EMPLOYER BRANDING IN THE BACKGROUND OF RELATIONSHIP MARKETING CONCEPTIONS
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Abstract

Marketing is a dynamic discipline. Relation marketing is one of its conceptions and sets new standards for the cooperation between market players. It claims that a company’s market growth is influenced by long-term business relationships. Furthermore, it states that a company’s assets are defined by its relations within the business environment. Employer branding is defined as a series of actions, the goal of which is building a company’s brand on the market as "company of first choice for future employees". The theoretical background for employer branding derives from relationship marketing.

Keywords: employer branding, relationship marketing, generation X and Y, traditional marketing
Introduction

A foundation for cooperation based on relationship marketing is the assumption that company's real assets are its good relations with the environment. The kind of relation depends on the subject of relation and the entities which create it. In the context of employer branding it is reasonable to discuss relations, among others, the relations between scientific institutes (universities) and companies (business) on the basis of theory. Undoubtedly, there is not a single theory or concept, which could in a clear way explain the existing relations. Practical aspects of cooperation closely complement theories.

Relationship marketing as a long-term plane of cooperation

Relationship marketing is a concept, which formulates new standards of cooperation both in relations taking place on the market of individual buyers (customer relationship marketing), as well as in the relations taking place on the market of institutional buyers (business-to-business relationship marketing).

A particular form of cooperation based on relationship marketing is cooperation between a scientific institution (university) and a company (business).

Finding the sources of relationship marketing requires going back to the assumptions of traditional marketing, evolution of the theory of marketing and trends shaping contemporary marketing.

The concept of relationship marketing emerged as a result of the evolution of the concept of traditional marketing and under influence of changes taking place on the market. What is also significant for various forms of cooperation is the fact that evolution of the concept of traditional marketing is a proof of close association of marketing with the practical side of business activity and a proof of the dynamics of the market. Market dynamics and behaviours in marketing environment determine the directions of the evolution of concepts, which is a continuous process. Changes in the areas of interest in marketing form companies' marketing activities.

Literature on marketing, for the purpose of characterizing the evolution of the concept of marketing and behaviours of companies adapting the concept proposes a few divisions describing the processes of evolution.

The emergence of the concept of relationship marketing can be traced back to the early 1960's and University of Uppsala is said to be the place where the concept was
formed. The theory and practice of the development of marketing on the markets of industrial products and services was the basis for original assumptions of relationship marketing. Analysis of literature on the subject highlights the merits of the Nordic School in shaping the foundations for the concept and its main assumptions.

Scandinavian research from the 1970's, focusing on issues associated with the processes of establishing relations on the market of individual buyers and institutional buyers created foundations for the construction of a new concept of marketing.

Research carried out in the 1980's pointed to differences in relations on both markets, shedding light on two separate kinds of marketing ties and relations.

The importance of the concept of relationship marketing was emphasized by research carried out in the 1990's. Theorists summed up two decades of research, verified the assumptions of the new concept and created its basis. Researchers from the Nordic School claim that the roots of relationship marketing come from the combination of the following marketing issues: sale of goods and services, marketing management and issues associated with broadly defined networking issues.

The very term “relationship marketing” started being used in literature in the early 1990's. However, literature on the subject doesn't provide a definition of the concept generally accepted both by theorists and practitioners. Leonard Barry, who defines relationship marketing as “creating, maintaining and enriching relations with the client. Attracting a new client is just the first step in the marketing process” is regarded as the creator of the first definition of relationship marketing.

We can distinguish a group of definitions, whose authors treat relationship marketing as an extension of the classic marketing concept, assuming that it is a “...concept according to which client service is added to the traditional marketing mix”, or claiming that “…in the most simplified view, relationship marketing means after-sales services”. Relationship marketing can also be understood as developing and strengthening ties with clients, that is, “…a process which involves creating database about clients and getting closer to them by means of diversified information typical of each of the buyers. Analysis of costs of attracting and keeping each client and long-term assessments of built relations should be carried out.”

The leading theme of all definitions of relationship marketing is the process of search and creating value with the client. The authors of the definitions emphasize that sharing benefits within the system of partnership covers the whole period of the client's purchasing activity.
The simplest among the adopted definitions, considering the issues of cooperation on the institutional market, seems to be defining relationship marketing as a relation between the seller and the buyer (in literal, or conventional meaning of the words buyer-seller) aimed at improving all processes of commercial exchange and thus achieving competitive edge on the target market. The following is a list of the best known definitions of relationship marketing from literature:

1. “Relationship marketing is creating, maintaining and enriching ties with clients in such a way that the goals of both sides can be achieved through mutual exchange and keeping promises”;
2. “Relationship marketing is a process which involves creating a database of already existing and potential clients of the company and getting closer to them by means of diversified information, adapted to each of them. Analyses of costs of attracting and maintaining every client and long-term assessments of built relations should be carried out’;
3. “Relationship marketing is a concept according to which client service based on high quality is added to the traditional marketing mix”;
4. “Relationship marketing in the simplest view means after-sales services”;
5. “Relationship marketing means consistent application of updated knowledge about individual clients for the purpose of designing product/service, which are communicated interactively for the purpose of developing and continuing mutually beneficial ties”;
6. “Relationship marketing covers all marketing activities aimed at building, development and maintenance of a successful relation”;
7. “Relationship marketing means a concept of management and activity on the market according to which companies' market efficiency depends on establishing partnership with participants of the market. This concept assumes building loyalty relationships with clients and strategic alliances with business partners”;
8. “Marketing is a process of planning, developing and caring for bonds, which promote a dialogue between a company and its clients. Its result is mutual understanding and trust, as well as respecting the capacities of each side in concert with their roles defined on the market and in the society”;
9. “Relationship marketing means mobilization of personnel, which is supposed to turn the buyer not only into a co-creator of a product's value, but also bind him with the company for good.”

The definitions presented above clearly show that relationship marketing is
a complex issue, which takes various shapes. The shape of the definition and the message contained in it depends on the object and subject of market relations.

Analysis of the concepts of traditional marketing and the relationship marketing points to the existence of many substantial differences. The main difference is the thesis that marketing “targets” chosen segments of the market, whereas relationship marketing creates value for the clients of companies thanks to coordination of all their activities. An implication of introducing strategies based on relationship marketing to companies is the interdisciplinary character of the approach to company's market activities. Sharp and unambiguous borders between marketing, sociology, psychology and human resources management are slowly getting blurred.

Relationship marketing highlights direct and multi-level character of bonds between cooperating parties. Cooperation on the basis of the concept of relationship marketing involves building long-term business relations based on a serious of non-economic and economic-legal factors. Changes in the areas of interest in marketing are shown on picture 1.

![Picture 1. Changes in areas of interest in marketing](source)

Compared to traditional marketing, relationship marketing:

1. it creates new value and divides values among participants of the relation;
2. it emphasizes the main role of a company's client in the process of purchase and processes associated with defining the kind of benefit. Value is created together with a client and not for a client;
3. it requires from companies designing and adapting processes, tools, technologies and people in such a way that they create the value that a client expects;
4. it makes it possible to carry out marketing activities in real time as a result of lasting cooperation between participants of the market. The client participates in the process of creating a product or service verifying its market value;
5. it assesses clients on the basis of total value of purchases made over the whole period of purchasing activity and not based on single transactions;
6. it is a foundation for creating a chain of partnership not only outside companies, but also in relations with other market participants. Each link of the chain participates in the process of creating value desired by the client.

Table 1 presents an analysis comparing characteristic traits of strategies based on traditional marketing and on relationship marketing.

Interest in the issues associated with relationship marketing is growing constantly. Relationship marketing is the subject of numerous scientific conferences and seminars. Special editions of magazines from the 1990's presented the results of empirical research concerning marketing relations on the basis of relationship marketing. The latest scientific works emphasize the importance of practical applications of the concept. In 2000 there were first proposals that relationship marketing should be treated as a completely new branch of science.

Until now there is a dispute within the scientific environment concerning the location of relationship marketing in the structure of scientific research. Some sources claim that relationship marketing is not yet another theory of traditional marketing, but a completely new branch of science providing marketing specialists with unprecedented possibility of creating new quality of values for clients and business partners. Other sources, according to the research by Langey on the evolution of marketing, regard the concept of relationship marketing as an effect of evolution of the concept of traditional marketing.
Building the image of a company as “an employer of first choice”

Employer branding (building the image of the employer or recruitment marketing) is a series of actions taken by a company aimed at building its image as “an employer of first choice”. “Employer of first choice” means an employer whose current and potential employees regard it as an attractive environment for the development of their careers. The concept of “employer of first choice” can also be understood as the “desirable employer” of a potential employee, who could start work at the company, if he wanted to and in case there were no recruitment, sectoral or profile obstacles on the part of the company.

Undoubtedly, employer branding is fashionable. The available literature doesn't provide a date when the trend emerged or a clear beginning of activity of companies in the area of building employer image.

### Table 1. Comparison of characteristic traits based on traditional marketing and relationship marketing

<table>
<thead>
<tr>
<th>Area</th>
<th>Traditional marketing</th>
<th>Relationship marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relations between company and employees</td>
<td>Motivating partners and organizing activities aimed at raising sales of companies' goods and services</td>
<td>Choice of managers of teams coordinating activities and people managing processes in which clients participate</td>
</tr>
<tr>
<td>Planning</td>
<td>Motivating partners and organizing activities aimed at raising sales of companies' goods and services</td>
<td>Team planning of activities for the benefit of the client and together with the client</td>
</tr>
<tr>
<td>Systems of remuneration</td>
<td>Depending on individual achievement of financial results and achieving a desired market share for a particular product</td>
<td>Depending on team and individual indicators defined for the area of service for a particular client, taking into consideration the assessment of partners</td>
</tr>
<tr>
<td>Expanding knowledge</td>
<td>Mass trainings on uniformed scope of subjects</td>
<td>Trainings adapted to individual needs and profile of the served client, associated with interpersonal communication within a company and with clients</td>
</tr>
<tr>
<td>Management</td>
<td>Selection of target markets; “4P” concept: product, price, promotion and distribution</td>
<td>11 elements of relationship marketing that is, &quot;11C&quot;: client, categories of products; cost, profitability and value; control of processes from contact to clearing; cooperation and integration; individualization; interactive communication and placement; assessment of the supplier by the client, care for client, chain of partnership</td>
</tr>
</tbody>
</table>

It is possible to distinguish two directions in the course of thinking among researchers. There are those who think that activities within the scope if employer branding accompany entrepreneurs from the day they hired their first employee and are an integral part of a company's recruitment activities. Others think that employer branding (translated as recruitment marketing) is a new concept of marketing formed on the basis of knowledge about markets and consumer behaviours, aimed at building the value of a company's brand.

McKinsey company is said to be the creator of the term employer branding. In course of the company's activities the term appeared for the first time in 2001. On the Polish market there are just a few publications about building employer's image.

Employer branding activities can be divided into two types, depending on the target group. Thus, we can distinguish:

1. Internal employer branding — targeted at current employees of a company. It focuses mainly on creating a friendly atmosphere of work and opportunities for development. Organizing incentive trips, publishing company newspapers and investments in human capital, e.g. in form of trainings, are examples of actions from this scope.
2. External employer branding — targeted mainly at potential employees. The goal of activities is forming the image of a company as an attractive employee by means of, among others, participation in job fairs, active promotion of a company at universities and making sure that job advertisements are effective and reach the desired target group.

1980's generation on the labour market

Literature on the subject characterizes the so-called Y generation in much detail, it describes the problems of young people on the labour market, their attitude to life and relations with future employers.

Generation Y also poses a challenge on the educational level. It is described as a group of young consumers clearly communicating their goals and expectations. Advanced technology, intelligent electronic devices and constant access to systems of wireless communication constitute criteria of membership in the group. Long-distance and virtual communication often substitutes traditional communication systems.

Research concerning generation Y focus on two directions. First of all, psychological profiles, ability to work in a team, self-satisfaction, self-assessment and adaptation to changing conditions are investigated. The second stream of research focuses on consumer behaviours.
Literature on the subject emphasizes that generation Y greatly differs from generation X and makes other purchasing decisions, has a different view of brand value and the quality of products and services. The discussed generation was born in the 1980’s.

An overview of generations investigated and presented in literature on the subject is shown in the following table 2.

<table>
<thead>
<tr>
<th>Period</th>
<th>Veterans</th>
<th>Spontaneous kids</th>
<th>Generation X</th>
<th>Generation Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determinants</td>
<td>Traditionalists</td>
<td>Spontaneous in taking decisions</td>
<td>Making conscious and rational purchasing decisions</td>
<td>Innovators</td>
</tr>
<tr>
<td></td>
<td>Mature, calm and reasonable with regard to their choices</td>
<td>Choices dictated by <em>the heart</em></td>
<td>Focusing on professional success</td>
<td>“Rolling stones”</td>
</tr>
<tr>
<td>Events shaping a generation</td>
<td>World War 2</td>
<td>“Cold war” Growth of global economy</td>
<td>Women’s rights</td>
<td>War in Iraq</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The fall of communism</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Development of modern technologies</td>
</tr>
<tr>
<td>Employee’s traits</td>
<td>Strong cultural ties Clear system of professional hierarchy</td>
<td>Team work Cooperation Devotion to a cause Loyalty</td>
<td>Practicality “Work-life balance” Independence Focus on goals and tasks</td>
<td>Strong ambitions Narcissism Convinced about own value Strong need for independence at work</td>
</tr>
<tr>
<td>Motivation</td>
<td>Appreciating values and skills</td>
<td>System of non-salary remuneration</td>
<td>Trust Decentralization of the system of management “Work-life balance”</td>
<td>Financial remuneration Ability to make decisions</td>
</tr>
<tr>
<td>Style of</td>
<td>Military — clearly defined targets</td>
<td>Motivating Role of a “teacher”</td>
<td>Focused on goals and tasks</td>
<td>Multitasking</td>
</tr>
<tr>
<td>management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction</td>
<td>Learning skills through practice</td>
<td>Clearly given orders</td>
<td>Team manager as an authority</td>
<td>Liberating creativity</td>
</tr>
</tbody>
</table>

Veterans are the “quiet” generation with a traditional view of the role of an employee in an organization. People born in the 1920’s and 1940’s were shaped above all by the effects of World War 2. They prefer the feeling of security at work and remain loyal and devoted to their “Spontaneous kids” are classified as a group of optimists who like and appreciate group work. Working outside defined time patterns they are also often called workaholics.

The name generation X was first used by Jane Deverson, who published her research in book titled “Generation X”. The book very quickly changed the way of thinking about the role of an employee in an organization among many researchers. Despite the fact that Jane Deverson was a British sociologist, her research was very widely used in the United States for the purpose of characterizing American employees. Generation X consists above all of people who had to cope with systemic changes resulting in, among others, growing unemployment rate.

Generation Y born in the years 1980–2001 is characterized by not just the ability, but above all willingness to take advantage of technological progress. Smartphones, tablets, Internet are basic tools in their daily life. On the one hand they are highly mobile, flexible and creative in their activities and quickly expand or gain the necessary knowledge. On the other hand their behaviour and lifestyle pose a challenge not just for the employer, but also for educational institutions. From the point of view of generation Y traditional educational methods are boring and outdated and universities are not prepared to provide knowledge in a way they regard as preferable (that is, based on the utilization of new technologies in every aspect of life). As employees, representatives of generation Y think that it is possible to expand one’s knowledge and experience very fast by reading literature on a particular subject found by means of Internet search engines. They don’t respect typical management styles and don’t recognize social and professional hierarchies. More and more often they are typical individualists, they are unable to work in a team and their self-confidence in confrontation with the lack of possibility of implementing their ideas and solutions very quickly leads to a situation in which they have no motivation for work.

Young people’s expectations on the labour market

Natural rotation of employees and the growth of business force companies to hire new employees. The traits characterizing generation Y presented above reflect the
actual condition of young people learning and gaining first professional experiences in the 21\textsuperscript{st} century. Generation Y is just the way it is and these people don't know how to live in a different way and function in the society. Their behaviours are a result of, among others, evolution of markets, economies and consumer behaviours.

People from the “Y” generation were brought up on computer games and started using their first mobile phones while still at school. The result of these experiences is different perception of the surrounding world and their role in the world. A natural consequence of the state of affairs is a change in structures and forms of management of organizations, which get in touch with representatives of the generation.

Based on the assumptions that traditional methods of teaching and management are not attractive for the representatives of generation Y, both scientific institutions and companies are facing the challenge of attracting the best students and employees, according to the profile of their activity.

In line with the “win-win” theory, scientific institutions take up cooperation on the basis of long-term relations with other market entities in order to train a new generation of employees. The result of cooperation is the possibility to acquire talented people who can to the greatest extent adapt to the business environment.

Under conditions of high competition on the market, it is possible to risk a statement that every kind of cooperation with representatives of business raises the rank of a scientific institution and enables it to become a better source of future professionals. What is becoming a fact is the claim that the market of scientific institutes is entering a phase of competitiveness, which is taking the shape of a matrix. Competition takes place not only between institutions financed by the state budget and private institutions, but also within a group composed of institutions financed by the state budget and within a group of private institutions. Additionally, Polish universities are competing with international entities.

The current demographic low is deepening and it is estimated that in 2015 the number of people aged 19–24 will be 2.8 million. In this situation representatives of scientific institutions agree that effective cooperation between educational unit and business will make it possible to not only educate graduates with theoretical knowledge, but also to provide them with competences and skills wanted by employers.

\textbf{Marketing helpful in maintaining competitive advantage}

It is a necessity for universities to educate students in such a way that their knowledge obtained during the period of education corresponds to real needs of the
market. Undoubtedly, one of main elements protecting universities against creating masses of unemployed graduates is establishing close cooperation with business. However, to make it possible to start cooperation, scientific institutes first try to acquire talents, also by means of own tools and solutions.

What plays an important role is the fact that over years the role and structure of scientific institutes and units has been changing. In a situation where access to higher education was free of charge and on the market there were only public universities the main element of competitiveness of units was the very prestige of studying at a particular university, its renown, history and scientific staff.

In current economic reality universities are to some extent acquiring the characteristics of commercial entities, competing with price and quality. In university rankings both public and private universities occupy the highest positions. For the best high-school students, in particular, high-school knowledge contest winners, there are places at full-time studies, which for them are free of charge also in private universities.

Apart from the choice of area of study, country, city and location, what plays a major role from the point of view of future students, is university’s infrastructure, including an attractive building, lecture rooms, devices and the equipment for workshops, especially at universities of technology, sports and gastronomic facilities. What also influences the choices of high school graduates concerning further education are opinions of friends who study at a particular university.

At this moment it is necessary to return for a while to the theory of relationship marketing and the definition of employer branding discussed at the beginning of this work. Regarding relationship marketing as a long-term cooperation of two entities based on economic and non-economic factors, it is worth taking a look into the kinds of cooperation and its multidimensionality. Taking a look into relationship marketing as a long-term cooperation of two entities, based on economic and non-economic factors, it is worth paying attention to the kinds of cooperation and its multidimensionality.

In the context of non-economic factors, including, among others, quality, trust, satisfaction, relationship marketing can be viewed as a form of cooperation of two (or greater number of) individual clients (C2C). In a situation in which we are talking about cooperation of a scientific unit and a company, the relationship will take the B2B form and in situation where any student (or employee) starts long-term relations with a scientific institutions (or an employer) then we are dealing with B2C or C2B relations. It is worth pointing here to the fact that relation is always based on exchange, but a trade transaction doesn’t always have to take place. Relations can take any forms,
which haven't been described in literature on the subject and which can constitute an important element for the creation of cooperation patterns.

In the context of non-economic factors, discussing one student's satisfaction from studying (identifying oneself with a university) deepened research on the determinant can determine the existence of cooperation on the basis of relationship marketing in the C2B (or B2C) configuration. If the student additionally recommends the university to a student candidate, we can automatically consider a complex kind of C2B2C cooperation. In this view, employer branding takes on a different context and can be understood as "employer brand management". The entity building its brand is a scientific institution (university). Thus, employer branding is not a theory or name reserved for employers — companies (coming from business). Scientific unit is also an employer and thus can or even should create internal (in order to gain possibly best scientific staff) and external actions concerning recruitment marketing. The goal of such actions is attracting future talents. These talents are the goal of companies (business), which using own recruitment tools establishes long-term relations with scientific institutes.

Competition on the market of universities has forced scientific units to resort to solutions obtaining potential talents. It is necessary to remark here that the process of recruitment often doesn't start when a candidate submits his application documents. More and more often representatives of universities visit high schools in order to draw the attention of future high school graduates to their unit.

The following list presents a few solutions constituting elements of marketing of universities. On the plane of obtaining students, the following actions can be distinguished.

1. organizing free preparation courses for high school graduates,
2. incentives for contest winners and students passing international examinations,
3. the best high school graduates are enrolled without enrollment fees,
4. universities organize open days,

but more and more often universities resort to techniques taken from the world of business, that is, they run tv, radio and press campaigns, use billboards and other forms of outdoor advertising.

In course of cooperation with business universities offer paid apprenticeships and more and more often they launch studies under the auspices of a particular employer. Such solutions oftent guarantee their students employment in a particular employer's organization.
The above example constitutes an advanced model of long-term cooperation of university with business. Broader involvement of representatives of business in the curriculum makes it possible to better prepare and define later requirements of employers with regard to the competences of the studying generation Y. It also makes it possible for students to better understand the unique characteristics of particular branches, professional profiles and the development of basic skills needed to start the first job.

Career offices used to be the standard means for cooperation between universities and entrepreneurs. The role of career offices evolved over the recent years and in their structures, career offices often form units dedicated to cooperation with business. Universities form partner clubs, organize job fairs, they have a broad range of exhibition space and provide lecture rooms for trainings organized by business.

Companies also more and more often regard employer branding activities as an important element influencing the value of their brand. What is also significant is gaining future employees perfectly fitting the profile searches by the employer. It is equally important that other people studying at the same university, choosing another branch or sector of the market have positive view of a company. Such long-term activity is again based on relationship marketing, but it is considered in a different context and on a different plane. Good relationship of a student with a company can have a positive impact on his decisions, as a potentially decision-making person in future.

Broad exchange of information is becoming a standard in course of cooperation between universities and companies. The former collect information about the labour market, the latter use academic knowledge for the purpose of creating business models.

Undoubtedly, still for students one of the most attractive forms of cooperation between universities and business is the offer of paid apprenticeships. Moreover, programmes for students of a given university enjoy great interest (like Ambasador KPMG), instruction training projects preparing for work (like World of Audit), sponsoring and subsidizing university infrastructure (including, among others, seasonal production — Christmas trees, bean bags, lamps) and broad communication in social media, which is the basic communication platform of the Y generation.

Summary

Over the last couple of years there has been a substantial revival of cooperation between scientific institutions and business. Both the first and the second group of entities, searching for competitive edge on the market, take actions unknown to them
up till now and which are aimed mainly at building a strong brand on the market. The claim that scientific institutions are adopting the characteristics of commercial entities seems controversial, but, in fact, in their recruitment activities they are starting to take advantage of tools until recently reserved for the FMCG branch and marketing of professional services.

In order to grow fast on the market, companies need to acquire talents. The talents of the previous generation — generation X — were different than generation Y and the way of managing talents of generation Y is different.

The development of generation Y is one of elements which had a positive impact on the tightening of cooperation between scientific institutions and business. The emerging cooperation is taking various forms and kinds. What is also important is that it should be focused on the long term and be based on the strategy of mutual benefits.

The concept of relationship marketing, viewed in the context of analyzed cooperation constitutes a theoretical basis and a platform for the creation of future matrix market models.

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Bibliography


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