

Preferred-customer model for industrial service markets: A taxonomy-based approach

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Abstract

Customer portfolio model assists companies in determining preferred customers but does not account for customer viewpoints and competitor effects, whereas relationship marketing only considers customer perspectives. In addressing the weakness, this study draws on social exchange theory and push–pull–mooring theory to develop a taxonomy-based preferred-customer model for suppliers in industrial service markets. For demonstration purposes, we study a mass B2B case involving air express services provided to manufacturer customers. Considering the features of mass services, we validate customer behavioral loyalty as a determinant of customer attractiveness and categorize customers into six groups, with three groups being prioritized as preferred customers. Results from analyzing 180 valid samples indicate models evaluating customer portfolios should not overlook the effect of competitors to identify the paradoxical behaviors of customers. Finally, sales volume that is practically used as a key indicator for classifying customers is found to be ineffective in differentiating preferred customers.

Keywords: *Preferred customer; Social exchange theory; Push–pull–mooring*

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