

## Study of Factors of Relationship Marketing at DIY Woodworking Workshop

Tong Whan Chun<sup>1</sup> and Kwang Roul Kim<sup>†2</sup>

### ABSTRACT

While the population conducting the production-oriented leisure activity is spread, the expertly franchised types of woodworking workshop based on good organization and economic power are also undergoing rapid growth with the related industries. Such tendency needs the systemized marketing strategy for woodworking workshop industry, but most of the woodworking workshops are regarding the deal with customers as simple exchange business in the market. The factors of the relationship marketing hereupon should be constituted as basic material for the study of the relationship marketing of DIY woodworking workshop.

This study was intended to select the appropriate factors for relationship marketing and to apply the related theoretical backgrounds on the basis of the preceding studies regarding the factors of relationship marketing. As the factors it was selected that service and expertise of staff under the category of the characteristics of staff, reasonable price, diversity of products and convenience of facility in woodworking workshop under the category of the customer-oriented service, and communication and favorite program under that of the relation-oriented service.

**Key words:** *the production-oriented leisure activity, DIY woodworking workshop, relationship marketing.*

### 1. INTRODUCTION

#### 1-1 RAISE OF ISSUE

Why the concept as to leisure time has been changed from the consumption-pursued to the production-oriented activity results from that the cultural level was improved on the basis of economic growth and different leisure programs was developed while free time was increased thanks to shortened working hours and enlargement of the five-day workweek. It is realistically also because of many complicated backgrounds e.g. like economical difficulty, high labor cost, economy in consumption, interest in improvement of life standard and change of life style etc. (Chun and Kim 2008).

DIY woodworking workshop, a production-oriented leisure activity has been extended to the franchised type supported and maintained technically by headquarter on the basis of the organizational and economical power, the work-shop type which has small scale and is closed to the residential area, the studio type managed according to each personal tendency of artist, and even the affinity group type made by non-expert people to exchange the information & opinion regarding material purchasing and working etc. and the rapid growth of DIY woodworking workshop with the related industries nationwide has been followed accordingly. The scale of domestic DIY

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1) Prof. Division of Tourism Administration, Kangwon National University, Chuncheon, Korea.

2) Prof. Dept. of Furniture Design, Hyupsung University, Hwasung, Korea.

† Corresponding author: Kwang Roul Kim (Email: kimkr@uhs.ac.kr).

woodworking workshop market amounts to KRW 80 billion (the sales of woodwork shops) as of 2007, and the registered business enterprises are approx. 500 and furthermore international DIY expert companies as well as domestic large corporations have started to share the DIY woodworking workshop market (Kim 2009).

In such strong competitive DIY woodworking workshop market, the practical and realistic marketing would be highly needed. In reality however, the majority of woodworking workshops regard the deal with customers as a simple exchange like in the market and the lackadaisical marketing level is dominant now. While the more people participate in DIY woodworking workshop and the demand for it is increasing accordingly, and the market competition seems to be stronger ostensibly. It is therefore no wonder, that the traditional marketing going out of date breeds many difficulties and meets the critical situation, if it could not match with the different requests, tastes and purposes of activity of customers.

In the general marketing usually, production of good and it's consumption are separated, but in case of DIY woodworking workshop marketing this is not always right, because the customer participates directly in production and consumption too. DIY woodworking workshop is a service industry targeted for those customers who want to decorate life space more convenient and beautiful according to their abilities. Those customers need absolutely the help and service of the staffs in woodworking workshop because the tools and material are necessary and the related technical condition has to be supported. Therefore the interaction between customer and staff plays a meaningful role and staff offer customer the best service until they feel satisfied. The approach from a relationship marketing perspective would be highly needed in order to manage and maintain this interaction between customer and staff.

The appropriate factors influencing in the management and improvement of DIY woodworking workshop should be found for a steady and safety relation with customer and this has to be applied to the study for the relationship marketing of DIY woodworking workshop as well.

## **1-2 PURPOSE OF STUDY**

The appropriate marketing factors for DIY woodworking workshop should be selected on the basis of the raised question abovementioned and the preceding studies and they will be constructed as a beginning phase for the relationship marketing study of woodworking workshop. This is to present the appropriate relationship marketing strategy for each characteristic of DIY woodworking workshops through the theoretical considerations.

## **1-3 METHODS**

In this study, literatures, data and preceding studies internationally as well as domestically were considered and on the basis of them the factors of DIY woodworking workshop relationship marketing were chosen. These chosen factors were classified in duration of service (service and expert of staffs), customer-oriented service (reasonable price, diverse product range and convenience of facility in woodworking workshop) and relationship-oriented service (communication, favorite program). The theoretical grounds regarding DIY woodworking workshop's relationship marketing were presented and the definition for them made.

## **2. THEORETICAL BACKGROUND OF RELATIONSHIP MARKETING**

### **2-1 CONCEPT OF RELATION**

The relation in marketing sector means 'enterprise to enterprise', 'enterprise to partner firms' and 'brand to customer', but the relation in this study is defined as that between customer and DIY

woodworking workshop. In the course of the stronger competition in woodworking workshop market, it becomes difficult to get the firm customers. In other words, it would be time to recognize that the acquirement of regular customers is really valuable and the understanding about 'relation' is necessary too. While exchange might be meant as time concept carried out within short-perspective, but relation meant a long-terms duration and mutual acknowledgement as faithful partners each other, and this could be regarded as the biggest difference between the both.

## **2-2 CONCEPT OF RELATIONSHIP MARKETING**

The study of relationship marketing had been started by Kolter and Levy in 1969, but the term "relationship marketing" has been introduced by Berry first in 1983. They insisted in their study that the priority of relationship marketing should come from the mutual exchange process between customer and staff. Relationship marketing being favorable for the enterprise offering the expertized service is the first marketing method that cognizes customer is associated with enterprise and has further more a close contact with the particular staff. The aim of DIY woodworking workshops is to create a steady and regular relation with customer, to keep and strengthen this relation, and this could be defined as the relationship marketing of DIY woodworking workshop (Kim 2009).

In this context the face to face contact between customer and staff is usually long, and staff is able to offer customers expert information during the meeting accordingly, the quality of relation is firmly made, because this whole process is based on the reliability each other. The core of relationship marketing lies in the development of the long-terms relation with customer and the designing and maintaining it, and this finally contribute to the improvement of relation with cooperative partner horizontally as well as vertically. Therefore relationship marketing can be hereupon defined as all marketing attempts to create, develop and maintain the reasonable relations (Morgen and Hunt 1994).

Kim(2009) has made the relationship marketing of DIY woodworking workshop definitely as a constant and steady marketing activity of woodworking workshop to keep the long-terms apprenticeship with customer. Namely the deal in woodworking workshop is not a simple exchange process to purchase the good and pay the price for it like in the market. Thanks to the long-terms apprenticeship in woodworking workshop the customer can learn woodworking technique and function, and furthermore apply their studying to a new design, but it takes long time and costs efforts. In order to form an apprenticeship the customer should have a aptitude and taste for woodworking work, and also will to carry out the subjects, and the woodworking workshop ought to satisfy the preceding variables to be able to provide customer with satisfaction and trust.

## **3. FACTORS OF RELATIONSHIP MARKETING IN PRECEDING STUDIES**

Jung(2008) has selected the factors of relationship marketing for retail stores as follows : diverse assortment of whole products and price for value creation, marketing communication, design of store and display for value communication, customer service for value offer and favorite program for value improvement. Kim(2002) has settled the activity factors of relationship marketing in case of family restaurant as contact and communication with customers, and Koo(1996) had measured factors in case of the service in tourist hotel as like that a good feeling and ability for the characteristic of service provider, physical and time and price convenience for the customer-oriented marketing and mutual reaction, open mind and readiness for cooperation for the relation-oriented marketing.

#### **4. TECHNICAL DEFINITION OF FACTORS**

This study has selected the following factors corresponding to the activities in woodworking workshop as the required preceding variables for the study of relationship marketing at DIY woodworking workshop, in consideration of the preceding studies regarding the factor of relationship marketing. The research model used by Koo(1996) was adopted here because the used variables were verified as reliable, namely the Cronbach's 'α' coefficients all were over 0.6 and also his model corresponded with the direction of this study. The technical definition according to each factor is as follows : The favorable factor under the category of the characteristics of staff (Wilson, 1997) means the good feeling-level according to the service staff offers customer and it is represented by 'service of staff', and the competent factor means the expert knowledge and technique of staff with regard to the working in woodworking workshop and it is presented by 'expertise of staff'. The physical convenience of facility under the category of the customer-oriented service (Lee, 1993) should be understood as factor regarding the facility and environment in woodworking workshop, and the sort of product described in 'creation of value' by Jung(2008) is corresponding to the 'diversity of product' in this study because it indicates different designs and techniques woodworking workshop should offer customer, and the factor as to the price is selected as 'reasonable price' according to the study of Koo(1996). Reciprocal action and open-minded attitude under the category of the relation-oriented service (Dwyer et al.) belong to 'communication' factor of Kim(2002) making the mutual understanding between woodworking workshop & customer and customer & customer more convenient, and 'favorite program'(Jung, 2008) was applied in order to improve the customer loyalty and value to woodworking workshop.

##### **4-1 SERVICE OF STAFF**

To the services of DIY woodworking workshop the safety confirmation for customer belongs first of all. The staff has to be in position to offer safety control for the participated customers to be able to carry out their works pleasantly under safety condition based on the trust. Also the convenient facility, not only the working equipments should be installed in woodworking workshop as customer service (Jung 2008). While customer uses the service and convenient facility in DIY woodworking workshop and feels the customized relation with staff, the index of satisfaction and reliability of customer will be raised. It is necessary for staff to understand the taste and personality of customers and to present them the suitable service and recommendation with help of a comfortable relation in convenient facility in woodworking workshop. The reliable service as for relationship marketing activities should mean the constant effort to extend the firm equality between customer and enterprise (Peterson, 1995).

##### **4-2 EXPERTISE OF STAFF**

Boughton (1992) presented in his study that the definite factor for purchasing of customer might be 'approach to expert knowledge', and hereupon two expert techniques namely the recognized special ability and knowledge regarding customer were discovered. The recognized special ability means the technical performance ability and the knowledge about production for DIY woodworking furniture, and this is one of the important factors giving the reliability to customer. Furthermore the knowledge regarding customer is to understand the required expertise by customers and to offer them the requested special technology.

The expert knowledge of DIY woodworking workshop is classified in that about DIY woodworking workshop market, that of production of woodworking furniture and that of design of woodworking furniture. The knowledge regarding production of woodworking furniture again includes hand and machine tools used by the expert, application and maintenance of machinery,

physical characteristic of each material and the suitable keeping system, process and production technology and design for manufacture etc. The knowledge regarding production of woodworking furniture is detailed as like interior space and furniture style, ergonomical aspect for design sketch and plan, understanding of space and application methods of design factors and so on. The expert of staff in woodworking workshop includes the availability regarding product and service and it works as a key factor to advance the quality of relation with customer and to meet the customer satisfaction and finally to keep the stable customer relation.

#### **4-3 REASONABLE PRICE**

As a sales promotion strategy in DIY woodworking workshop the necessary consumption goods and convenient tools for manufacturing are to be offered and DIY furniture is made by using of these materials. Through it the customer can experience the differentiation in point of production and design aspects compared to the other woodworking workshops and would like to re-purchase the used goods. Moreover customers are satisfied with their results and regard the price as reasonable. If the customer's tastes would be distinguished practically according to the convenience required by customer side, there could be customer satisfied with the product of just hobby level, customer who is willing to even the high price for the designed good matching with his taste and customer who wants to get the good made by the expert technology and material sufficiently. In brief the standard of price can be differently defined according to the pursued taste of customer.

#### **4-4 DIVERSITY OF PRODUCTS**

The product of DIY woodworking workshop includes tangible goods and intangible service and means 'something to be able to satisfy desire' as Kolter (1994) described. Also the concept of diversity of products should include tools and consumption goods for furniture production in DIY woodworking workshop, the tangible goods made by these tools, and service of staff teaching and assisting the production method of furniture to customer and even program offered suitably according to customer's taste and ability.

So, diversity of products means tangible good and intangible service. The tangible goods in DIY woodworking workshop present the cut wood for work, hand tools, finishing material and hardware etc. Also the half-finished good and the finished product conducted by these tools could be said as tangible goods. Intangible service in other side is the program offered in woodworking workshop and design, and means whole process of staff to satisfy customer's requirements and needs and to offer the appropriate service for them. The experience of customer regarding this process is very individual and it is influenced by reciprocal action between staff and customer. the planning of the technical level of staff and service type plays a meaningful role to determine the quality of the goods in woodworking workshop. But the service quality of DIY woodworking workshop is changeable and it could not managed and controlled perfectly. The design of the finished good in DIY woodworking workshop therefore should be considered as the mixed product of the tangible good showing the level of each woodworking workshop and of the intangible good presenting the functional program and emotion added design, and this is essential factor for the differentiation from the other woodworking workshop.

#### **4-5 CONVENIENCE OF FACILITY IN DIY WOODWORKING WORKSHOP**

DIY woodworking workshop intends to make the most of each characteristic at designing the interior environment and to design the inside and outside of the building according to the beloved style by customer, and also facilities installed in working place belong to important equipments of woodworking workshop. Shostack (1977) had expressed that the physical convenience like facilities in woodworking workshop means where service is produced and reciprocal action between

customer and enterprise happens and this is tangible good to make service and consumption easier. By displaying the material and consumption good requested by customer with the relation things and finished good together to make purchasing more convenient, staff in woodworking workshop can interest customer in re-purchasing and purchase the high-priced articles. Also it is necessary to design some place where application and technology are presented in case of that customer choose a new product. At the same time staff should give a right explanation to customers for their easy understanding regarding the consumption good and its application.

#### **4-6 COMMUNICATION**

The most of DIY woodworking workshop are advertising through their web-site per Internet and also informing customer of new products and different events and exhibition to keep a favorable relation with customer and to create a faithful relation as well. All sorts of information showed in web-site plays an important role to stimulate the curious customer. It should play such a meaningful role as an active provider of information by introducing new products and their technical issues directly and interesting customer in participation, not by giving simple answers from customer side passively. In this process it could be used as an important advertisement method, because the brand value of DIY woodworking workshop is enhanced and the reliability of the participated customers is created and furthermore the long-lasting relation is maintained.

Dual communication forms the basis of the reliability with regard to relation with customer and makes customer think that they are treated in good hospitality and have a close contact with partner, and thanks to this feeling gives the trust and satisfaction to customer, and finally influences to the re-purchase possibility positively (Bitner 1995). Various events are presented to interest customer by providing them with the direct experience of production, and this method should make a chance to create the customer value by conducting the direct marketing for the participated customer in events.

#### **4-7 FAVORITE PROGRAM**

Favorite program is regarded as the most important method among relationship marketing strategies (Palmer and Bejou 1994). In order to induce for customer to re-purchase and repeated purchase, different special treatments e.g. monetary or non-monetary compensation for the blue chip customer are offered in DIY woodworking workshop. As such favorite program the point reserve system is usually imageable, but the discount in case of that the membership customer purchases the good or registers repeatedly, invitation to special event and giving samples of new products for quality test etc. are also thinkable. In addition the offer of the privilege to take part in a trial performance of the newly introduced machine could be one of the favorite programs.

### **5. CONCLUSION**

The conclusion of this study of relationship marketing factors to firm the marketing strategy of DIY woodworking workshop and to improve the successful result is as follows. First, the expertise of the staff is selected. For the most of the franchised woodworking workshop just depends on the short-term product lesson of the head office, the expertise regarding furniture and design should be primary confirmed. Second, the convenience of the woodworking workshop can be mentioned and the general facilities, not only the large-sized machinery and new equipment have to be standardized. Besides the working place the design in convenient facility, place for relaxing and working space in general should be considered as a necessary service factor. Third, the reasonable price being an important factor influencing the maintenance of relation with customer could be said.

Fourth, the service of staff is told and the new manner of service technique of staff needs to be developed, because it can be conflicted with the apprenticeship in woodworking workshop's atmosphere. Fifth, the diversity of products is thinkable and it is associated with the characteristics of the participants in woodworking workshop rather to produce by themselves by taking part in directly according to their tastes than to purchase the finished good. In this respect the service of staff and the diversity of product should be studied further later on. The sixth factor would be the communication and it means the updated information regarding new products and method and the management of membership through Internet. With help of the continuous maintenance of blog e.g., and website information should timely updated and designed. Seventh, the favorite program plays an important role to present the result, because it continuously influences to customer's steady interest and participation in event and working in woodworking workshop. They are the factors for the customers to use woodworking workshop and the barometers to influence to the quality of relation showed as satisfaction and reliability.

As mentioned above the service and expertise of staff belongs to the characteristics of service provider and as the customer-oriented service the reasonable price, diversity of products and convenience of facility in woodworking workshop are regarded, and the relation-oriented service should includes communication and favorite program, and they are all selected as important factors for both staff and operator of woodworking workshop to carry out in order to create the relationship marketing of DIY woodworking workshop.

But this study has the following critical points and the direction of the future study would be drawn as below : it is necessary to verify additionally that the selected factors are appropriate basic data for the relationship marketing of DIY woodworking workshop. Namely it could be unreasonable for the case by case, because the above mentioned factors were targeted for the franchised and workshop-type woodworking workshop. From this point of view it could said that a continuous study should be followed, for the pursued tendency, scale and participations members are different according to woodworking workshop as like there are many different types of woodworking workshop.

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