be the co-ordinator responsible to the customer for all exchanges in the relationship with that customer
- **Sales Person**
  - *The salesperson must:* be able to relate to a wide variety of persons in both organisations; act as an entrepreneur in terms of innovation, risk-taking and proactiveness; have knowledge of the customer, co-ordination skills, analytical ability, top management perspective, ethical sensitivity, understanding of competitors; be self-managed, self-directed and self-motivated

Perhaps the closest position to the one outlined in today's sales organisation is the national account manager (Wotruba 1996). These roles are discussed next.

Key Account Management and Relationship Management Role in Long-term Relationships

A key account is a 'customer in a business-to-business market identifed by selling companies as of strategic importance' (Millman and Wilson 1995) while account management is defined as 'an approach adopted by selling companies aimed at building a portfolio of loyal accounts by offering them a product/service package tailored to individual needs. To co-ordinate day to day interaction under the umbrella of a long-term relationship, selling companies typically form teams headed up by the key account manager' (Millman 1996).

From the key account literature (Millman and Wilson 1995) it is possible to identify the following roles adopted by key account managers:
- Boundary spanning role of the 'relationship builder' where the incumbent is simultaneously:
  - negotiator
  - consultant

- interpreter of customer needs/values
- mediator
- customer's advocate/friend
- information broker
- Facilitating multi-level, multi-functional exchange processes
- Co-ordination and tailoring the seller's total offering to key accounts
- Promoting the KAM concept within their own company
- Responsibility for sales/profit growth of one or more key accounts, consistent with the business objectives of the seller's total portfolio of key accounts

There are a number of strong similarities between these roles and those discussed for the sales roles (see Biong and Selnes 1995; Corcoran et al 1995 and Wotruba 1996 above).

Comparison of Relationship Management Roles
The literature above is summarised at Table 1.

Table 1: Comparison of Relationship Management Roles

Personal Interaction Roles	Sales Roles In Long-Term Relationships			Key Account Management Roles
Cunningham and Turnbull (1982)	*Biong and Selnes (1995)*	*Corcoran et al (1995)*	*Wotruba (1996)*	*Millman and Wilson (1995)*
Information Exchange	Communication	Business Consultant	Sales Process	Information Broker Facilitator Co-ordinator Promotor Interpreter
Assessment	Control	Business Consultant	Sales Process	Consultant Interpreter
Negotiation and Adaptation	Conflict Handling Sales Aggressivness	Strategic Orchestrator	Sales Position	Negotiator Mediator Business Manager (P&L)
Crisis Insurance	Control	Strategic Orchestrator	Sales Position	Facilitator
Social	Personal Similarity	Long-term Ally	Sales Person Sales Position	Customer Advocate
Ego-enhancement	Personal Similarity	Long-term Ally	Sales Person	Customer Advocate

In addition to the summarized literature at Table 1, Weitz and Bradford's (1999) 'partnering' roles of salespeople are similar, but they also add the role of *value creator*.

Having identified and discussed the nature of the relationship management role in a long-term business-to-business relationship context, this paper now introduces the customer-value hierarchy model.

The Customer Value Hierarchy Model
Woodruff and Gardial (1996) and Woodruff (1997) have developed a conceptual model of customer-perceived value based on means-end theory; the 'customer value hierarchy model'. The model at Figure 1 shows how attributes, consequences and desired end-states (goals) are linked together in a means-end model that ultimately allows the determination of customer-perceived or desired value.

Customers conceive of desired value in a means-end way (Woodruff 1997). Customers are motivated to achieve the goals they value by purchasing a given product/service based on specific product /service attributes sought and the consequential benefits and product/service value provided by the attributes; customers are considered goal-oriented and being, such, they seek the means that would enable them to achieve their ends (Mentzer, Rutner and Matsuno 1997). The model says that products and more specifically, *how products relate to customers*, can be represented by three levels: *attributes*, *consequences* and *desired end-states* (Woodruff and Gardial 1996); desired or perceived value is composed of preference for specific and measurable dimensions, the attributes, attribute performances and consequences linked to goals for use situations (Woodruff 1997). The levels become increasingly abstract with movement from the lower to the higher levels, as well as becoming increasingly relevant to the customer (Woodruff and Gardial 1996). Woodruff (1997) suggests that it is possible to take a 'top-down' or 'bottom-up' view of the hierarchy.

Figure 1:   The Customer Value Hierarchy Model

(Source: based on Woodruff and Gardial 1996:65 and Woodruff 1997:142)
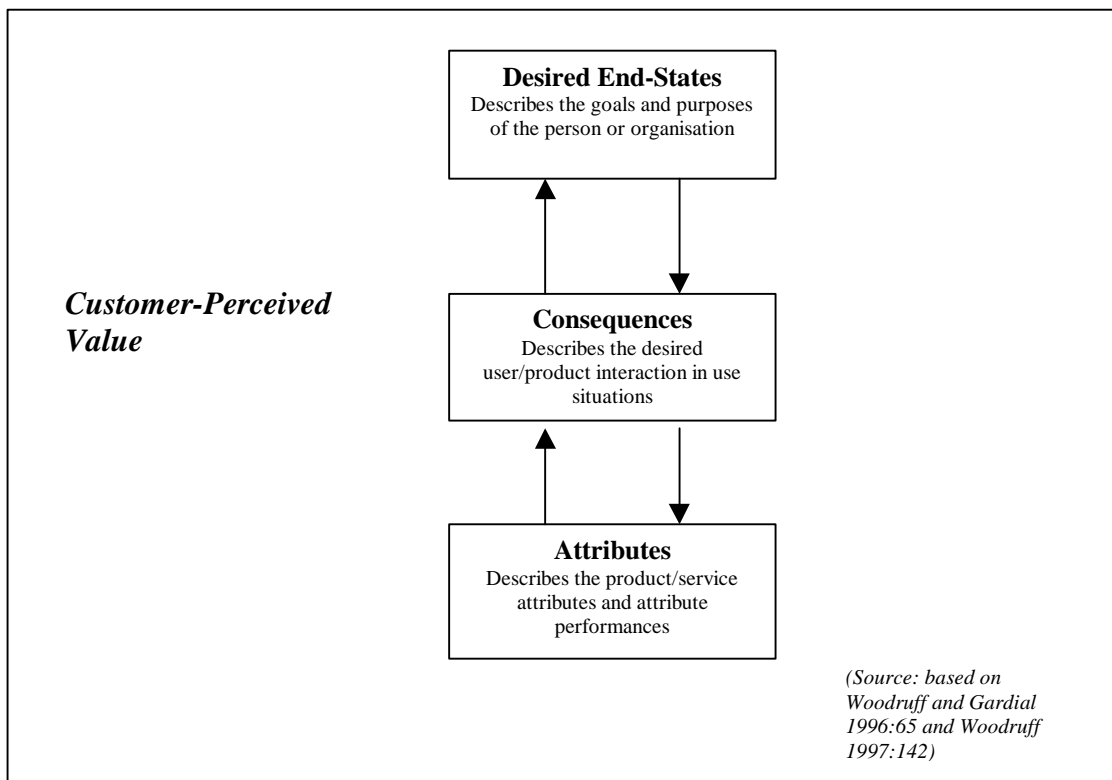
Starting at the bottom of the hierarchy customers learn to think about products as bundles of specific attributes and attribute performances; what the product/service is, its features, and its component parts or activities. Through purchase and use of the product they form desires or preferences for certain attributes based on their ability to facilitate achieving desired consequence experiences, reflected in value in-use and possession value, in the next level up in the hierarchy. Customers also learn to desire certain consequences acccording to their ability to help them achieve their goals and purposes at the highest level.

Starting at the top of the hierarchy, customers use goals and purposes to attach importance to consequences (Clemons and Woodruff 1992) which then guide customers when attaching importance to attributes and attribute performances. Customers seek attributes only as a means to achieve their already established desired benefits or consequences which are, in turn, determined by their already established values (Mentzer, Rutner and Matsuno 1997).

Attributes

Attributes are the physical characteristics, features or components of a product or service (Gutman 1982). Attributes are typically what would be mentioned if a customer was asked to describe a product or service, or arguably, the role of the relationship manager. They can also be thought of in the sense of the 'options' that are offered by a particular product/service (Woodruff and Gardial 1996). They tend to be defined objectively and there may be multiple attributes and bundlings of attributes that make up a particular product or service. Mentzer, Rutner and Matsuno (1997) argue that these attributes are used to describe the product/service by both customers and suppliers and are normally specific and tangible items. However, Grönroos (1997) and Christopher (1997) argue that it is more likely that attributes will be composed of intrinsic (hard) attributes and extrinsic (soft) attributes. Many supplier organisations' focus stops at the attribute level of the hierarchy (Woodruff and Gardial 1996) and it is at this level that customer satisfaction and other multi-attribute customer feedback systems generally focus. The hierarchy argues for looking beyond the so-called attribute-based buying criteria, with sellers learning about consequences in use situations that customers want (or want to avoid) and the goals to which those consequences lead (Woodruff 1997).

Consequences

Consequences are the outcomes experienced by the customer through consumption of the offering (Gutman 1982) and are the customer's more subjective considerations of the consequences (both positive and negative) that result from product use: what the product or service (and arguably the relationship manager) does for the user, the outcomes (desired and undesired) (Woodruff and Gardial 1996). The consequences of a product or service use can be both positive (benefits, desired outcomes, or realizations) or negative (sacrifices, costs and undesirable outcomes). They are more abstract in nature than attributes and while they can have a one-to-one correspondence with an attribute, a consequence can be the result of a combination of many attributes (Woodruff and Gardial 1996). Further, they are key in understanding why customers prefer certain attributes or attribute combinations over others; attributes are preferred because of their ability to deliver desired consequences or to avoid undesirable ones.

Desired End-States or Goals

Desired end-states are the user's core values, purposes and goals; the most basic and fundamental motivators of the individual, the buying centre or the organisation (Woodruff and Gardial 1996). They can be much broader than the specific purchase

context (Mentzer, Rutner and Matsuno 1997) and are relatively low in number compared to consequences and attributes; it is likely that many attributes will contribute to a few consequences, which in turn will satisfy a limited number of desired end-states or goals (Garver 1998). This is the highest level of abstraction. Means-end theory (see below) defines this most abstract level as including values that are deeply held and enduring beliefs (Gutman 1982). Woodruff and Gardial (1996) extend the definition to go beyond core values to include consumption goals or purposes that motivate the customer. These, they argue, represent a 'lower-order', consumption-specific set of concerns that are related specifically to the individual or organisation's role as a customer. The desired end-states of buying organisations might be hypothesised to include longevity, a sense of unity or community, customer responsiveness, quality or shareholder wealth. Stability is also a feature in the hierarchy and tends to increase at higher levels of the hierarchy with desired end-states displaying the most stability (Woodruff and Gardial 1996). Managers focused at the attribute level will always be chasing a target that is moving and changing very quickly bringing a short-term focus. Strategic goals, it is argued, are more stable and less apt to change so objectives can be focused for longer periods of time.

Desired end-states may be comprised of *individual (personal) (*Rokeach 1973)*, role-related* (Badovick and Beatty 1987), or *organisation-related* (Rokeach 1979) values/goals (Burns and Woodruff 1992) or arguably a mixture of two or more. Appropriate organisation-related goals might be adequate return on investments, excelling in customer service, developing long-term relationships, entrepreneurship, or providing oustanding quality (Flint, Woodruff and Gardial 1997; Garver 1998). Examples of role goals might be the achievement of departmental or functional goals, and examples of individual goals might be personal fulfilment, sense of accomplishment, respect and security. Desired end-states of business-to-business customers are likely to be a combination of all three (Flint, Woodruff and Gardial 1997).

Although there is little evidence of its application in the literature, with the exception of Mentzer, Rutner and Matsuno (1997) it is possible to use the customer value hierarchy in business-to-business situations (Woodruff and Gardial 1996).

The Theoretical Background: Means-End Theory
The customer value hierarchy is anchored in the means-end model of Gutman (1982) otherwise known as 'the means-end chain'. 'A means-end chain is a simple knowledge structure containing inter-connected meanings through which product attributes are seen as the means to an end, as satisfiers of personal values' (Baker and Jenkins 1993; Baker 1996). Embodied in the model is the concept of levels of abstraction; the lower level attributes (concrete) link with higher level consequences which, in turn, link with the highest level of 'values' (abstract) (Baker 1996). Although it is represented as the means-end *chain* it is a hierarchical model in that it links values that are the ends to basic feature components of products/brands representing the means (Gutman 1982). It was developed to understand buyer behaviour and decision processes through personal values (Baker 1996).

In the marketing literature, the model has has mostly been operationalised and applied in consumer research (eg Zeithaml 1988; Baker 1996). Baker (1996) mentions it being used in the development of advertising strategies and in the analysis of a number of markets eg medication, sparkling wines and ski-ing holidays perfume and cars. The theoretical basis of the model and the methodologies for operationalising it have also

been the subject of much academic interest (Reynolds and Gutman 1984; Reynolds and Gutman 1988; Gutman 1991).

It is possible to take a micro or a macro approach to values. The means-end model is part of the micro perspective on values research (Baker and Jenkins 1993). One important difference between the two perspectives is that the micro models allow both positive and negative values to be explored. This is a requirement for the customer value hierachy model as well. The micro perspective also requires qualitative methodological approaches.

Woodruff and Gardial have taken the means-end chain model and suggested it has broader applicability. They have also extended it by suggesting that it can be used not just to understand buyer behaviour and decision-making, but also to determine the strategic goals of individuals and organisations and to understand value in a use situation and not simply a purchase situation. There is no evidence in the literature to suggest that it could not be applied to other groups of customers such as services and business-to-business customers, or to suggest that it could not apply in an organisational setting as opposed to an individual setting. It is the intention, with this research project to use the means-end model in a business-to-business organisational setting, thus extending its application in the field of marketing and on the basis that it has been used successfully in a business-to-business supply chain setting (Mentzer, Rutner and Matsuno 1997). Means-end theory is the theoretical framework underpinning the proposed research.

Customer Value in Business-to-Business Markets
There are a handful of studies, in addition to those already discussed, which focus on customer value in business-to-business markets. Forbis and Mehta (1981) emphasized the aspect of the competitive environment in considering value by introducing the concept of '*economic value to the customer*' (EVC), which is the maximum amount a customer should be willing to pay, assuming that he is fully informed about the product, and the offerings of competitors. This is taking an economic focus on value which is akin to the early work on understanding value in terms of a trade-off between price and benefits (Christopher 1982).

Anderson, Jain and Chintagunta (1993) carried out an empirical study which looked at the state-of-the–art practices of 'customer value assessment' in business-to-business markets. Many of the assessment methods used by business-to-business organisations were simple such as 'importance ratings'. They found that conjoint or 'trade-off'analysis where customers trade-off sets of product attributes and benefits in terms of their preference, was judged to be the most successful. However, most of the present methods used by business-to-business organisations have difficulty in coping with the less tangible elements eg attitiude of customer service personnel and many are clearly multi-attribute methods. There is, therefore, scope for the development and refinement of more qualitative models for determining customer value in business-to-business markets.

Ghingold and Johnson (1997) found that vendors able to offer cutting-edge technological expertise relevant to customers' operations as part of their overall "bundled" offering add more value for customers than competitors emphasizing product supply alone. Customers are placing increasing emphasis on intangibles eg the 'services' that vendors provide in addition to their core products (Ghingold and Johnson 1997). Relationship managers are arguably part of the intangible service offering.

Finally, Wilson and Jantrania (1993, 1994) look at value creation in hybrid relationships exploring in depth the construct of value in a relationship. They suggest that the dimensions of 'relationship value' are *economic* (concurrent engineering, investments quality, value engineering and cost reduction, *strategic* (core competencies, strategic fit, time to market and goals) and *behavioural* (social bonding, trust and culture). Relationship managers are likely to be involved in all three dimensions in relation to the customer.

Relationship Management Roles in the Customer Value Creation and Delivery Process
The focus of the proposed research is to understand how those in relationship management roles enable or inhibit customer value as perceived by the customer. There is only one conceptual paper that specifically focuses on the role of the salesperson with respect to customer-perceived value (Garver and Gardial 1996) and this concentrates on building a taxonomy of the use situations. They make a number of propositions about when and where the salesperson can enhance customer value or deliver more value, including the proposition that as customer relationships move towards the 'committed' stage of the Dwyer, Schurr and Oh (1987) model they will deliver relatively more value, supporting the proposed research focus of exploring customer-perceived value in long-term business-to-business relationships.

In business-to-business markets the salesperson is seen as a key component in delivering value (Garver and Gardial 1996; Woodruff 1997) and the literature supports the importance of relationship managers in building and maintaining long-term relationships. If the shift in emphasis *is* to ensure on-going satisfaction after the sale (Levitt 1983), then in business-to-business markets those in relationship management roles are likely to be critical in providing services to business-to-business customers and in improving customer satisfaction and value which leads to stronger buyer-seller relationships (Burger and Cann 1995). While conceptual and empirical studies are few, there are references in the literature which support the notion of the part played by the relationship manager in the value-creation and delivery process in long-term relationships in business-to-business markets (see Weitz and Bradford 1999).

Back in 1978, Wilson argued that the buyer is attempting to secure a bundle of attributes both tangible and psychological from the seller and that these attributes may be related to the product, to the company and to the *saleperson*. More recently Wotruba (1996) said that 'a customer focus involves not only a proper understanding and anticipation of the customer's product or service needs but also what benefits and assistance can be provided to augment the total package of value supplied to the customer'. He argues that the salesperson will become the 'manager of customer value' with a responsibility for ascertaining the total package of value sought by each customer. The degree of satisfaction is determined by the total package of value received, but because many 'customers' are really multiple individuals in the buying organisation, multiple sets of expectations are not uncommon (Wotruba 1996). The inference of this is that the relationship manager has a role to play in managing the value expectations of a number of individuals in the customer organisation. Turnbull and Wilson (1989) have also argued that it is important to understand the factors that 'bond' you to key segments and customers as the basis for the careful management of relationships; salespeople and relationship managers are one of the major bonding factors.

Customer-perceived value follows from a successful and customer-oriented management of the resources relative to customer sacrifice. Grönroos 1997 points out that it is those in boundary who are creating value for customers. The inference is that the salesperson can have a direct impact on customer sacrifice (positive and negative) and by implication a positive or negative influence on customer-perceived value.

'Value selling' is argued by De Rose (1991) as a way of selling benefits from the customer's perspective and makes the point that value is perceived and acknowledged by the customer and that it is incumbent on business-to-business organisations to focus their products and services by becoming 'value sellers' in terms of what the customer values. From a practical perspective, salespeople can also create value by providing pre-purchase technical consulting advice support, access to product testing labs, customized solutions to a customer's unique needs and specialised knowledge or technical skills; a 'knowledge-based service added value' provided by the salesperson (Ghingold and Johnson 1997).

While not strictly about customer value, a few studies have also looked at how relational selling behaviours by salespeople can deliver dimensions of customer satisfaction and relationship quality (Crosby, Evans and Cowles 1990; Lagace, Dahlstrom and Gassenheimer 1991; Humphreys and Williams 1996; Boles, Barksdale and Johnson 1997; Stanforth and Lennon 1997) and have explored purchaser trust of salespeople (Swan et al 1988; Hawes, Mast and Swan 1989). If the salesperson is impacting eg customer satisfaction, then an assumption can be made that they will also impact customer value.

Conceptual Framework
The elements included in the conceptual framework at Figure 2 have been drawn from the literature review. While the relationship manager roles that emerge from the proposed empirical research with customers may turn out to be different from those

Figure 2: Conceptual Framework for the Research
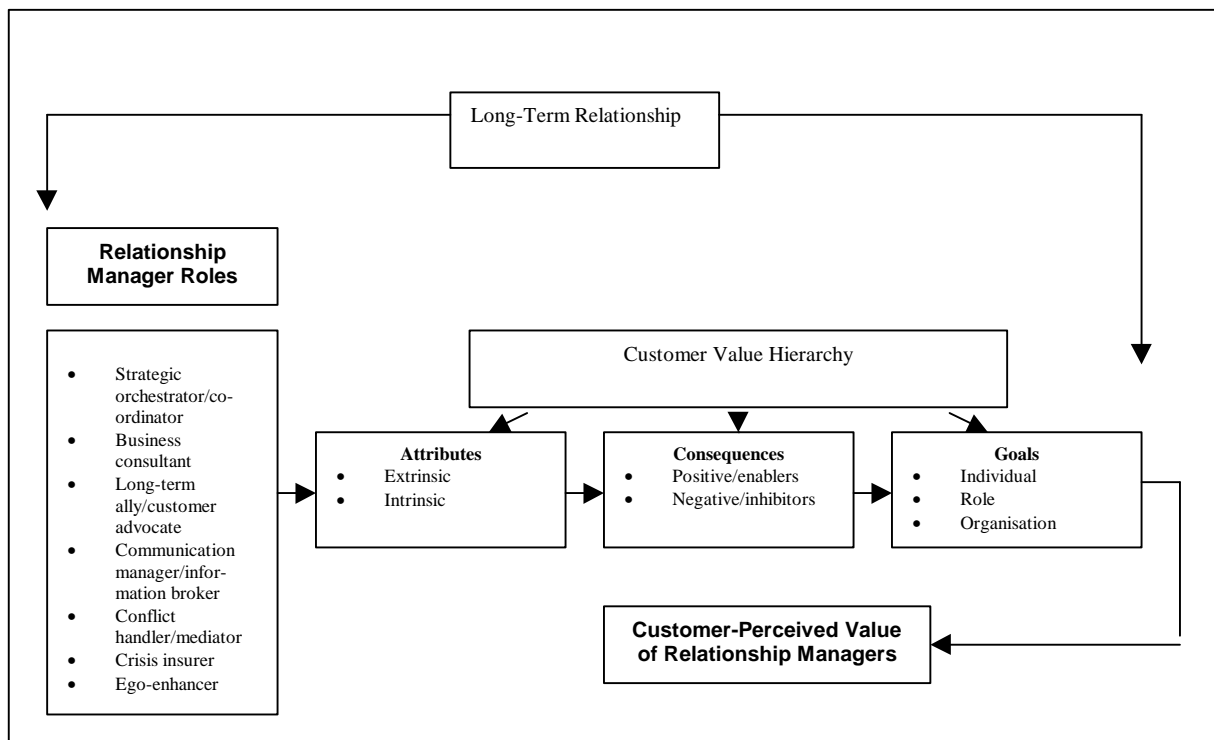
presented in the framework it is suggested that it is helpful to have an initial set of roles which are based in the literature. The conceptual framework shows the linkages between the relationship manager roles which it is posited contain extrinsic and intrinsic attributes and the consequences (the enablers and inhibitors). These in turn are linked to the goals (or desired end-states) which for customers in business-to-business markets are likely to be comprised of individual, role and organisational goals and values. In applying the customer value hierarchy through a means-end methodology and analysis the output should result in a greater understanding of customer-perceived value of relationship managers. The framework also defines long-term relationships as the focus of the proposed research.

Expected Contributions to Knowledge
Academic
It is proposed that the research will bring a greater understanding of how supplier 'relationship manager' attributes (as opposed to product and service attributes) deliver customer value, given the importance of these roles in the relationship between the buyer and seller. In this sense it will be contributing to, and extending customer value theory in terms of the role of offer components. It should also suggest the enabling and inhibiting attributes of relationship managers in delivering customer value. The research should also extend means-end theory through a) applying it in a long-term relationship setting and b) applying it a business-to-business context. It should also contribute to our understanding of the role of qualitative techniques to determine customer value as opposed to quantitative techniques eg customer satisfaction.

Practitioner
For managers, it should provide a greater understanding of the customer's perspective of the relationship management role and how these are related to the customer's goals. It should provide information that can help managers to choose, train and mentor those people who are likely to be most successful at building relationships in business-to-business markets. Further, it may contribute towards building a diagnostic tool for use by managers that progresses beyond current CSM measurement tools. It may also test a qualitative research approach that could be used by managers, and those in relationship management roles to assess customer-perceived value.

Concluding Comments
From the extensive review of the literature it is clear that there is a lack of research which focuses on a) relationship management roles as a component of the total product/service offering in relation to customer-perceived value and b) how the roles and behaviours of relationship managers can enable or inhibit customer-perceived value. Further, there are very few empirical studies that seek to understand the customer's perspective of the supplier's relationship manager roles or the customer's perspective of value, as opposed to the supplier's perspective of what *they* perceive the customer values. There is also scant research on how those in relationship manager roles enhance or impede the customer's organisational outcomes and goals.

Another key gap is the lack of application of a means-end model, such as the customer value hierarchy model, in business-to-business markets; so far only one study has empirically operationalised the customer value hierarchy model. There is also a gap in applying the model in a long-term post-purchase relationship setting as opposed to a purchase or transactional setting as evidenced in the consumer literature. Finally, from a broader perspective there are lot of gaps in understanding how relationships are

established, developed and maintained and how relationship marketing is operationalised at the buyer-seller interface.

This paper has introduced a proposed research project which aims at better understanding customer-perceived value of relationship managers in long-term business-to-business relationships. Based on a review of the appropriate literatures, a conceptual framework is proposed as a basis for the empirical stage of the research. This is a preliminary model which may change as a result of the empirical research. The theoretical background and underpinning for the research is the means-end chain and means-end theory. It is hoped that the proposed research will contribute to an understanding of the value of relationship management roles to the customer as well as extending means-end theory through its application in a long-term business-to-business context.

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