CZU: 658.89:339.137.2:334.71(478) **https://doi.org/10.59295/mpdnwe2024.16**

RELATIONSHIP MARKETING AS A MODERN MARKETING CONCEPT IN THE REPUBLIC OF MOLDOVA

DILAN Nelly
Moldova State University, Chisinau, Republic of Moldova,
neli.dilan@usm.md
ORCID ID: 0009-0003-8326-6129

Purpose of the article: The article aims to analyze the application of relationship marketing as a modern marketing concept in the Republic of Moldova, highlighting its significance in fostering customer loyalty and competitive advantage for Moldovan companies.

Methodology: The study employs a qualitative analysis of current marketing practices in Moldovan companies, focusing on the implementation and development of relationship marketing strategies.

Conclusions: Relationship marketing is crucial for Moldovan businesses in a highly competitive market. By transitioning from traditional customer acquisition approaches to relationship-based strategies, companies can enhance customer retention and foster long-term loyalty, which is essential for sustainable growth.

Originality: This article provides an in-depth exploration of the specific context of relationship marketing within the Republic of Moldova, offering fresh insights into the strategic evolution of marketing practices in the region.

Key words: Relationship marketing, customer loyalty, competitive advantage, Republic of Moldova, marketing strategy, customer retention.

Introduction

Relationship marketing is a modern and increasingly relevant concept in the context of the dynamics of markets in the Republic of Moldova. In a developing economy, where competition is becoming more intense, companies must build strong and long-term relationships with customers to ensure their loyalty. This approach allows organizations to focus their efforts on creating and maintaining long-term relationships rather than one-time transactions, adding additional value to the market. *Relationship marketing is an approach focused on building long-term relationships with customers* [1].

The key principles of relationship marketing emphasize a focus on long-term relationships, sometimes at the expense of quick deals. The customer's needs are prioritized, with activities beginning by thoroughly understanding these needs. Additionally, maintaining constant feedback is crucial to ensuring the relationship remains strong and effective.

Companies that implement relationship marketing strategies gain several advantages. Long-term relationships help increase customer loyalty by reducing churn and boosting commitment to the brand. Continuous engagement with customers, focused on their needs, builds trust and enhances the company's reputation. Loyal customers tend to make repeat purchases, use additional services, and recommend the company to friends and acquaintances, all of which drive revenue growth. Retaining existing customers is more cost-effective than acquiring new ones, making relationship marketing an economically beneficial tool [2].

Additionally, personalized approaches and attention to individual needs foster emotional connections with customers, strengthening loyalty and preventing them from switching to competitors. Satisfied customers often become brand ambassadors, sharing positive experiences and reinforcing the company's market position. Regular interactions with customers provide valuable feedback, helping the company understand what to improve and what is most popular. Furthermore, constant contact allows a

company to quickly respond to changes in customer preferences and market conditions, maintaining its competitiveness.

Improving brand reputation is a significant outcome of relationship marketing. A positive customer experience plays a crucial role in building a strong and enduring brand reputation. Relationship marketing contributes to this by creating a personalized approach, where individual attention to customers and consideration of their preferences makes them feel valued. This fosters trust in the brand and encourages them to share their positive experiences with others. Satisfied customers who receive high-quality service are more likely to recommend the company to friends, colleagues, and on social media, offering free and effective word-of-mouth promotion that strengthens the brand's reputation.

Constant communication with customers helps identify and address weaknesses in service, leading to better customer interactions and an increasing number of satisfied clients, which in turn boosts reputation. Long-term relationships also play a key role, as customers who feel emotionally connected to the brand see it as a reliable partner rather than just a supplier of products or services. This emotional bond makes the company more resilient to negative reviews or temporary market challenges. Additionally, companies that engage actively with their customers, through social media, reviews, or events, demonstrate their commitment to the customer base and the wider community, enhancing their reputation as socially responsible brands.

Transparency and openness are also essential, as an open dialogue with customers and quick responses to their concerns create an image of a trustworthy and honest company. People are more likely to trust brands that are transparent and proactive in solving problems. Positive interactions not only satisfy customers but also foster emotional attachment, leading to long-term trust and loyalty.

As a result, companies that adopt relationship marketing build a brand reputation that goes beyond offering quality products and services; they are seen as genuinely caring for their customers. This gives them a competitive edge in the market and helps them withstand competition even in challenging conditions.

Optimizing costs is a key benefit of relationship marketing. Acquiring new customers is typically more expensive than retaining existing ones, so focusing on the current customer base helps reduce marketing expenses. For instance, instead of investing in large-scale advertising campaigns, which require significant financial resources, companies can focus on personalized communication, such as email newsletters with tailored offers, which are more cost-effective.

Additionally, loyal customers are already familiar with the company's products or services, which reduces the need for additional training or explanations. This results in savings on informational materials, instructions, and customer support. Over time, loyal customers tend to increase their spending, purchasing additional products or services, thus raising their customer lifetime value (CLV) and providing the company with steady revenue without the need for extra acquisition costs [3].

Satisfied customers also act as brand ambassadors, recommending the company to friends and family. These referrals are either free or require minimal investment (such as rewards for referring friends), which helps save on marketing budgets. Furthermore, reducing customer churn through relationship marketing avoids the need for costly efforts to win back lost customers, such as offering aggressive discounts or special promotions.

The use of modern tools like CRM systems also contributes to cost optimization by automating customer interactions, reducing manual data processing, and improving the quality of personalized offers. Additionally, loyal customers are less likely to focus on price and are willing to pay more for services or products from a company they trust, reducing the need for price-based competition and helping maintain a stable margin.

Relationship marketing is not just a strategy but an essential business management paradigm that enables companies to remain competitive and adapt to market changes. In the context of the Republic of Moldova, it can become a vital tool for sustainable economic development and increasing consumer trust.

We will present the table below highlights the role of relationship marketing in Moldova, emphasizing the local market's specific challenges and opportunities. It shows how digitalization and customer-centric strategies are being integrated into Moldovan business practices.

Table 1. Role of relationship marketing in Moldova

Aspect	Description
Definition of relationship marketing	A strategy focused on creating long-term, mutually beneficial relationships with customers.
Goals of relationship marketing	Increasing customer loyalty, boosting repeat sales, improving brand reputation, and enhancing customer retention in a competitive market.
Key principles	Personalization, customer engagement, trust, long-term relationships, and responsiveness to customer needs.
Tools used	Loyalty programs, CRM systems, personalized offers, customer feedback, and tailored communication strategies.
Role in Moldova's economy	In the face of increased competition and globalization, Moldovan companies are increasingly focused on customer retention and building strong relationships.
Advantages for companies	Increased competitiveness, reduced costs for acquiring new customers, improved brand reputation, and higher customer lifetime value.

Source: compiled by the author

In the context of the Moldovan market, relationship marketing is particularly important in sectors such as agribusiness, tourism, and small and medium-sized enterprises (SMEs). In agribusiness, forming strong partnerships between farmers, processors, and distributors enhances the competitiveness of products in international markets. In tourism, maintaining consistent connections with customers supports the growth of both domestic and inbound tourism, encouraging tourists to return. For small and medium-sized businesses, relationship marketing helps create lasting bonds with loyal customers, which is especially valuable in a market with limited scope.

The goals of establishing a relationship marketing system focus on strengthening the emotional bond between the buyer and the seller of a product or service. It aims to increase customer loyalty, creating a sense of belonging to an exclusive club. The system seeks to build a group of loyal customers who are willing to endure inconveniences for the sake of using a particular brand. Additionally, it aims to attract new customers, often through recommendations from the existing loyal audience. Ultimately, the goal is to boost sales and overall turnover.

There are several challenges faced by companies in Moldova when implementing relationship marketing strategies. Small and medium-sized businesses often struggle with limited resources, making it difficult to adopt complex relationship marketing approaches. Additionally, many managers and marketing teams lack education and skills in this area, making it hard to fully understand and apply modern methods. Intense competition also leads companies to focus more on acquiring new customers, rather than nurturing relationships with existing ones. For relationships to be truly effective, it is important that not only the marketer understands the value of the customer and their feedback, but also that the customer feels valued and prioritized.

In Moldova, the majority of the economy is based on small and medium-sized businesses, which require effective tools to attract and retain customers. These businesses are often limited in resources and cannot afford large-scale advertising campaigns typical of large corporations. In this regard, relationship

marketing becomes a key tool for them, allowing them to focus on building long-term relationships with customers rather than one-time transactions.

The key advantage of relationship marketing for small and medium-sized businesses in Moldova is its cost-effectiveness. The use of personalized communication, loyalty programs, and customer feedback management allows small companies to strengthen relationships with clients without significant expenses. For example, the use of digital technologies such as CRM systems enables businesses to track customer preferences and interaction history, facilitating more accurate fulfillment of their needs. Limited resources compel companies to seek cost-effective approaches, such as relationship marketing, which requires fewer investments compared to large-scale advertising campaigns. Relationship marketing emerges as one of the most optimal solutions. Unlike traditional strategies that involve significant expenditures on mass advertising, relationship marketing focuses on building long-term connections with customers. This approach enables companies to minimize expenses by concentrating efforts on retaining their existing customer base, which provides stable income and demonstrates high loyalty.

The primary argument in favor of this approach is its economic efficiency. Attracting new customers demands substantial investments in advertising campaigns, promotions, and other communication methods that do not always guarantee results. In contrast, engaging with current customers allows companies to leverage accumulated data on consumer preferences and needs, reducing the necessity for additional market research investments.

Relationship marketing also strengthens trust between the company and its customers, which is crucial when operating within a limited budget. A satisfied customer not only returns but also becomes a source of recommendations, creating a "word-of-mouth" effect that works without direct costs to the company. This is particularly relevant for small and medium-sized businesses, where every recommendation can significantly boost revenue.

However, implementing relationship marketing requires certain skills and knowledge, which poses a challenge for entrepreneurs. Many small business owners in Moldova are still insufficiently aware of the potential of these approaches or lack the necessary resources to implement them. Nevertheless, the successful experience of several companies shows that even minimal efforts in relationship marketing can yield significant results.

In Moldova's economic environment, where consumers increasingly value service quality and a personalized approach, relationship marketing becomes not just a strategy but a necessity. It helps businesses not only adapt to modern conditions but also build customer trust, which is particularly important in an unstable economic environment.

The growing competition among companies in Moldova has become one of the key characteristics of the modern market, requiring businesses to adapt and use more effective strategies. In a market saturated with options and limited consumer purchasing power, companies face the need to stand out from competitors by offering not only quality products but also unique approaches to customer service.

For example, in the *retail sector*, there is intense competition between local and international chains. Major players such as *Kaufland* and *Metro* bring modern service standards, competitive prices, and loyalty programs, forcing local stores to adjust their strategies. In response, small retailers are adopting relationship-marketing tactics, offering personalized service and focusing on local products to retain customers.

The *agricultural sector*, traditionally an important industry for Moldova, is also facing an increase in the number of players, including international ones. Local wine, fruit, and vegetable producers compete for both domestic and international markets. In this sector, those who are able to build long-term relationships with customers, including retail networks and foreign distributors, succeed. They not only demonstrate high product quality but also reliability in their partnerships.

In the *service market*, such as beauty salons or clinics, competition is increasing due to the emergence of new players and growing consumer expectations. Companies are forced to implement additional services, such as online booking, loyalty programs, or a focus on personalized approaches, to retain customers.

The rise in competition in Moldova drives companies to gain a deeper understanding of their customers and actively use relationship marketing. Only those who can adapt and develop customer loyalty will be able to compete successfully in such conditions.

In the tourism sector, competition is intensifying due to the growing number of private guides, small travel agencies, and platforms offering online services. Companies aim to attract clients through unique offerings such as personalized tours or eco-friendly routes, which require a deep understanding of the target audience's needs. Examples of relationship marketing in practice can be seen in several companies in Moldova. Trekking Moldova, which offers services focused on active and ecotourism, actively uses relationship marketing to build a loyal customer base by offering personalized routes tailored to clients' preferences and desires.

The *Green Village Resort* loyalty program allows customers to accumulate points and receive discounts on future visits [4].

Visit Moldova, a platform that aggregates various tourism services and offers, actively applies relationship marketing by providing users with personalized recommendations based on their preferences [5].

Moldova Travel, a travel agency, utilizes relationship marketing by offering customized tours and itineraries. They actively engage with clients, collecting feedback on completed tours and considering their wishes when creating future offers [6].

These examples demonstrate how companies in Moldova's tourism industry effectively use relationship marketing to build and strengthen customer loyalty, as well as improve the quality of services provided.

Digital transformation in Moldova enables the use of CRM systems, loyalty programs, and online platforms, simplifying the implementation of relationship marketing even for small companies. Digital transformation is actively developing in Moldova, and the use of CRM systems has become an important tool for businesses, particularly for small and medium-sized enterprises. According to global studies, over 91% of companies with 10 or more employees implement CRM to manage customer interactions [8]. This trend is also reflected in Moldova, where small and medium-sized businesses use available digital solutions such as loyalty programs, customer base automation, and online platforms to improve customer service.

Moldovan society values personal and trusting relationships, which makes relationship marketing particularly effective. The culture of hospitality and a focus on communication help companies establish emotional connections with customers. Hospitality plays a key role in building emotional bonds with clients, as in the context of growing competition, it is not only important to offer quality products or services but also to create a positive impression of interacting with the company. Hospitality is not just politeness but a comprehensive approach that includes attention to customer needs, a sincere desire to help, and maintaining a comfortable atmosphere. This approach allows a company to stand out from competitors and evoke a sense of attachment and loyalty in the customer.

An example of the successful application of hospitality culture is seen in the hospitality and restaurant industries. Many hotels and restaurants aim to provide not just a service but a unique experience. For instance, a hotel in the center of Chișinău might offer personalized offers for regular customers by remembering their preferences and providing a high level of personalized service. This could include not only a high standard of comfortable rooms but also details like a special greeting with a personalized message or offering a favorite dish at the restaurant.

In small businesses, where resources are limited, the culture of hospitality becomes one of the key factors in customer retention. For example, small stores where salespeople pay attention to each customer can significantly increase loyalty through personalized service and attention to the details that matter to the customer. This atmosphere of hospitality does not require large expenditures but creates a strong emotional attachment with customers, making them more likely to make repeat purchases and recommend the business to others.

Creating a culture of hospitality is also important for online businesses. Virtual stores and online services are increasingly incorporating elements of "hospitality," offering personalized offers, quick feedback, and convenient ways to communicate with customers. For example, online platforms that use chatbots with elements of empathy and personalized communication help customers feel more comfortable and valued.

Modern consumers in Moldova are also becoming more demanding regarding the ethical aspects of business, including environmental responsibility, adherence to labor standards, and honesty in advertising. These trends are linked to a broader rise in awareness of sustainable consumption and social responsibility. In response, many Moldovan companies are beginning to integrate corporate social responsibility (CSR) principles into their strategies to meet the demands of customers who increasingly choose brands aligned with their values.

Thus, for businesses to succeed in Moldova, it is essential to understand that simply selling a product is not enough. Companies must actively work on improving service quality, providing convenient and personalized customer experiences, and being ready to continuously enhance their operations to meet evolving consumer needs.

A significant portion of Moldova's population works abroad, which has a substantial impact on the customer base for many businesses, especially in sectors such as financial services, retail, and tourism. Approximately 1 million Moldovan citizens work abroad, which represents a significant share of the country's total population [7]. This creates unique challenges and opportunities for businesses that need to be considered when developing marketing strategies.

Firstly, many Moldovan migrants often return home for vacations or personal reasons, creating demand for services that cater to this factor. For example, tourism companies aiming to attract Moldovan citizens working abroad can develop special offers for those returning home, including exclusive tours, service packages, and discounts for those planning to come back for a holiday.

On the other hand, companies in the financial and banking sectors can develop products tailored to the needs of migrant workers. For example, creating convenient platforms for international money transfers, loyalty programs for workers abroad, or special exchange rate conditions. This also drives the growth of interest in mobile and online services that offer remote financial management and customer support. Additionally, migration contributes to changes in consumer habits and preferences.

The diaspora plays an important role in promoting local brands on the international stage, becoming informal ambassadors for products related to Moldova. This influence can be leveraged by companies to create effective branding and development strategies, relying on the connections people maintain with their homeland, even while abroad.

Conclusions

The influence of globalization and digitalization on the behavior of Moldovan consumers has also become noticeable. Many people, especially in large cities, have access to international brands and online stores, which raises the demands for service quality and products. They expect convenient and fast interactions with companies, as well as transparency regarding prices and product specifications. Additionally, factors such as timely delivery, product warranties, and the company's readiness to resolve any issues that arise play an important role in the decision-making process. Relationship marketing can

significantly enhance customer loyalty and the long-term success of Moldovan companies if implemented correctly using digital tools and personalization methods.

References

1. Watanabe, Y. (2020). Value co-creation in Business-to-Business and Business-to-Consumer service relationships. Journal of Relationship Marketing, 19 (3), 203-228.
2. Góralczyk, M. (2022). Relationship marketing from the perspective of employees. Central European Review of Economics & Finance, vol. 38. No 3, pp. 61-77
3. Sahadev, M. (2011). Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage. Asia Pacific Journal of Marketing and Logistics. 23(3), 327–345.
4. https://www.green-village.net
5. https://visit-moldova.md/en/
6. https://moldova.travel/
7. https://gov.md/sites/default/files/document/attachments/subiect-02-nu-900-mec-2022_1.pdf
8. https://visionpoint.systems/statistic/91-percent-of-companies-with-10-or-more-employees-use-crm/