

Was the development of relational marketing a post-war phenomenon? Evidence from history

In the United States at the turn of the twentieth century the development of marketing in the magazine publishing industry had evolved from the transactional approach of early pioneers of mass production, such as Frank A. Munsey, to well-articulated relational advertising strategies embedded in, rather than an adjunct to, the core function of the firm. Transactional marketing approaches were based around arms-length and price-based relationships between firms and their customers designed to build mass-markets (Sheth & Parvatiyar, 1995.) Whilst this was true for Munsey, Conde Nast developed Vogue as a mechanism to deliver his "class based" advertising strategy, which led to the development of runway fashion shows, in-house photography, and direct participation in the industry. W. R. Hearst's Good Housekeeping title developed "an inflexible contract between the publisher and each subscriber" through the establishment of the Good Housekeeping Research Institute (GHRI), which was also a vehicle to forge strong links to their advertising customers as well as readers. These approaches were combined with sophisticated attempts to profile their readership and segment markets through the development and offering of new products and services. Both of these firms used foreign direct investment to enter the British market place early, at which point they began to introduce these novel marketing innovations (Cox and Mowatt, 2012;2014). Whilst the introduction of scientific forms of management and systems of mass production have been examined from the perspective of early manufacturing multinationals, such as Ford (Dunning, 1998), this paper argues that it the periodicals sector has overlooked as an contributor to the spread and development of relational marketing practices in the industrial era. Sheth & Parvatiyar (1995) for example consider that mass-production firms led to a return to transactional marketing from a more prevalent form of marketing based on personal relationships, with interest in customer loyalty and interaction being developed only following the Second World War. However, this paper argues that leading publishers were not only engaged in marrying mass-production systems and techniques to relational marketing practices, but doing so in an international context. The key elements of relational marketing as identified by Sheth & Parvatiyar such as attempts to involve and integrate customers, suppliers and other infrastructural partners forming close interactive relationships, are all clearly present (1995:399.) Whilst many of the pioneering techniques were introduced from the US to the UK, local novel practices were also communicated back to the parent company and other subsidiaries internationally.

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References

The paper draws on primary research from company and national archives, such as the Conde Nast Manuscripts collection, as well as secondary sources.

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