RELATIONSHIP MARKETING: PROVIDING OPPORTUNITIES AND BENEFITS FOR THE CONSTRUCTION INDUSTRY

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Abstract
Innovation and new knowledge often comes from an insight into associated areas of research or industry; relationship marketing has its roots in business and many industries have adopted a relationship approach to solicit work. An insight into marketing and in particular relationship marketing explains how construction firms can benefit from this approach in the medium and long term. A review of transactional marketing and relationship marketing is provided showing benefits that accrue to construction from a relationship approach through the project life cycle. Following this, a comparison is made between relationship marketing and alliance procurement that links the two. The research finds that whilst an alliance has many attributes that will provide a successful project outcome a relationship approach will enhance procurement in many ways. In seeking to provide an understanding between the project participants' relationship marketing enhances a long-term customer focus and assists in the attainment of organisational achievement.

Key words
Alliance procurement, Commitment, Co-operation, Performance, Relationship marketing, Satisfaction, Trust.

INTRODUCTION

It is widely acknowledged that traditional construction relationships are poor and characterised by their adversarial nature that encourages misalignments of objectives and indifferent attitudes to long-term relationships (Leavy, 1994; Lucas, 1997; Pascale and Sanders, 1997). This leads to client/client representative dissatisfaction, process inefficiencies and budget blow-outs in project cost, time and scope (NPWC/NBCC Joint Working Party, 1990; Latham, 1994). An examination of traditional procurement practices exemplified in the design then bid/tender then build (DBB) approach indicates that construction is overly concerned with price issues (Brook, 1993; James, 1995). This lowest-price focus also extends to design and other consultants involved in the construction project procurement process. In combination these issues prevent the client from receiving the full benefits of expertise and knowledge that can be offered by construction organisations (Kubal, 1994; Latham, 1994). In effect this traditional DBB environment provides little capacity for developing long term relationships that are crucial for reciprocal gain in construction (Kotler, 1994; Gronroos, 1995; Zeithaml and Bitner, 1996; Nickels and Wood, 1997; Kotler et al., 1998; Lovelock, Patterson and Walker, 1998). Alliance procurement methods aim to create a high-trust culture, good relationships and mutual gain in a similar fashion to relationship marketing (RM) by providing better quality interaction and dialogue between the client/client representative and the construction delivery team. Accordingly, this goes some way to address DBB procurement imbalance (Gray, 1983; Ferguson, 1989; Warne, 1994; Allen, 1995; Davis, 1996; Pascale and Sanders, 1997). However, an alliance is not always the best solution as it can be very expensive to set in place due to legal establishment costs, monitoring