

Business to Business Customer Relationships

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The relationship between companies determines the profitability of B2B businesses. Businesses that specialize in providing goods and services to other businesses need to have excellent customer relations. The excellence of such relationships is the core factor for the firms' profitability. Hence, business to business firms approach the concept of Customer Relationship Management (CRM) by paying attention to the knowledge that accrued that relates to selection development and maintenance of profitable relationships. Another factor on which B2B firms concentrate is the formulation of current and future customer relationships that are profitable. The case of the Oriental Trading Company (OTC) and The Product House provides a unique insight into the factors that guarantee the success of business to business firms. The case also provides insights into the factors that cause the failure of such companies.

The concept of sustainability is a crucial component of the business to business operations structure. In B2B business, most first attend only have a few customers, who account for the bulk of their sales. As a result, it is paramount to develop a customer relationship that is sustainable in the long run. Long run sustainability is the most important aspect of a business to business firm since it assures the company of improved sales (Grewal et al, 2015). Therefore, a crucial success factor that one observes between The Product House and Oriental Trading Company is the move to secure long term cooperation. At the start of the cooperation between the companies in 2000 and the end in 2007, the organization purposed to maintain the relationship for the long term. The view of having a profitable relationship, in the long run, helped the companies achieve sustainability in their relationship and become profitable.

Another factor that depicts the success of the relationship between TPH and OTC in their business relationship is that the leaders of each of the companies worked hard to maintain a

profitable relationship. The companies enjoyed mutual benefits from one another. The mutual benefits that the companies enjoyed indicate that sustainability is only achievable when companies have a relationship that is mutually beneficial. In situations where one of the companies fails to quantify the benefits, it derives from the relationship it has with another institution, the most logical choice becomes to end the relationship. Customer loyalty ends when one of the parties fails to derive satisfaction from the customer relationship (Russo & Confente, 2017). Moreover, ending customer relationships with a company that is not beneficial to another is an important step of achieving sustainability. The implication is that a customer relationship between companies is only sustainable when the companies derive mutual benefits from one another (Wu et al., 2015). Otherwise, if the relationship is not beneficial to one of the companies, then it is sustainable for the company to end the relationship.

Business to business relationships require an intricate relationship between the companies to ensure that they achieve mutual benefits. For such companies to achieve sustainability in their relations, it is paramount that the leaders of the institution envision to formulate long-term relationships. Long term relationships are crucial for business to business companies because, in most cases, the firms depend on a few customers for the bulk of their sales. Such sales come from the consistent customer loyalty in business to business customer relationships (Dowell, Morrison, & Heffernan, 2015). Another factor that enhances sustainability in the business to business relationship is ensuring that the companies participating in the customer relationship are derive mutual benefits from the relationship. Otherwise, when one of the institutions perceives itself to derive lesser value than it contributes to the relationship, then it is sustainable to end the relationship.

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