



## A Review on Customer Intimacy and Its Theories

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June 4, 2022

## **A REVIEW ON CUSTOMER INTIMACY AND ITS THEORIES**

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### **ABSTRACT:**

Customer intimacy used to study the trend of customers and to match with the target. Michael Treacy and Fred Wiersema (1992) initiated the term “intimacy” which is related to customers. They researched about the market leadership ways which includes the operational excellence, customer intimacy and product leadership. Operational excellence was done by a company by providing reliable product with competitive price. And it talks about the production of a product from manufacture prospects. Product leadership means the company becoming a lead on the market by the specifications provided in its product. But the research leads to an another dimension from the customer view which is “customer intimacy”. Customer intimacy gives the behavioral trend of the customers also talks about the customer loyalty, customer relationship between the company and customer. This paper talks about the term “Customer intimacy” and discuss about it in detail.

**KEYWORDS:** Customer intimacy, Behavioral changes

### **INTRODUCTION:**

Nowadays, most of the organizations uses customer intimacy as business strategy. Generally, customer intimacy based on the customer needs and it analyses the company’s capacity to provide the needs of customers. At initial era, the companies didn’t give importance for customers, the concept they followed are different from ours. Because on those days, companies manufacture products and sell on the market. But for the time being the companies realizes customers are the backbones and revenues of the company. So they started to give importance to customers and the customer relationship management evolved. Intimacy is important because humans have close relationship with others. Intimacy exists in every relationships is usually something that is built over time. Long-term intimacy is a gradual process requires patience and communication. In general, intimacy is divided into four types are experimental intimacy, emotional intimacy, intellectual intimacy, and sexual intimacy. All these are involved in the marketing strategy. Intimacy mainly deals with the trust, vulnerability, communications, needs, and desires.

Forrester Research says that customer intimacy is the competitive advantage in to sustain in the market with the engagement of customers. In such a dynamic and modern business environment, customer expectations and their needs are continuously evolving, it become challenge for business. Michael Treacy says customer intimacy as, the strategy or value which knows and connects with the customers emotionally and helps the firm to create a separate strategy for every group of customers. So that the firm will meet the needs and wants of a customer. Companies uses the customer intimacy to add the details of customer knowledge and operational flexibility from the firm’s side so that they can make a quick analysis to provide customized product also as per the customer needs which will fulfill the customers’ expectation. Customer intimacy, is the ability to increase the loyal customers by making communication strategies which is also used to build a long – term relationship with the customer.

## LITERATURE REVIEW:

Churchill, G.A (1979) was the one who initiated the customer based market. He developed the marketing constructs and it says the customer relation is most important construct by his research. Berry L.L (1983) mentioned the customer relationship between organization and customers are getting emerge and also it will become main perspective in future.

Baron, S and Kenny, D.A. (1986) they researched about psychological factors in the social relationships. Crosby, L.A., Evans, K.R. and Cowels, D (1990) talks about the customer relationships on the service marketing.

Micheal Treacy and Fred Wiersema (1993) talks about the value disciplines of the market leadership. They give three values which are operational excellence, customer intimacy and product leadership. For sustain as the lead in the market they suggest the customer intimacy as a solution.

Doney, P.M. and cannon, J.P (1997) examines the behavioral changes in the buyer – seller relationship by measuring their trust and novelty. Fournier, S., Dobscha, S. and Mick, D.G. (1998) says how to avoid the death of relationships in selling and marketing between organizations and their customers.

DeWulf, K., Odekerken – Schroder, g. and Iacobucci, D (2001) initiated that investments are required to maintain the customer and relation they are having with the companies in a marketing field. Henning – Thureau, T., Gwinner, K.P. and Gremler, D.D. (2002) talks the outcome of marketing by the relationship of customers towards the organization.

MT Akcura, K Srinivasan (2005) gives a research note on customer intimacy and cross – selling strategy. Increasing role of intimacy has created challenges in a new way in obtaining customer information. Those information helps firm for increasing revenues by cross – selling opportunities.

Seiders, K., Voss, G.B., Grewel, D. and Godfrey, A.L. (2005) examines the influencing factors of customers in a retailing market and also talks the characters which are helps to buy from an organization's product in a continuous mode and the customer trust, loyalty and value towards the product.

Palmatier, R.W., Dant, R.P., Grewal, D. and Evans, K.R. (2006) discuss about the factors which are influencing the relationship marketing and its effectiveness towards the customers. Palmatier, R.W., Dant, R.P., Grewal, D. and Evans, K.R. (2008) further talks about the customer values and the effectiveness of firm in those values.

Yim, C.K. (Bennett), Tse, D.K. and Chan, K.W. (2008) gives the customer intimacy in another dimension which is customer intimacy can be used as strategy to develop customer relationship management, mainly on the customer loyalty towards the firm.

J Ahn, J Ock, H Greene, T Rho (2014) examines the friendship role in relationship marketing attributes which are customer loyalty, customer commitment, and contribution to relationship outcomes.

A de Waal, B van der Heijden (2016) analyze the customer loyalty and customer intimacy by improving the employees' behavior in an organization. They mainly concentrate on the B2B services.

M Tabrani, M Amin, A Nizam (2018) tests the customer intimacy in Islamic banking relationship through the loyalty of a customer, commitment towards a bank and trust. The mediation of customer intimacy between the customer loyalty and trust are measured.

L Nora (2019) towards the understanding of a customer trust, customer’s knowledge on customer intimacy and religious commitment towards the repurchase intention and its influential impact on the relational commitment.

D mulia, H Usman, NB Parwanto (2020) discussing about the customer intimacy role in service marketing which is banking and e-banking sector and by adding the technology acceptance model.

**DEFINITION:**

Customer intimacy is a marketing strategy where product supplier or a service provider get closer to the customer to understand their wants and needs better. By the usage of customer intimacy new product development ideas will be more relevant to the expectations of a customer.

Author	Definition
Brock and Zhou (2012)	“Customer intimacy as a customer’s perception of having a very close and mutual understanding relationship between buyers and suppliers”.
Bauminger (2008)	“Customer intimacy is defined as a multidimensional construct consisting of closeness, value perception, and mutual understanding. Closeness reflects feelings of mutual empathy, commitment, affective bonding and a sense of security in the relationship”.
Ballou (2006)	“making customers feel good whenever they make contact with your company”.
Treacy (1993)	“segmenting and targeting markets precisely and the tailoring offerings to match exactly the demands of those niches”.

## IMPORTANCE OF CUSTOMER INTIMACY:

One of the most crucial aspects of business throughout the history of business is customer relationship. The customer loyalty, trust, commitment and communications can be built through the customer intimacy.

1. Strongest way to connect with the customers. Customer intimacy develops and connect with emotions of customers towards the firm. It involves the emotions of customers which are anger, disgust, fear, joy, neutral, sadness, and surprise. Development of this type of bonding gives the business to new level of success.
2. Customer intimacy is not only used to deal with existing customers it also used to deal with new customers. This helps in focusing on each and every customer separately.
3. Customer intimacy is important to maintain or obtain the customer relationship management system. Through the customer intimacy the firm can develop a proper system to maintain the customers.
4. By the customer intimacy as strategy, a firm can make every details of a customer so that it can group customers by various factors. This action can also be used in manufacturing of a product and service by which the opinions, expectations and suggestions of a customer.
5. By dealing with customers the product will satisfy expectations of a customer, this will increase the profit and revenues of a business.
6. Details of each and every customer are kept in a centralized available at any time. So that the process time will reduce and productivity will increase.
7. If the customer got satisfied they will always be loyal to the firm and will remain in business forever and will gain the customers also retains the old customers too and it will increase the net growth of business.

## IMPLEMENTING A CUSTOMER INTIMACY:

The execution of customer intimacy takes more support and investment and the firm has to stick with the strategy until the investments become revenues. Customer intimacy model requires complete committed executive team with the strategy and have to make investments when they require. For the execution of customer intimacy different management structure and decision – making authority is required.

1. Organizational structure: The structure of organization must be a flat management structure because the ground staffs are the one who is having the direct contact with the customers and they are executing the customer intimacy strategy for the firm, and also the decision – making authority should be given to the ground people of the organization who has direct contact with the customers.
2. People of organization: The organization's people are the most important asset of the firm because they are the heart and soul of a company. The people should follow the executive team's opinions and stick to the firm's rules for the execution of customer intimacy strategy. They should be creative thinkers who thinks out-of-the-box also should highly motivated employees. They should satisfy the customer service and commitment towards quality.
3. Product or Service of the organization: For the execution of customer intimacy the marketing strategy should be narrow market strategy to follow up the customer thoughts and can compete with the competitors by challenging them in the market. The product or service must be in a well-defined manner. So that only customers satisfy with the product along with their expectations.

4. **Client Understanding:** A customer intimacy strategy deals with the customers in a direct way so a firm should keep the details of every customer in its fingertips. The customers can divide into groups then only the firm can meet the expectations of the customer by its product or service. Also understanding of current market is more important to deliver a good quality and satisfactory product to meet the expectations of a customer.
5. **Brand Equity:** Customer Intimacy cannot be achieved in a short time period. It deals with the long term relationship with the customers. It requires constant presence and workforce by the executive team of a firm. Even though your cost of sales goes down you have to wait to achieve the customers' trust then only the brand equity can be build. The focus should be on problem solving and providing real-value service in a long – term. Building a brand equity results strong market reputation among customers. The brand equity is related to intimacy in this strategy, so the new customers will engage too.
6. **Team based approach:** Customer intimacy requires solution-based selling model. This method requires a sales team who doesn't look a customer as a revenue or paycheck and the service team who doesn't look a customer as a complaint box. They should be focusing on giving measurable results and high competent. The team approach should be more efficient while executing the customer intimacy strategy.

The customer intimacy strategy is a win – win for both customers and company by building relationships with each other. Both side parties want to know the other in every projects. The customer intimacy will have built the trust of customers for the company and also develop a loyal customer for the firm. The adoption of customer intimacy will give long – term relationships and value – based relationships. In addition, the company will get long – term customers and will gain more new customers, will increase the revenue.

#### LIMITATIONS OF CUSTOMER INTIMACY:

Every marketing strategy has its own limitations. Here are some limitations of customer intimacy strategy.

1. **Concentrated commitment:** The organization which executes the customer intimacy requires a concentrated commitment towards the strategy which is not done in a short period of time. It needs more commitment of people of organization.
2. **Organization structure:** The structure of the organization should be changed for the execution of this strategy. Also creates problem among the hierarchy of the organization will occur.
3. **Expensive:** It can be expensive since it requires more investments because it built a long – term relationships between customer and a company. It requires more time for the execution and cultivation of revenue it add the expensive.
4. **Customers:** By having direct connection with the customers will backfire sometimes. Because the company cannot offer one hundred percent service to their customers. If the service fails, sometimes the customer may spread badmouth or negative information about the product and the company in the social media.
5. **Competitors:** Having direct relationships with customer and openly talking about the product which they are going to provide for the customers in the market will lead competitors to steal the idea of one company. Because competitors in the market are watching.

## CONCLUSION:

Customer intimacy is a strategy which is for building long – term and close relationship with the customers by adopting or making products to meet the customer expectations. To get succeed in the market every company must do a competitive strategy. The author concludes the study by saying, the customer intimacy strategy is more suitable for the B2B companies and for the service oriented companies. Because if a company which is making a product and taking a decision based on the ground customers it will be a struggle for a company to keep up the growing and continuously changing demands of every customer. So most of the time this customer intimacy will suit for B2B customers.

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