

RELATIONSHIP MARKETING COMMUNICATION CASE STUDY: STRENGTHENING OF THE RELATIONS WITH THE SHAREHOLDERS THROUGH MARKETING COMMUNICATION

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Abstract:

Following the development of theoretical and practical aspects of great importance for the scientific approach of relation marketing, it is required to switch to a higher level by means of the intensive development of techniques and tactics of the communication with shareholders. In literature, namely the relation marketing communication, there is a shortage of articles, studies and research that address this issue systematically. The focus on the features of the communication imprinted by the target's specificity is deemed pragmatic in the context. Given the multiple possibilities of approach, it seems necessary to identify a marketing formula which should essentially mediate the strengthening of the relations between managers and shareholders.

Keywords: relation marketing, marketing communication, target specific communication, shareholders

JEL Classification: M31

1. Introduction

Following the development of theoretical and practical aspects of great importance for the scientific approach of relation marketing, it is required to switch to a higher level by means of the intensive development of techniques and tactics of the communication with shareholders. In literature, namely the relation marketing communication, there is a shortage of articles, studies and research that address this issue systematically. The focus on the features of the communication imprinted by the target's specificity is deemed pragmatic in the context. Such complex relations as those between managers and shareholders are debated by authors both from the juridical field and the economic one, mainly with a focus on topics from: the commercial law, management, financial management, business ethics, business communication, etc. A diverse form of shareholders' rights to information is the subject of jurisprudence. Out of the many ways of approach, there is the need to identify a marketing formula, which should essentially mediate the strengthening of the relations between managers and shareholders.

2. Literature review

Closely related to granting the right to exercise control over the company by shareholders Law no. 31 has been in force since 1990. It supports specific financial groups through a series of regulations on the shareholders' right to information. The proper functioning of economic activity would not be possible without the investors to be in possession of the necessary information. The most valuable desideratum pursued by the implementation of these laws is dissolving information asymmetry and increasing transparency in the economic circuit. Similar with building relations with the market, in this case, the cornerstone of the partnership's development is ensuring a trustworthy environment. The threat to the manager-shareholder relation by often divergent interests of the two parties can be avoided by taking advantage of the opportunities offered by choosing the most effective means of communication. "The information environment plays a critical role both in determining the extent to which these conflicts may arise and in the design of mechanisms to mitigate these conflicts." (Armstrong Ch., Guay W., Weber J., 2010, p. 179).

Duțescu C, a prominent lawyer in our country, treats at length in his work, "Shareholders rights", the issues on the right of shareholders to information. Considering this research, their presentation becomes highly useful. The first point regarding the development and implementation of the strategy of communication with shareholders is the legal knowledge and compliance with the rules governing the rights to information of these special groups. Only after a strict implementation of the legislation in force, one can talk about additional actions of communicate with major implications for improving relations between shareholders and managers.

Presenting the information environment from a legal perspective has a special significance in the contemporary process of developing relations with all categories of stakeholders. A special group of people in view of researchers in the field of reference or a category equal in rights and obligations to the other, shareholders require special attention in terms of marketing approach. Given the origins of the shareholders theory, part of the financial environment, they have a number of peculiarities. From this perspective, we can say, without the possibility of committing an error that shareholders make subject to special categories of stakeholders.

The distinctive note is given precisely by the role played by shareholders in the company's management. The separation of power requires the implementation of legal regulations able to regulate the relation between the management and such groups of direct interest on the corporations' activity. The communication is strongly influenced by the juridical environment and by the mandatory nature enforced by the law as regards the information to be communicated to the public.

The intensive development of the communication context in terms of the relationship marketing, through the implementation of the requirements necessary to strengthen the relation with the shareholders, transforms this rigid juridical framework into the partnership's cornerstone. The continuous expansion of the field in which marketing activities are carried out grants relevance to the constant steps, aimed to identify the levers by means of which communication helps the perennality of the relations between management and shareholders.

3. Case study: Strengthening the relation with the shareholders through marketing communication

Shareholders, depending on their financial strength and the degree of interest in the organization, can be classified into different categories: small or large, active or passive, known or anonymous, etc. Different nature of communication leads to specific communication tactics, but the main goal of grounding strategy is to establish the best environment for long-term cooperation. The technique known as the most useful in maintaining the bonds with shareholders is the technique of public relations. The organization's PR department has the following duties regarding the issue's specificity: to prepare annual and interim financial reports, to deal with the organization of general assemblies and to provide advice and answer to the shareholders' inquiries and complaints (Șerbănică, 2003, p. 28).

The challenge faced by organizations in achieving this objective is given by the following belief: "Shareholders have been characterized, for ages, in terms of their changing nature due to the increased interest over speculation ... they do not take any volitional effort to develop the organization on long-term and are not emotionally attached to its products or services "(Gummeson, 2008, p. 104). Thus, the information about the trading company relates to its financial performance. Maintaining and developing a sustainable relation over time, with this type of public, involves developing a communication strategy based, essentially, on sending financial messages.

The unidirectional flow of information <organization - shareholders> has been mandatory since the promulgation of the law governing the shareholders' right to information (Law 31/1990). The recognition of interactivity as a decisive factor for creating, maintaining and developing relations and to seize the opportunities of this partnership is necessary that the shareholders should be encouraged to participate in an open and transparent dialogue. All this is translated through a transparent, coherent and consistent communication policy. Collaboration occurs when there is a strong moral core of people involved. "Transparency requires a certain type of mentality and education of managers based on sincerity and a specific logistics; if these elements lack, transparency becomes a disadvantage rather than an advantage" (Onofrei M., 2007). In fact, the evolution of the economic environment has led to some factors contributing to the degradation of these principles, which require for decisions to be made accordingly. "Due to some reasons, transparency in the corporations' information environment has decreased or is deemed to have decreased over time, pushing companies towards the decision of hiring managers from outside the company to monitor and participate actively in the decrease of the information asymmetry "(Armstrong C., Guay W, Weber J., 2010, p. 186).

In a highly competitive environment because of the globalization of markets and deregulation of industries, contemporary organizations may gain a significant competitive advantage following the excellent relations with shareholders. "Making them loyal is indispensable nowadays when there are some many negative factors threatening the organizations' capital" (Popescu I. C., 2003, p. 64). In our approach, marketing communication plays a decisive role. The process must ground on the following considerations which enclose both the ethic and the informational (useful) natures:

- The access to information should be equally enabled for all the members of this category of public (small or large, passive or active, known or anonymous shareholders);
- The immediate availability of necessary information by developing electronic platforms;
- Observance of terms for sending financial information (publication of results);
- Information on the other activities carried out by the company in order to significantly reduce the information asymmetry (production, prices, sale, promotion, etc);

4. Conclusions:

The partnership between the management of trading companies and shareholders is improved by means of communication and is grounded on two *essential principles*:

1. The principle regarding the full compliance with the regulations regarding the right of shareholders to information, stipulated in Law no. 31/1990;
2. The principle regarding the improvement of legal norms by developing proper conditions of communication between the parties.

This study approaches a bidirectional communication mechanism, grounded on the two principles, considering it has increased chances as regards the strengthening of the relations with shareholders.

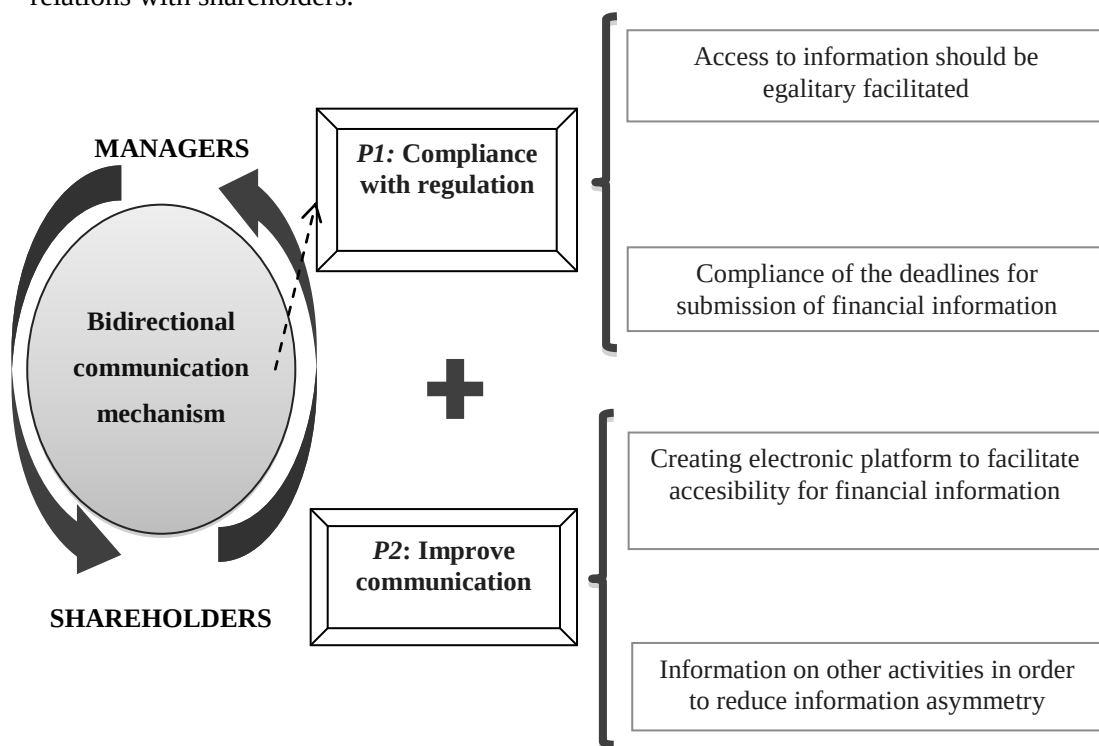


Fig. 1: Bidirectional communication mechsansim for strengthening relations with the shareholders

The second principle requires the adoption of a conduct that reflects the marketing ethics and the implementation of mechanisms of communication which facilitate the interactivity within the relation network. Collaboration is defined by the partners' common objective, the company's economic efficiency, which reality will significantly contribute to mutually beneficial outcomes for partners. It is widely accepted that marketing communication activities, by developing suitable strategies to harness the opportunities in the environment has a decisive impact on drawing a proper collaboration environment.

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