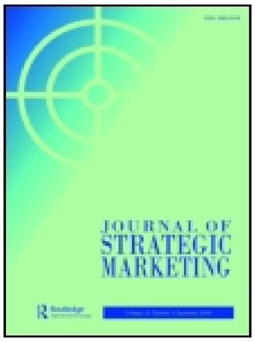

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Barriers to implementing relationship marketing: analysing the internal market-place

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The emergence of relationship marketing and relational selling has underlined the importance of diverse parties in implementation – the 'part-time marketers', the 'five markets', the 'stakeholder' groups and so on. However, it is suggested here that the degree of organizational change required to implement a relationship marketing strategy successfully may have been commonly underestimated. This paper examines the particular issue of customer satisfaction measurement (CSM) as a management tool in monitoring performance in developing productive customer relationships and highlights the problem of managing employee satisfaction alongside customer satisfaction, i.e. relationship in the internal and external markets. Case evidence illustrates the potential leverage in implementing relationship strategies by successful management of this interface, while survey evidence underlines the potential barriers to implementation from this same interface. A number of important implications are identified for managers and researchers.

KEYWORDS: Relationship marketing; barriers; implementation; strategies; internal market-place

INTRODUCTION

The important 'paradigm shift' in marketing and business strategy from a transaction focus to a relationship focus (e.g. Webster, 1992; Gronroos, 1994) has been accompanied by a broadening perspective regarding the parties whose behaviour is involved in shaping and implementing relationship-based strategies. Gummesson (1990) used the term 'part-time marketers' to describe the customer-impacting role of such diverse organizational participants, while Christopher *et al.* (1991) proposed a 'six markets' model identifying a range of market-places in which strategy is both developed and implemented. More general advocates have proposed a 'stakeholder' theorem (e.g. Royal Society of Arts, 1995) to represent the variety of interests to be satisfied and the 'balanced score card' promises to operationalize the assessment of performance in multiple areas (Kaplan and Norton, 1996).

At a general level, the issue may be described in terms of the management problem of designing and managing the 'process of going to market' (Piercy, 1997) in ways which transcend traditional functional and organizational boundaries. More particularly, some attention has been devoted to 'internal marketing' and the 'internal market' comprising

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organizational participants whose involvement and support is a requirement for successful and effective strategy implementation (Piercy and Morgan, 1991).

This suggests some consensus in the straightforward proposition that organizational participants such as operational employees in various functions and non-marketing managers may play a critical role in the implementation of relationship-based marketing strategies.

However, there has been relatively little consideration of the ways in which that internal market may also provide a critical source of implementation barriers for relationship marketing strategies. The risk inherent in ignoring these potential barriers is that relationship marketing strategies will achieve only short-term or superficial changes, rather than the more fundamental change in organizational practices suggested by a paradigm shift.

For purposes of exposition, this issue is addressed in the following way. First, some consideration is given to the question of implementation as a counterpart to strategy formulation, to suggest the nature of the problems to be identified in companies pursuing relationship-based strategies and particularly the notion of 'stretch'. Second, the findings of a study of the process of customer satisfaction measurement (CSM) and the effects of the use of such measurements in British companies underline the linkage between customer satisfaction and employee issues. Together with case evidence, these findings provide a basis for identifying barriers to the implementation of relationship marketing strategies more generally. Lastly, it is possible to identify a number of implications of this argument both for research directions and for managers involved in developing and implementing relationship marketing strategies.

THE IMPLEMENTATION ISSUE IN MARKETING STRATEGY

Implementation versus strategy

Traditionally, implementation has been regarded as what follows after new market strategies have been created, plans have been written, approval has been obtained and what remains is simply a matter of telling people what to do and waiting for the results to happen. In this sense implementation is seen as the logistics of getting things organized. In such a view of implementation the following issues predominate.

(1) Focus on developing the organizational arrangements needed for the new strategy – allocating responsibilities across departments and units and maybe creating new organizational structures where necessary.
(2) Allocating resources in the form of budgets and headcount to support the activities underpinning the strategy to the appropriate parts of the organization.
(3) Producing 'action lists' and 'action plans' to identify people's tactical responsibilities.
(4) Developing control systems to monitor outcome performance in sales, market share, profit and so on, to evaluate the success of the strategy and to take remedial action if things are not proceeding to plan.

There are some substantial problems in approaching implementation in this way. First, it is illogical to plan strategies that are not firmly rooted in the organization's capabilities and yet we seem frequently to design planning systems to do precisely this. Second, organizational structure and resource allocation are important, but on their own they are very weak and usually very slow approaches to the organizational change inherent in many new marketing strategies. Third, outcomes such as sales, market share and profit may be the goals, but the driver of these outcomes is likely to be the behaviour of people in the organization who impact on what the customer receives in service and quality, which suggests the need to focus on the behaviour not just the outcomes (e.g. Piercy *et al.*, 1998).

Organizational processes which treat implementation as an afterthought when the real work of generating innovative strategies and writing strategic plans has been done are counter-productive for a number of reasons. The 'dichotomy' between strategy formulation and implementation that exists in many organizations is fraught with dangers.

(1) It ignores or underestimates the potential link between market strategy and a company's unique implementation capabilities and weaknesses – strategies should logically exploit core capabilities and competencies and avoid dependence on the skills and resources where competitors have superiority.
(2) It encourages a weak linkage between strategy plans and operating plans – strategies which cut across operating plans and budgets and do not fit departmental plans are likely to be ignored and undervalued inside the organization.
(3) It ignores the hidden but often highly significant 'inner workings' of the organization – the culture and how it shapes people's behaviour, boundaries between functions, regions and organizational interest groups which may provide barriers to communication and cooperation and the role of the powerful and influential in the organization.
(4) It may prevent a company from ever exploiting 'time-based' market strategies or from realizing first-mover or pioneer advantages in a market – traditional approaches to implementation are too slow and cumbersome to support fast change in market strategy. For example, in markets where the most important competitive advantage comes from the company's ability to execute effectively a succession of appropriate but increasingly short-lived strategic initiatives (for example, as Canon has done in bringing new computer equipment to market), then traditional approaches to planning and strategy and implementation may provide an insurmountable barrier to market success.
(5) It ignores the practical problems of understanding the real capabilities and practical problems faced as a company moves into operating through a network of collaborations and strategic alliances with other companies (Piercy, 1998).

The traditional separation of strategy from implementation in processes may itself be the source of many implementation problems. Traditional approaches do little to address or overcome these self-induced barriers to change. Quite simply, we need better ways of integrating strategy and implementation.

In fact, there are many examples of market strategies that fail, not because they are weak strategies, but because they fail other tests. Jobber (1996) suggested the underlying reasons are as follows.

(1) They do not fit with an organization's culture and the people do not support them and make them effective.
(2) They are not supported by key management players, perhaps because they involve unwelcome change or because they compete with other projects for resources.
(3) They do not fit existing planning and budgeting systems and so 'fall in the cracks' and fail to become formally recognized in the company or to get the resources they need.
(4) They do not sit well on the existing organization structure of departments and units, so are neglected or given only lip-service and fail through lack of ownership.

These types of problem are unlikely to be solved through management advocacy, presentations, internal communications to tell people the way things should be done or management sabre-rattling. They are unlikely to be overcome by tighter control systems and budgeting or reorganization. These are the types of barriers that drive us to look more closely at the implementation issue.

The degree of stretch

Notwithstanding the importance of matching strategy to differentiating capabilities, the unavoidable consequence of market change is that a company may have to reposition to survive in a market in ways which require new capabilities. The move from transaction-based to relationship-based marketing strategies is a defining example of this problem for some companies. The inevitable consequence of market reality is that strategies do not stay appropriate for ever and yet the new approaches required may fit poorly with traditional competencies and capabilities. The implementation issue may change because of the degree of stretch we are asking from people in the company.

For example, consider the managerial model in Fig. 1. The judgement made here is likely to be highly indicative of the type of implementation barriers faced and the approaches needed to develop an effective implementation strategy.

Where marketing strategy is essentially a continuation of past approaches – i.e. 'conventional strategies' – it follows there is probably going to be a good fit with the company's capabilities and relatively few new implementation problems are likely. An example of this type of strategy from the retail sector is the development of growth from increased market share through sales promotion, new product launches, price positioning and so on. The implementation tasks here are probably mainly concerned with conventional approaches such as action planning, resource allocation, internal communications and the day-to-day leadership skills of line management.

On the other hand, look at the case of 'synergistic strategies'. This is where new marketing

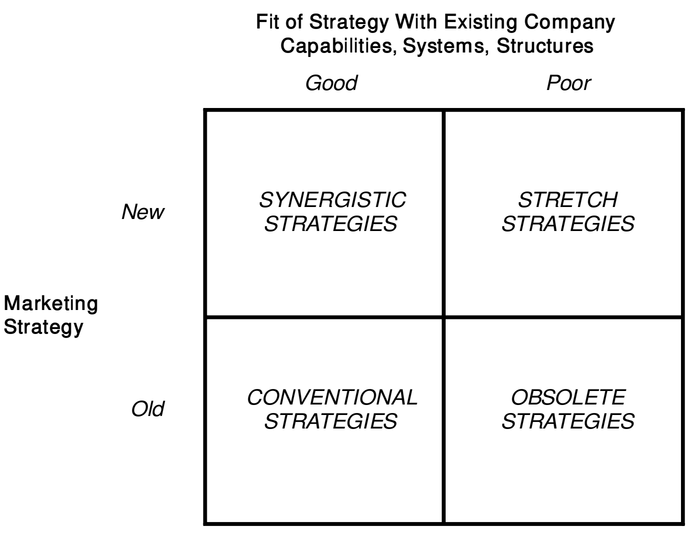

FIGURE 1. Strategic stretch.

strategies have been developed to achieve the goals sought in the external market, but they are designed around existing company capabilities and systems. The company may be doing new things – but they are the things its people know how to do and have the resources to do. An example from the retail sector is the move of major players such as Sainsbury and Tesco into petrol retailing – entry into a totally different product market but based on existing customer franchise and retailing skills. Implementation strategy may be about no more than resource acquisition, action planning and internal communications, so that managers understand the new strategies.

However, where plans and strategies are relatively conventional for the company, but have a poor fit with company capabilities, systems and structures – possibly key people have left, the company has been left behind by the competition or the market has changed in its requirements – then the company is left attempting to drive 'obsolete strategies', which are familiar but no longer appropriate to the company. A classic example was the determination of Encyclopaedia Britannica to continue selling books through direct selling, when the market was moving to CD-ROM for this type of publication. The problems then are surviving the short-term, but developing new strategies as quickly as possible to cope with new realities.

This leads to the case of 'stretch strategies' – the new things a company needs to do to perform in the external market-place, but which are unfamiliar and currently do not fit well with the company's capabilities and systems. An example of this type of strategy is provided by the move of computer companies from selling technology to the relationship-based marketing of solutions to customer problems, involving huge changes in culture and priorities. These strategies may be the only route to market-place success – but only if the company can execute them effectively. In this situation, the key issues may be developing organizational learning capabilities and changing internal systems and structures to implement the strategy, but also developing a programme of organizational change and ultimately managing the processes of strategy building to win commitment and support for new strategies.

Illustrative of the degree of change that may be required are developments such as the following.

(1) In 1993, Elida Gibbs (now Elida-Faberge), the Unilever-owned toiletries company, radically revised marketing structures to facilitate stronger relationships with retailers as well as a more focused value proposition to consumers. The company divided the traditional brand manager role into three and abandoned the position of marketing director. The goal was to separate operational/tactical marketing activities from long-term brand strategy through three centres of expertise: one for the consumer/brand, one for the category and one for the retailer/customer. Category managers have the role of strengthening the relationship with sales as well as operational marketing to retailers, while the sales director and marketing director roles have been replaced by customer development and brand development posts.

(2) As part of its approach to building close relationships with retailers as supply chain partners in the Efficient Consumer Response programme, Proctor and Gamble has replaced its conventional sales organization with customer business development.

(3) In 1997, IBM announced a new process-based structure, in which most marketing activities are embedded in a global initiative called customer relationship management. Traditional functions are replaced by core processes, such as market management (segment identification and targeting), relationship management (interactions with existing customers), opportunity management (locating an 'owner' for new opportu-

nities), offering information (managing intelligence and experience learning), solution, design and delivery, customer satisfaction management and message management.

In such cases, it would be premature to judge the success of the organizational changes in question. They are suggestive of major corporations undertaking radical and substantial organizational changes to develop the capabilities needed to sustain relationship-based strategies.

Insight into the implementation problems which may be faced in relationship-based approaches to marketing strategy may be enhanced by taking a specific issue. Relationship marketing strategies generally share a focus on customer satisfaction to build retention and secure earnings from an enduring customer relationship and for many companies the visible manifestation of this is the measurement of customer satisfaction and the use of these data as a management tool. Understanding the barriers to the effective use of this management approach may have more general interest in the broader question of implementing relationship-based marketing strategies.

CUSTOMER SATISFACTION AND EMPLOYEE SATISFACTION

One conventional way of listening to customers to build stronger relationships is CSM. For example, in business-to-business marketing the H. R. Challey Group (1997) described how ‘world-class sales organizations’ have developed direct customer feedback to make the customer the driver of strategy, by measuring customer satisfaction, evaluating pre- and post-sales contacts to prove superior value to the customer, evaluating the total customer relationship to improve processes, reinforcing the customer relationship and developing the criteria for performance-based rewards.

Indeed, leading company examples are suggestive of the leverage in changing company processes to enhance customer value and satisfaction.

(1) Avis Europe has achieved substantial success with a management approach based on measuring and managing customer satisfaction and employee satisfaction in parallel and has made substantial changes in its internal processes and structures to deploy employees focused on customer satisfaction and problem solving at the point of sale.
(2) In the health insurance business CIGNA has turned around a traditional insurance company into a profitable health care provider by a major cultural shift driven by teams dedicated to customer service and customer satisfaction, using team-based approaches and a major process re-engineering programme.
(3) British Airways was rebuilt from a moribund state-owned enterprise into a profitable international airline by redefining standards of customer service and managing employee satisfaction as a driver of customer satisfaction. Interestingly, British Airways publishes its internal ‘climate’ surveys with employee evaluations. In 1994, these surveys showed a downturn for the first time, with employees feeling alienated from management. By 1997, British Airways faced a summer of industrial action, City claims that its service differentiation had eroded and a failed partnership with USAir leaving no US alliance in place for 1998.

However, notwithstanding the importance of such examples, a neglected issue in customer satisfaction management is how managers use customer satisfaction data and the negative effects which may be produced by inappropriate management behaviour.

One source of insight into what happens in companies that measure customer satisfaction comes from exploratory workshop discussions held with managers. Simply looking at the themes emerging from what managers say about CSM raises some very serious concerns about what effects are achieved. The themes emerging from those discussions are as follows.

(1) Companies which trivialize CSM – many say that in practice CSM becomes a superficial and trivial activity, which is significant only at the customer service level. They suggest that CSM is not related to market strategies and strategic change in their companies, but rather is about monitoring customer service operations and responding to customer complaints (sometimes quite disproportionately and inappropriately).
(2) CSM and interdepartmental power struggles – some executives describe CSM as little more than a weapon used in the power struggles between functional areas, in attempts to 'prove' to management that other departments are responsible for losing market share and declining customer satisfaction.
(3) The politics of CSM – others describe CSM as characterized by gaming behaviour by company personnel to 'beat' the system, and to avoid being 'blamed' for customer complaints – often resulting in behaviour not anticipated by management and not supportive to customer satisfaction polices and market strategies, for example sales and distribution personnel giving price and service concessions to customers simply to win 'brownie' points in the CSM system. Others describe CSM as a 'popularity poll' for the salesforce, where 'popularity' is rewarded and 'unpopularity' is penalized.
(4) CSM as management control – some see the implementation of CSM in a negative way, as a crude control device used by management to police the lower levels of the organization and allocate 'blame' for customer complaints. Others describe CSM systems as wholly negative and focused on criticism, with no balance of positive feedback or praise for what is good. In some cases, the data are seen only by management and only 'conclusions' communicated to employees – often in a negative and critical way. Others see CSM as a crude attempt by management to coerce employees to change their behaviour in the ways desired by customers (or at least the desire of those customers who have complained most recently and most vociferously).
(5) The isolation of CSM – many executives talk about situations where CSM data are collected and stored but not disseminated in the organization. For example, in some cases CSM information is collected by the marketing department but not shared with the production or even the quality functions.
(6) Poorly diffused CSM – in some cases people describe a general lack of acceptance of CSM. For example, in one high-tech company a monthly management information report is circulated with sales, profit and customer satisfaction results summarized for the use of all senior managers. The executive responsible described how every month there were queries and arguments and protests about the accuracy and validity of the sales and profit figures, but no one had ever questioned the customer satisfaction data – they simply did not matter to managers. Another company described how they knew that distributors completed customer satisfaction questionnaires themselves, because they did not see the point of the exercise and did not want to 'bother' their customers.

It would be unwise to claim that these findings have any general representativeness, since they reflect only exploratory discussions with executives. However, they do appear to offer some novel insights into the reality of the operation of CSM systems in organizations, which are largely ignored by conventional approaches.

These exploratory discussions led to a survey of several hundred British companies using CSM. The results of the survey are summarized in Fig. 2, which shows the managerial uses of CSM, the internal processual barriers found and the market strategies managers identified.

(1) Managerial uses of CSM – managers were asked to evaluate the degree of use of CSM in a number of decision-making areas, which were reduced by factor analysis to the use of CSM in the following sectors.
   (i) Quality/operations management, which linked the use of customer satisfaction data to monitor and manage quality, guide R&D and manage production.
   (ii) Staff pay and promotions, which linked pay and promotion decisions for operational and management staff.
   (iii) Staff training and evaluation, which linked the training and evaluation of both operational and managerial staff.
   (iv) Strategic management control, which linked the development of company-wide strategy, control of the business and the management of customer service and marketing programmes.
(2) Internal processual barriers – the central issue in the study related to the characteristics of the CSM process in terms of the perceived beliefs and attitudes of the people involved and the organizational context provided by the company in question and its management. A list of statements were evaluated by respondents and their responses factor analysed to produce the following structure.
   (i) Internal politics: CSM is believed to generate internal conflict and political squabbles, produce a 'hostage to fortune', bring about increased management control, make areas of customer complaint politically sensitive in the company, undermine management and allow people to cheat in the customer satisfaction system.
   (ii) Market simplification: word-of-mouth recommendation by customers is believed to

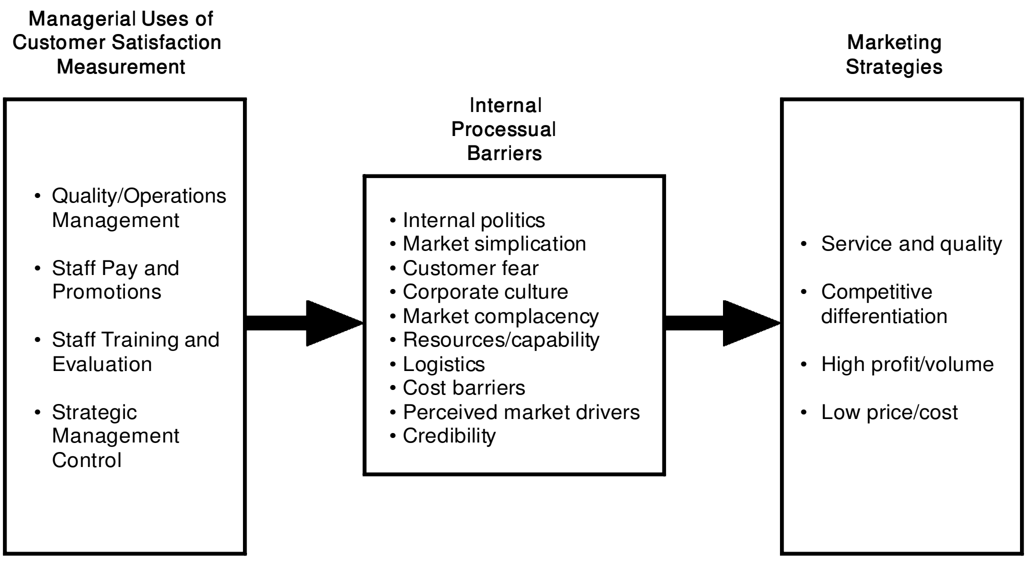

FIGURE 2. Customer satisfaction measurement process.

be unimportant, customer loyalty is thought to be non-existent, repeat sales is not thought to matter, the company is not believed to be a service and quality provider, the company cannot change to respond to complaints and people do not believe that customer satisfaction matters.

(iii) Customer fear: if asked about satisfaction customers think something is wrong, asking about customer satisfaction reduces satisfaction, it raises unrealistic customer expectations, it invites unwelcome complaints and it is badly received by people in the company.

(iv) Corporate culture: a lack of management support for CSM, a perception that CSM is not appropriate to the company or the market, a lack of attention to the results, a lack of a customer service policy and a low priority for CSM.

(v) Market complacency: beliefs that the company already knows what matters in the market and what customers think, the belief that what matters is having the best product and CSM is believed to be difficult and to invite unwarranted criticisms from customers.

(vi) Resources/Capability: CSM makes excessive demands on technical expertise, systems, people and time.

(vii) Logistics: beliefs that identifying the real customer is problematic and that it is a role for the distributor not the manufacturer.

(viii) Cost barriers: links the finance and expense implications of CSM.

(ix) Perceived market drivers: links beliefs that the market is driven only by technical specifications and price.

(x) Credibility: people do not believe the results of CSM.

(3) Market strategies – respondents were asked to prioritize their market strategies and factor analysis revealed the following imperatives.

(i) Service and quality linked goals of achieving the highest perceived quality in the market, providing excellent customer service and achieving high buyer loyalty.

(ii) Competitive differentiation, linked issues of managing distribution networks, building brand image and differentiation by design and technical specifications.

(iii) High profit/volume linked goals of sales growth, higher market share and improved profitability.

(iv) Low price/cost linked strategies of being price competitive and minimizing market costs.

This model suggests the need to think about a hidden management agenda to be addressed by executives in organizations adopting and using CSM approaches. Conventionally, the agenda is concerned primarily with data collection, measurement techniques and reporting formats. Our findings suggest that, to realize the promises of CSM, this approach is inadequate.

First, the findings from the workshops and the survey underline the need for clarity regarding customer service policies and customer satisfaction targets in building enhanced customer relationships. It is not enough to pay lip-service to these ideals and to expect success in attaining them. The starting point must be to identify what has to be achieved in customer satisfaction to implement specific market strategies and to position the company against the competition in a specific market. It is unlikely that achieving what is wanted will be free. There is a need to take a realistic view of the time needed and the real costs of implementation.

Second, the internal processual barriers uncovered here suggest the need to consider both the internal and external markets' view in implementing CSM and customer service management. To ignore the internal market is to risk actually damaging the company's capacity to achieve and improve customer satisfaction in the external market. If, for example, management uses customer satisfaction data in a negative and coercive way, then it may reduce employee enthusiasm for customer service or create 'game-playing' behaviour where people compete for 'brownie points' in the systems, at the expense both of the company and the customer. This said, we also have to recognize not just the complementarity between internal and external markets, but the potential for conflict of interest. Achieving target levels of customer service and satisfaction may require managers and employees to change the way they do things and to make sacrifices they do not want to make. This may take more than simple advocacy or management threat.

Third and related to the above argument, recognizing the internal market suggests that there may be a need for a structured and planned internal marketing programme to achieve the effective implementation of CSM and customer satisfaction management. This has been described elsewhere as 'marketing our customers to our employees' (Piercy 1995) and can be built into the implementation process to address the needs of the internal customer and to confront the types of internal processual barrier we have encountered.

Fourth and also related to the recognition of the internal market, is the need to question the relationship between internal and external customer satisfaction. This was discussed with one company using the structure shown in Fig. 3. This suggests four possible scenarios that result when internal and external customer satisfaction are compared.

(1) Synergy, which is what we hope for when internal and external customer satisfactions are high and we see them as sustainable and self-regenerating. As one hotel manager explained, 'I know that we are winning on customer service when my operational staff come to me and complain about how I am getting in their way in providing customer

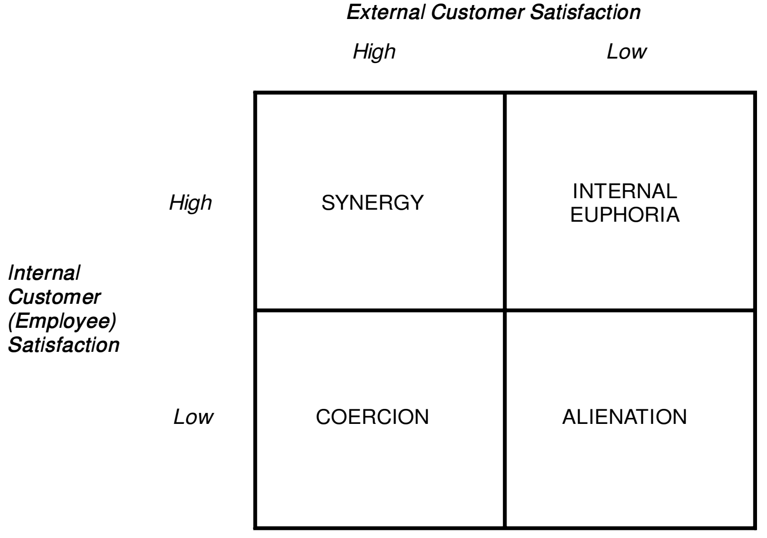

FIGURE 3. Customer satisfaction and the internal market.

service and tell me to get my act together!' This is the 'happy customers and happy employees' situation, assumed by many to be obvious and easily achieved.

(2) Coercion, which is where we achieve high levels of external customer satisfaction by changing the behaviour of employees through management direction and control systems. In the short-term this may be the only option, but it may be very difficult and expensive to sustain this position in the longer term and flexibility is sacrificed to gain control.

(3) Alienation, which is where we have low levels of satisfaction internally and externally and where we are likely to be highly vulnerable to competitive attack in the external market and low morale and high staff turnover in the internal market.

(4) Internal euphoria, which is where we have high levels of satisfaction in the internal market, but this does not translate into external customer satisfaction, for example if internal socialization and group cohesiveness actually shut out the paying customer in the external market. These scenarios are exaggerated, but have provided a useful way of confronting these issues with executives.

Last and simplest, we suggest that a critical mistake is to ignore the real costs and challenges in adopting CSM as a management approach and the limitation which may exist in a company's capabilities for improving customer satisfaction levels. While advocacy is widespread and the appeal is obvious, achieving the potential benefits requires more planning and attention to implementation realities than is suggested by the existing conventional methodological literature.

For the present purposes, CSM and customer satisfaction management are taken as an example of one component common to many relationship-based marketing strategies. While the case evidence is suggestive of enormous leverage from this tool in implementing relationship-based strategies, the workshop and survey results evidence many potentially damaging and dysfunctional consequences. The proposition here is that such process-based problems remain an important constraint on the ability of companies to implement and sustain relationship-based strategies which may be far removed from their traditional ways of going to market. They are an important managerial issue and constitute a neglected research topic.

MANAGEMENT IMPLICATIONS AND RESEARCH DIRECTIONS

There are a number of important implications from the arguments above for managers involved in the execution of relationship-based marketing strategies which are worthy of note.

First, it is perhaps a cliché to observe that to form and benefit from relationships with customers and partners successfully depends in part on successfully managing the behaviour of participants in the seller organization. Cases such as Avis and CIGNA provide exemplars of what can be achieved by explicitly linking internal employee issues to external customer issues. The experience of British Airways is illustrative of the potential vulnerability created by failing to sustain that linkage successfully.

A useful way forward is provided by the behaviour-based approaches to management which have been more extensively studied in sales management. Here the underlying logic has been that the management of key aspects of salesperson behaviour is a critical distinguishing factor between the less and more effective sales organizations – in short, behavioural performance appears to drive outcome performance, not to substitute for it (Piercy *et al.*, 1997b; 1998). This management approach may provide a framework for identifying the non-sales employee behaviours which are most important in forming and sustaining effective customer and partner relationships and focusing management efforts on those behaviours. Certainly, in a study of British importer behaviour, we found that the most important area of underperformance by US exporters was in relationship issues, rather that product, price or service issues (Piercy *et al.*, 1997a). Behaviour-based approaches to management may offer an important way forward in focusing management and employee efforts on the behaviour which is most effective in implementing relationship-based marketing strategy.

Important research questions relate to the identification of the employee and management behaviours which are most important in different relationship strategies and the ways in which these can be most productively sustained by line managers.

Second, notwithstanding the importance of managing the critical behaviours of employees and managers to implement relationship-based marketing strategies, it remains the case that the degree of change (or stretch) for organizations to implement relationship marketing strategies successfully is likely to be highly variable between companies. Quite simply, case observations as well as empirical evaluation suggest that the structural, processual, cultural and human characteristics of some companies are well suited to fast and effective implementation of relationship-based strategies, while, correspondingly, others are not. In terms of the managerial model discussed earlier, the degree of stretch for an organization to implement a given strategy is likely to vary substantially between organizations. Cases such as Elida-Faberge, IBM and Proctor and Gamble are suggestive of the continuous and possibly radical change in structure and process which may be needed to implement a relationship-based marketing strategy and underline the potential importance of planning such change as a programme of implementation alongside external strategy. Indeed, a process-based view would go further in linking internal company characteristics to strategy development as a way of avoiding the emergence of implementation problems.

Interesting research questions may relate to the effectiveness of different structural, process and cultural change programmes in implementing relationship-based marketing strategies.

Third, underlying the effectiveness of companies in managing internal employee relationships to deliver relationship-based strategies to the market-place is the question of balancing interests. The study discussed above about the implementation of CSM systems in British companies is illustrative of the hidden barriers which may be encountered in pursuing enhanced customer relationships, as well as the risks involved in failing to balance employee interests with customer interests successfully.

Research questions to be addressed relate to the identification of implementation barriers and the effectiveness of appropriate changes to internal processes as a route to the effective implementation of marketing strategy. A process-based approach to addressing the implementation barriers in CSM may be suggestive of a useful structure for developing implementation strategies more generally (see Table 1).

Lastly, an interesting aspect of the development of effective implementation approaches for relationship-based marketing strategy is the internal partnership between marketing and human resource management. Case evidence suggests that this partnership may provide the tools and approaches needed to management employee relations to support relationship-based strategies.

However, given the evidence that this partnership with human resource management is

TABLE 1. An Internal Marketing Approach to the Implementation of Customer Satisfaction Measurement Systems

Process dimensions	Internal barriers	Product	Price	Communications	Distribution
Analytical/Operational	Resources/Capability Logistics Cost barriers	Measuring customer satisfaction to make better decisions and build stronger relationships	Cost, time and effort	Reports/Presentations Advocacy Negotiation	Written media Formal meetings Formal systems Internal communications
Behavioural	Market simplification Customer fear Perceived market drivers Credibility	Changing attitudes towards customers and motivating employees	Individual costs of learning and change	Dissemination of customer feedback and competitor comparisons Customer interaction and socialization Customer education Customer-based incentives	Internal communications Workshops Training and development Customer meetings Evaluation systems
Organizational	Internal politics Corporate culture Market complacency	Changing corporate values and norms in customer relationship	Corporate disruption Realignment in structures, processes and personnel allocations Loss of the *status quo*	Participation of key players in important decision-making processes Transfer of `ownership' of customers and solving their problems Top management role model Customer participation in internal processes	Team-based working Participative decision-making mechanisms Socialization patterns Reorganization Network building

relatively uncommon in practice, research questions may be concerned with the forms and effectiveness of this internal partnering and the implications for internal structure and process in different situations. While much lip-service has been paid to the marketing–human resource management linkage, the literature reveals little systematic evidence of its effectiveness in different situations and this too would be a worthwhile line of empirical enquiry.

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