

USING THE IMPORTANCE - SATISFACTION MATRIX IN DESIGNING RELATIONSHIP MARKETING STRATEGIES

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Abstract: *This paper is about an instrumental research conducted in order to identify the strong points and the weaknesses of a marketing tool used to identify the relationship between the customer satisfaction regarding certain product features and the importance given by customers to these characteristics. The results of this research reveal the necessity to pay special attention to the questionnaire designing in order to avoid some biases given by the halo effect or by using improper measurement scales. Even if such a phenomenon may occur, the researcher should operate a transformation that could help to a better discrimination in the importance given to different product features.*

Key words: *IS matrix, relationship marketing, marketing research.*

1. Introduction

The increasing competition and the changing of the marketing paradigm in the last years have faced companies with the necessity to design new strategies focused on strong relationships with their customers.

In order to find the best strategies and the main product characteristics that should be emphasised in the communication process, companies have to put into practice proper research meant to identify the correlations between the importance of certain product features and the customer satisfaction regarding these ones.

We consider that the Importance – Satisfaction matrix is a strong tool which could be used to develop those relationship marketing strategies with a high impact on the target market of a company.

2. Literature review

Relationship marketing should be defined in terms of customer satisfaction, which is the main goal of every company. In short, this one could be defined as a range of marketing, sales, communication, service and customer care approaches to identify a company's individual customers in order to create a long term relationship meant to obtain repetitive transactions to the benefit of both parties [1].

Generally, the literature underlines the shifting in the marketing paradigm from transactions to relationships, which is associated with the return of direct marketing both in business-to-business and business-to-consumer markets. When producers and consumers directly deal with each other, they can understand and

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appreciate each other's needs and constraints better and are more inclined to cooperate with one another, and thus, become more relationship oriented [2].

A model of relationship marketing developed in 1985 by Dwyer et al. identifies four phases of the relationship between buyers and sellers. The first phase is "awareness", when a party recognizes the other party as a feasible partner for a certain exchange. The second phase is "exploration", which refers to the search and trial actions in relational exchange. In this phase the potential partners first consider obligations, benefits and burdens, and the possibility of exchange. If the buyer trusts the seller, he could make a trial purchase. These two phases are patterns of transactional marketing. In order to reach superior levels in performing relationship marketing, other two phases should be followed: expansion and commitment. "Expansion" refers to the continual increase in the benefits obtained by exchange partners and to their increasing interdependence. "Commitment" refers to an implicit or explicit pledge of relational continuity between exchange partners. They have achieved a certain level of satisfaction from the exchange process and the relationship is considered a real benefit by both parties. But the dissolution of the relationship has also to be considered on the long run [3].

Other models include more phases in the relationship, the highest level identified in these models being "the partnership". This level involves a high satisfaction of both partners, who act together in order to achieve the same goal [4].

As it results from the above models, customer satisfaction is the key word that describes the core of relationship marketing. Ph. Kotler defines customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived

performance (or outcome) in relation to his or her expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted [5].

In this context, a relationship marketing strategy is designed to enhance the consumer's chances of satisfaction, loyalty and repeated business through the development of interpersonal ties with the company [6].

The impact of psychographic and/or personality traits could be also important in relationship strength, such issues being prerequisites used to identify consumers who have a greater propensity to form strong relationships [7].

Taking into consideration the main issues discussed in literature, we can conclude that the relationship marketing strategy has to be based on some research that could reveal detailed information regarding the importance given by customers to some aspects related to the product and additional services. Such research should also measure the performance of the company in delivering those products which meet or exceed the customers' expectations. For this purpose, the "Importance Satisfaction Model" could be a strong tool which can be used by companies in their effort to measure customer satisfaction and to design proper strategies for relationship marketing implementation.

3. Importance-Satisfaction model

The Importance-Satisfaction (IS) model is a matrix with four quadrants which suggest the proper strategy that a company should to follow.

The IS model known also as "Importance – Performance Analysis (IPA)", originally introduced by Martilla and James (1977), yields insights into which product or

service attributes a firm should focus on to achieve customer satisfaction. This analysis uses data collected in satisfaction surveys with a view to measuring the importance of certain items, on the one hand, and customer satisfaction regarding these items, on the other hand. A two-dimensional matrix results, where importance is depicted along the x-axis and performance (satisfaction) along the y-

axes. Customers are asked to rate each attribute on its performance according to their perceived satisfaction. Attribute importance is measured using some form of self-stated importance (e.g. rating scales, constant sums scales etc.) or derived importance (multiple regression weights) [8]. The general IS model is presented in Figure 1:

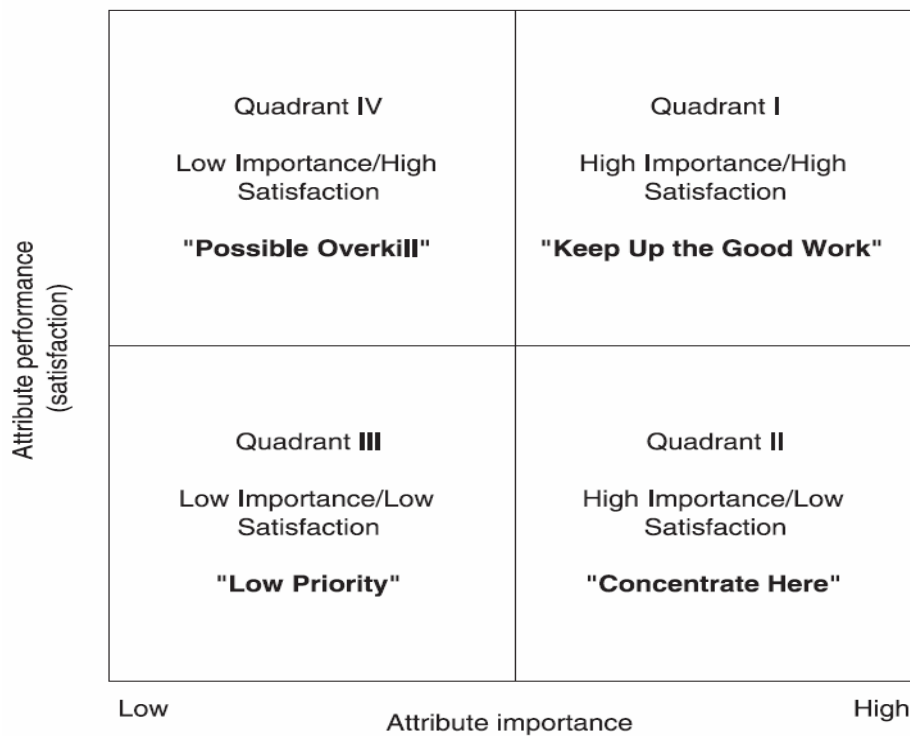


Fig. 1. *Importance – performance matrix*

Source: Matzlara, K, et. al.: The asymmetric relationship between attribute-level performance and overall customer satisfaction: a reconsideration of the importance – performance analysis. In: *Industrial Marketing Management* (2004), 33. p. 271– 277.

According to this matrix, the items situated in Quadrant 2 are the most important items for further strategies, as far as the company has to focus its efforts on assuring a higher satisfaction for those items that did not perform very well in the customers' opinions.

The use of the above matrix has the goal to support two of the most important criteria for decision making: to target resources toward goods/services of highest importance for customers; and to target resources toward those goods/services where customers are the least satisfied [9].

4. Research objectives and methodology

The main objective of our research was to test several ways of using the Importance – Satisfaction matrix in order to find the most appropriate methods that could help decision makers to choose the best relationship marketing strategies. To achieve this objective, we put into practice an instrumental research study. This kind of research is used for the testing and validation of the methods and instruments used in marketing research [10].

The research was made using a database resulted from marketing research conducted among car owners, whose main aim was to identify the customer

satisfaction regarding different car brands. In this respect, the questionnaire comprised 2 sets of questions using rating scales with 5 levels for measuring the importance of some features of cars and the level of satisfaction towards these features. The data was processed in different ways in order to identify some shortcomings or strong points in designing the IS matrix.

5. Research results

The results obtained based on the mean score of every variable show a great importance given by respondents to all the features analysed (see fig.2).

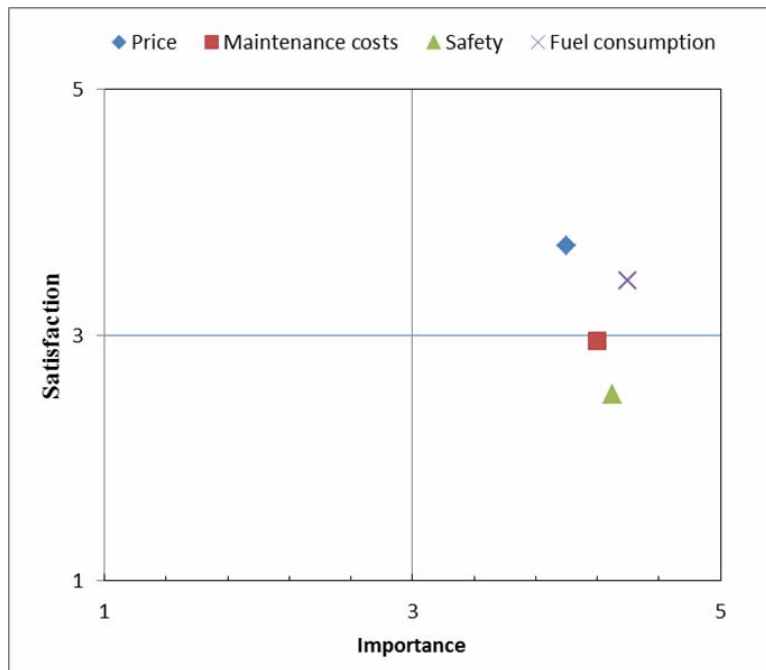


Fig. 2. IS matrix for cars' features

Such a situation could be erroneous for the decision factors as long as all the product features could be considered very important, without having a proper ranking of their real importance for customers. This situation could derive from the

people's tendency to overload the importance of all measured factors or from an improper using of rating scales, which leads to a strong halo effect.

In such cases, it is recommended to make a good hierarchy of the factor importance,

which can avoid the overcrowding of all variables in the right part of the matrix. This issue could be solved by using a simple ranking scale or a constant sum scale. Still, if we have used a rating scale and we met the phenomenon present in fig. 2, the best decision is to transform the

variable concerning the importance into a ranking order. Thus, the variable with the highest mean score regarding the importance will receive the highest rank and so on, till reaching the variable with the lower mean score, which will receive the rank 1 (see fig. 3).

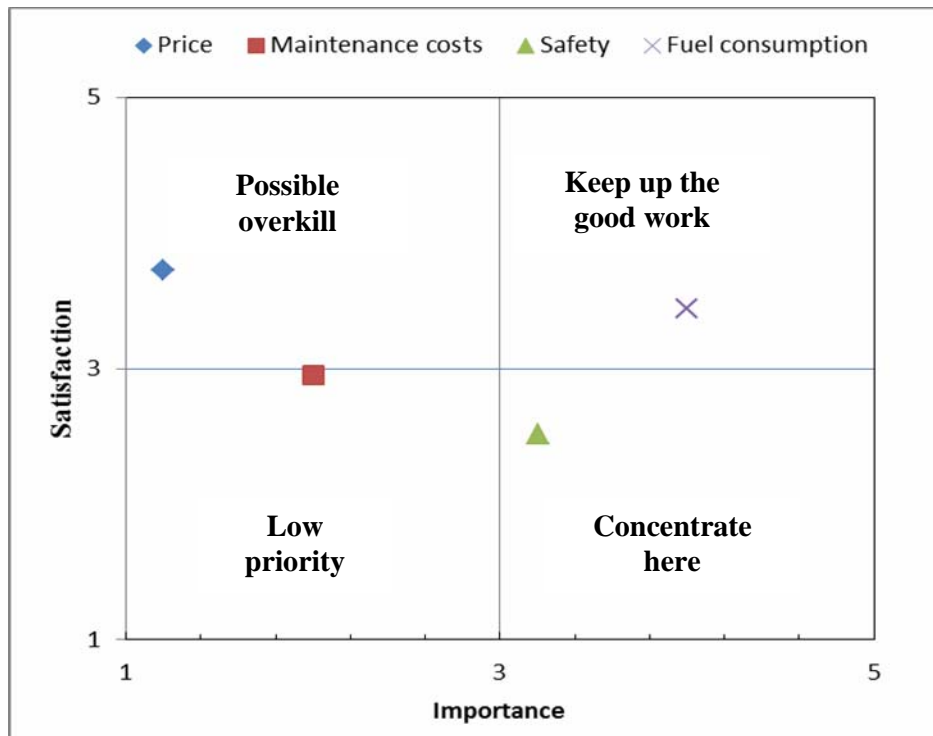


Fig. 3. *IS matrix for cars' features revisited*

In fig. 3, we have a new picture of the importance satisfaction matrix, which reveals the importance of the analysed features and the strategies that should be put into practice from the point of view of relationship marketing. The information comprised in figure 3 reveals that the price of the analysed cars is a good one and the users are satisfied with these prices. In this case, the strategies should not be focused on the prices due to a possible overkill. The maintenance costs should be considered in future strategies due to a low

level of satisfaction, but with a low priority. The highest importance has to be given to car safety and to maintaining the existing satisfaction regarding fuel consumption.

6. Conclusions

The IS matrix could help decision makers to use the data collected in satisfaction research with a view to establishing proper strategies meant to build strong relationships with customers.

But the utilization of such a matrix could be biased by a weak designing of the questionnaire or by a poor relevance of the answers, due to the “hallo effect”.

In order to avoid the above mentioned problems, the researcher has to avoid the use of the same scale (e.g. rating scale) for a large number of items, because respondents tend to give the same answer to all these items, without a careful reading of every question. In such a case, the results could show that all items have the same importance and there is a poor discrimination between these ones. It is recommended to use a ranking scale or a constant sum scale. In the case of using rating scales, the researcher has to establish the final order based on the mean scores and to classify the items placed under the median value in the low importance category and the rest of items in the high importance category.

Thus, the IS matrix could better help decision makers in the prioritisation of the relationship marketing strategies that should be put into practice.

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