The Effect of Emotional Intelligence On Relationship Marketing

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Abstract
Emotional intelligence (EI) relates to the ability to perceive, understand, use and manage one’s own, and others’, emotions. Over the past 20 years, entering the emotional intelligence to the field of management and leadership is very evident. But the growth of this concept in field of business and marketing is very slow and a little scientific work has been performed in this field. This paper examines links between emotional intelligence and relationship marketing. The data of this study is collected with Bradberry and Travis Emotional Intelligence Questionnaire from branches of Ansar bank, located in Mashhad city in Iran. Findings illustrate a positive association between various components of EI and relationship marketing.

Keywords: emotional intelligence, self-awareness, self-management, social-awareness, relationship-management, relationship marketing, banking industry

Introduction
Emotional intelligence is a set of abilities concerned with processing emotions and emotional information (Mayer & Salovey, 1997; Shalvey & Grewal, 2005; Salovey & Mayer, 1990). Of course, there are other definitions of emotional intelligence (Salovey et al, 2000; Bar-On, 2000; Goleman, 1995; Salovey & Feldman barrett, 2002). Since 1990, Peter Salovey and John D. Mayer have been the leading researchers on emotional intelligence. In their influential article "Emotional Intelligence," they defined emotional intelligence as, "the subset of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them and to use this information to guide one's thinking and actions" (1990). Also, Salovey and Mayer proposed a model that identified four different factors of emotional intelligence: the perception of emotion, the ability reason using emotions, the ability to understand emotion and the ability to manage emotions (1997). While this issue popularized by Goldman’s best seller Emotional Intelligence: Why it can matter more than IQ (1998), I follow the approach of Bradberry & Travis (2005) who hold that EI refers to the two ability: personal competence and social competence that first includes: self-awareness and self-management and second one includes: social-awareness and relationship- management. Since then, being provided a lot of research in this field by researcher,[ Mayer & Salovey, 1997; Salovey & Grewal,2005; Thorndike,1930; Wechsler,1940; Gardner,1975; Payne,1985; Beasley,1987; Peter Salovey & Mayer,1990; Goleman,1995], but most research is in the psychology field and its impact on educational field. On the other hand, while research into EI in the management field has been increasing at an exponential rate, EI research in the realm of marketing has been slower to take off.

Literature Review
Nearly two decades have passed since the first mention of the relationship marketing concept by Berry (1983), but the concept is still in vogue, maybe more than ever. Nowadays customers are considered in the scientific literature as a company asset (Lawis, 2005; Ryalds, 2005; Gupta & Lehmann, 2006). According to this point of view customers should be regarded as economical values. Such an approach would lead to a differentiated treatment towards distinctive categories of customers according with their long term level of profitability for the company (Haenlein & Kaplan & Schoder, 2006). Relationship marketing is concerned with establishing, maintaining and enhancing relationships with customers and other partners in an effort to sustain and improve an organization’s customer base and profitability (Gronroos, 1994). Relationship marketing emerged in the 1980’s as an alternative to the prevailing view of marketing as a series of transactions, because it was recognized that many exchanges, particularly in the service industry, were relational by nature (Berry, 1983; Dwyer et al., 1987; Grönroos, 1994; Gummesson, 1994; Sheth and Parvatiyar, 2000). Within a retail banking setting, Walsh et al. (2004) define RM as “the activities carried out by banks in order to attract, interact with, and retain more profitable or high net-worth customers.” Relationship marketing thus aims at increasing...
customer profitability while providing better services for customers. Several studies have empirically done about relationship marketing and the elements which effect on it. (Hennig-Thurau et al, 2002; Arslan, 2008; Grönroos, 1994; Flambard-Ruad, 2005; Heffernan et al, 2005). One area where the influence of relationship marketing has impacted customary practice is personal selling. Weitz and Bradford (1999) stated that ‘changes in the traditional personal selling and sales management activities are needed to support the emergence of Partnering role for salespeople’. In certain selling situations, salespersons’ roles are changing in style so that they are becoming relationship managers, where their main goal is to develop long-term relationships with key customers (Cravens, 1995). Effective strategies for managing relationships between sales person and customer are interpersonal communication and the ability to manage conflict in the relationship (Weitz and Bradford, 1999). EI has been shown to develop the communication and interpersonal skills needed to develop and improve relationships with key customers (Deeter-Schmeiz and Sojka, 2003). Whilst EI has been identified as a component of effective selling (Goleman, 1998), research linking EI to relationship marketing and selling is limited (Sojka and Deeter-Schmeiz, 2002; Deeter-Schmeiz and Sojka, 2003; Rozell, Pettijohn and Parker, 2004). This study try to indicate the relationship between Emotional Intelligence and Relationship Marketing in banking industry. The same study was done by Heffernan about “Relationship Marketing, Emotional Intelligence and Performance in Australian Bank”. The findings of this study illustrate a positive association between various components of EI and financial performance measures for relationship managers. Surprisingly however, no relationship was found between a bank managers’ level of EI and their financial performance (2005). We aim that find a relationship between factors of Emotional Intelligence (Bradberry & Greaves, 2005) and relationship Marketing in private Bank (Ansar Bank) in Mashhad city in Iran.

Conceptual Model

Our conceptual model based on Bradberry and Travis Emotional Intelligence model indicated in figure 1.

- Self-awareness
- Self-management
- Social-awareness
- Relationship-Management

Self-awareness is the ability to recognize our emotions when existence. Self-management is the ability to use “emotion’s awareness” to conduct the behaviors and being flexible. Social-awareness is an ability to recognize other’s emotions and understanding events which is happening. Relationship-management is an ability to use “awareness from other’s emotions” for being success in control and managing interactions.

Research hypothesis

The importance of developing relationships with business partners is well recognized. Surprisingly, very few studies have tried to develop a link between relationship marketing and emotional intelligence. Given the focus of our study, the main hypothesis is proposed:

**H1**: There are significant relationship between Emotional intelligence and Relationship Marketing.

Methodology

The participants were 250 employees in Ansar bank. A community sample of 152 people participated in the study, comprising 150 males and 2 females. The spectrum of age is exposure in 4 categories: under 20(0%), between 20-30(25%), between 30-40(71.1%) and over 40(3.9%). Education levels included high school level (31.6%), undergraduate level (50%), graduate (17.8%) and postgraduate level (0.7%). Work history of this bank employees are in 4 spectrums, includes: under 10 year (44.1%), between 10-20(53.3%) and between 20-30(2.6%).

The research material consisted of a self-report questionnaire which included scales measuring EI and its subscales consist of self-awareness, self-management, social-awareness and relationship management. This questionnaire includes 28 questions in 4 skills. The score of each subscale indicates the level of each skill and total score of them represent the level EI. The advantage of this questionnaire over other measures of EI is because of its comprehensive because in addition to being short its questions in 4 skills easily express the whole concepts of other tests. On the other hand, bank employees don’t have enough time to respond the long test and
it was possible that they filling out questionnaire with carelessness. So we needed questionnaire which is short and yet express all concepts of EI. The reliability of this questionnaire, by the cronbach’s alpha is 0.90 for 28 questions. According to the calculations of LISREL software, the rate of $x^2/df$ is 1.71 that is lower than 3 and it indicate that there are few different between conceptual model and our data in the study. It shows that validity of questionnaire.

The second questionnaire which we use, is relationship marketing Standard Questionnaire of Rajer Bennet (2005).

Findings
Results of the correlation analysis (Table 1) that according our expectancy indicate that employees with high score of EI tend to RM. In the other words the most noteworthy finding is that total EI has a significant positive relationship with RM (0.43). Other subsidiary hypothesis also accepted which shown table 1.

<table>
<thead>
<tr>
<th>Relationship Marketing</th>
<th>T-values</th>
<th>Standardized loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-awareness</td>
<td>3.63</td>
<td>0.35</td>
</tr>
<tr>
<td>Self-management</td>
<td>3.21</td>
<td>0.32</td>
</tr>
<tr>
<td>social-awareness</td>
<td>3.37</td>
<td>0.34</td>
</tr>
<tr>
<td>Relationship-marketing</td>
<td>3.42</td>
<td>0.34</td>
</tr>
<tr>
<td>Total EI</td>
<td>4.25</td>
<td>0.43</td>
</tr>
</tbody>
</table>

Chi- square =81.00, df =43, P-value=0.00041, RSMEA=0.076

Discussion
The main objective of this paper was to explore the link between relationship marketing and emotional intelligence. Finding suggests that the higher the level of EI cause to tend the RM style. This study adds to the limited research into the area of EI and RM. Of the research that have been conducted, Hafferman and et al (2005) qualitative study of scales from Mayer and Salovey Emotional Intelligence Test in the Australian bank, had similar findings to this study, however this study uses Bradberry and Travis Emotional Intelligence Test. Further, this is first study of its type to be conducted in the banking industry in private sector in Iran and about all bank employees.
References


