A Meta Analysis of Relationship Marketing And Smes Performance

Mehran Ahmed

BS Student, Iqra University, Islamabad, Pakistan

Corresponding Author: Mehran Ahmed; Email: Mehran32006@iqraisb.edu.pk

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ABSTRACT

The objective of the study is to conduct a meta-analysis about relationship marketing which is supposed to be the most successful marketing strategy for the small and medium enterprises. Relationship marketing leads to sustainable cliental for the businesses. Businesses involved in relationship marketing mostly develop long term relations with the consumers which gives long term benefit to the businesses. The findings of the study identified several constructs which needs to be tested empirically.

INTRODUCTION

Relationship marketing is a sales approach focusing on building a long-term relationship that benefits both the customer and the business (Asad, Chethiyar, & Ali, 2020). Some of the technique’s businesses use in relationship marketing includes providing consistently excellent customer service, getting to know the individual and anticipating their future needs (Asad, Muhammad, Rasheed, Chethiyar, & Ali, 2020), and offering discounts and special perks through loyalty programs for repeat customers (Qalati, Qureshi, Ostic, & Sulaiman, 2022).

The rise of the internet gives small businesses ample opportunity to build relationships and engage with customers by inviting them to visit their websites and comment on blogs, as well as interact on social media sites such as Facebook, Twitter, Pinterest, YouTube and LinkedIn (Qalati, Ostic, Sulaiman, Gopang, & Khan, 2022).

According to the greatest marketing guru of two times, Mr. Philip Kotler, “The aim of Relationship Marketing is for building mutually satisfying long-term relations with key-parties like the customers, suppliers, distributors in order to earn and retain their business.” Therefore, we can come to the notion that Relationship as well as mutual bonding for the benefit of both the parties is known as the Relationship marketing which can be built between the Manufacturer (Company) and Customers, between the Manufacturer (Company) and Suppliers and distributors as well (Damer, Al-Znaimat, Asad, & Almansour, 2021; Satar, Alarifi, Alkhoraif, & Asad, 2023). As the marketing world has emerged over the years, every business now-a-days are adopting new strategies to interact with its customers (Sulaiman & Asad, 2023; Kahtani, Khan, & Allam, 2016). But the way the companies interact with their customers varies from company to company as per the situation.

In general definition we can define Relationship Marketing as a form of marketing which moreover emphasizes on customer retention and satisfaction, rather than a dominant focus on sales transactions (Asad, Majali, Aledeinat, & Almajali, 2023). Thus, as a practice, Relationship Marketing differs from other forms of marketing in that it recognizes the long-term value of customer relationships and extends communication beyond traditional advertising and sales promotional messages (Ullah, et al., 2021).

Today, it’s all about more. More consumer control, more channels, more media, and more money spent online. Businesses in many industries may lose up to 50% of their customers over a five-year period. Studies have shown this, 6 to 7 times more expensive to acquire a new customer than it is to retain a current customer. As little as a 5%
increase in customer retention can increase profits by 25 to 95%.

With competitors just a mouse clicks away, marketers need to create strong relationships with their customers to build loyalty and keep them coming back. With better customer insight, both online and offline, marketers can develop relationship marketing programs that are relevant to their visitors’ needs (Equatora, Chethiyar, Rachmayanthy, & Susanti, 2022). The goal of relationship marketing is to increase customer loyalty. At the core of this strategy is the concept of establishing a “learning” relationship with each customer (Vedamanikam & Chethiyar, 2023). Any interaction companies have with customers is an opportunity to learn about their individual motivations.

Gaining deep insight into visitors’ behavior at every stage of the visitor lifecycle is essential to successful relationship marketing (Vedamanikam, Chethiyar, & Awan, 2022). Customer behavior should be represented by a comprehensive analysis of all customer data, allowing deep insights into customer preferences and motivations (Salem, Alanadoly, & Sulaiman, 2023). Moving beyond transaction lets you monitor individual behavior accurately across any time and learn about customer preferences and motivations. Instead of reacting to transactional data (which is a mirror to the past) you can proactively meet the needs of the customers through relevant online and offline marketing programs and a personalized online experience.

**Literature Review**

In an international business context, the same holds good for relationship quality between exporters and importers, which in turn also acts as an important determinant of firms’ export performance. The present study is an empirical attempt towards examining the effect of relationship marketing, between the exporting firms and the importers, on export performance (Shivangi Singh, 2013; Xie, S. A., L., Sulaiman, & Qureshi, 2023).

In this increasingly competitive global arena, exporting firms must invest in relationships with their importers to ensure effective and profitable actions. In an export setting, the relationship quality refers to relationships developed beyond national boundaries (Ural, 2009; Ta’Amnha, Magableh, Asad, & Al-Qudah, 2023). The emergence of the relationship-marketing paradigm in contemporary marketing management highlights increasing importance given by marketing managers to developing, managing, and evaluating relationships (Berry L., 1995; Asad, Majali, Aledeinat, & Almajali, 2023).

In both developing and developed countries, promoting small and medium-sized enterprises (SMEs) is one of the most viable strategies for achieving national development goals such as economic development, strengthening the industrial base and local production structure (Hallberg, 2000; Asad, Asif, Allam, & Sheikh, 2021; Asad, Asif, Khan, Allam, & Satar, 2022). There appears to be little doubt that small businesses do make a large net contribution to the creation of new jobs compared with large businesses (Birch, 1979; Allam Z., Asad, Ali, & Malik, 2022; Asad, Aledeinat, Majali, Almajali, & Shrafat, 2024). The importance of relationship quality as an essential ingredient of export marketing strategy which is linked directly to firm’s export performance (Leonidou, 1996; Chethiyar, Asad, Kamaluddin, Ali, & Sulaiman, 2019; Fadhel, Aljalahma, Almuhanadi, Asad, & Sheikh, 2022).

Relationship marketing is often proposed as a solution to the critique that most marketing theories and approaches appear to be more suited to large companies rather than smaller enterprises (Coviello, 2000; Bilal & Sulaiman, 2021; Damer, Al-Znaimat, Asad, & Almansour, 2021). Organization that had adopted the concept of relationship marketing are organizations involved in creating, maintaining, and developing proactive, long-term, interactive, and profitable exchanges with selected customers and stakeholders (Harker, 1999; Shaker, Asad, & Zulfiqar, 2018). Customer satisfaction and loyalty are seen as key drivers of relationship marketing (Little, 2003; Sattar, Alarifi, & Asad, 2021).

According to (DUTU, 2012; Zuhaib, Wenyuan, Sulaiman, Siddiqu, & Qalati, 2022), nearly half of the companies included in our sample had a turnover of over 1.000.000 euro in the past year. Small companies follow, with a turnover of under 100.000 euro in the same year, and a share of 29.63% of the sample. Medium-sized companies (with a turnover between 100,000 euro and 999,999 euro) account for about 20%. Companies with between 151 and 250 employees have the highest share in the sample (49, 4%). Large companies
(over 250 employees) are a distant second, accounting for only 25.93% of the sample, while small companies (with less than 10 employees) have about the same share (24.69%).

The direct effect of relationship quality on export performance of SME (Shivangi Singh, 2013; Little, 2003; Qalati, Qureshi, Ostic, & Sulaiman, 2022). Relationship marketing requires a focus on maintaining and developing long-term relationship marketing with customers (DUTU, 2012; Ripah, Ali, Danish, & Sulaiman, 2022). Relationship marketing focuses on customer retention rather than customer acquisition (DUTU, 2012; Bashir & Asad, 2018; Khushi, din, & Sulaiman, 2020). Relationships developed with customers are profitable when organizations were concerned about acquisition and retention only of certain categories of customers in organization (Ullah, et al., 2021; Allam Z., Asad, Ali, & Malik, 2022).

SMEs in Pakistan play an essential part in the economic wellbeing of the financial system, however the inability to avail direct financial support has been undermined due to risk exposure, non-availability of collateral and a traditional lending approach adopted by banks (Rahman, 2010; Almansour, Asad, & Shahzad, 2016; Al Kahtani, Nawab, & Allam, 2016; Allam Z., Asad, Ali, & Ali, 2021).

Small and Medium Enterprise Development Authority (SMEDA) suggests that SME problems lie mostly in accessing financial capital, information about markets, skilled labor, and technology (Munir & Khan, 2011; Allam, 2019). According to the results of sample surveys for the Asian Development Bank suggest that in Pakistan only about six percent of fixed investment finance for SMEs comes from development finance institutions and commercial banks (Munir & Khan, 2011; Asad, Asif, Sulaiman, Satar, & Alarifi, 2023). Another element highlighted by commercial banks as limiting the ability of SMEs to access finance is their higher risk. Most commercial banks regard SMEs as riskier (than large enterprises) for several reasons (Asad, Haider, & Fatima, 2018; Asad, et al., 2021).

Pakistan economy is dominated by SMEs, which produce most of its output and employ most of its workforce, Specifically, SMEs constitute 90 percent of the economic establishments, 30 percent of GDP, 25 percent of export earnings, and employ 78 percent of the non-agricultural labor force (Munir & Khan, 2011; Amir & Asad, 2018). Small and Medium Enterprises (SMEs) account for approximately 70% of businesses in Pakistan and contributes to about 90% of non-agriculture GDP of Pakistan (Rahman, 2010; Asif, Asad, Bhutta, & Khan, 2021; Asif, Asad, Kashif, & Haq, 2021). In the economic activities of most developing regions, small and medium enterprises (SMEs) play a major role (Farrukh & Asad, 2017; Fatima & Asad, 2018).

Addison-Wesley (1991) provided a useful overview, which presents a more strategic view of Relationship marketing. He emphasized putting the customer first and shifting the role of marketing from manipulating the customer, to genuine customer involvement (Berry L., 1983; Khan S. N., Asad, Fatima, Anjum, & Akhtar, 2020; Bilal & Sulaiman, 2021). In somewhat broader terms, also had a strategic viewpoint on relationship marketing. He stressed that attracting new customers should be viewed only as an intermediate step in the marketing process (Haq, Asad, Natarajan, Sankar, & Asif, 2021; Israr, Asad, Altaf, & Victor, 2021; Hammami, Ahmed, Johny, & Sulaiman, 2021).

Developing closer relations with the customers and making them loyal are equally important aspects of marketing. Berry (1983) was among the first to introduce the term “relationship marketing” as a modern concept in marketing. He suggested that this “new” approach should be defined as; attracting, maintaining, and enhancing customer relationships (Kashif, et al., 2020; Khan A., Asad, Khan, Asif, & Aftab, 2021).

Some authors such as (Cardwell, 1994) argue that a company’s survival will depend on their moving closer to the customer, fully understanding customer needs and wants, building a relationship and thus developing an attitude of consistent customer dedication (Kahtani, Khan, & Allam, 2016; Khan S., Asad, Fatima, Anjum, & Akhtar, 2020). A small firm’s marketing advantage, in contrast to a large firm, is precisely these close relationships between the entrepreneur and customers (Alkhuzaie & Asad, 2018). We noted earlier that small firms often have a narrow customer base and that customers are usually concentrated in a local market (Weinrauch, 1991).

This is often translated into shorter lines of communication between the enterprise and its customers (Sulaiman, Asad, Ismail, & Shabbir,
Entrepreneurs consequently often know their customers personally and the result of such close relationship interaction leads to benefits including customer loyalty and higher levels of customer satisfaction (Carson, 1985; Sulphey & Allam, 2017; Victor, ul Haq, Sankar, Akram, & Asad, 2021). Another aspect that helps the relationship between the entrepreneur and the customer is the flexibility of the small firm, as small firms are usually more flexible in responding to customer inquiries (Carson, 1995; Zahra, Majeed, Mahmood, & Asad, 2012).

Finally, one of the biggest advantages for the small firm is easy access to market information. Entrepreneurs are close to their customers and markets, close to their staff (Brooksbank, 1992; Majali, Alkaraki, Asad, Aladwan, & Aledineat, 2022). As discussed above, the typical small firm has a limited customer base and limited marketing ability (Anderson, 2004; Khalil, Asad, & Khan, 2018).

A. Antecedents of Relationship Marketing.

Understanding the reasons behind visits of the visitors

Every interaction is an opportunity to understand more about the customers. Because customer data is captured through a variety of channels, marketers often have a fragmented view of their visitors (Tariq A., Badir, Tariq, & Bhutta, 2017). It’s essential to develop a comprehensive cross-channel view of customer behavior to have a complete understanding of their interests and preferences (Tariq, Badir, & Chonglertham, 2019). It must recognize individual customers at any contact point to learn about individual customer’s needs and motivations (Tariq, Ehsan, Badir, Memon, & Sumbal, 2022).

Segmenting customers by behavior

Segmenting the customer behavior through various channels and ways- Grouping the customers by their needs. Discover how visitors impact the sales cycle. Identify visitors that are most likely to purchase. Create and customize the segments by assigning levels of visitor interest, or visitor attractiveness. Compare segments and look for ways to increase the value of underperforming segments or look to expand the most valuable segments.

Creating specific content to meet the customers’ needs

Through sending personalized email to customers who have opted into communications & using the data gathered to customize marketing message to individual customers, and use insight gained to take action to improve the effectiveness and cost-efficiency of marketing efforts.

Measuring Success.

To measure the results of relationship marketing campaigns and continually optimize the results of the programs. By measuring and learning from the customers at every interaction, companies can continually provide a better experience every time the customer returns, which creates a lasting competitive advantage.

B. Approaches of Relationship Marketing.

Satisfaction

Relationship marketing relies upon the communication and acquisition of consumer requirements solely from existing customers in a mutually beneficial exchange. With relevance to customer satisfaction the relative price and quality of goods and services produced or sold through a company alongside customer service generally determine the amount of sales relative to that of competing companies.

Retention

A key principle of relationship marketing is the retention of customers through varying means and practices to ensure repeated trade from preexisting customers by satisfying requirements above those of competing companies through a mutually beneficial relationship This technique is now used as a means of counterbalancing new customers and opportunities with current and existing customers as a means of maximizing profit. Relationship marketers speak of the "relationship ladder of customer loyalty". It groups the types of customers according to their level of loyalty. The ladder's first rung consists of "prospects", that is, people that have not purchased yet but are likely to in the future. This is followed by the successive rungs of "customer", "client", "loyal customer", and finally "advocate".

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"supporter", "advocate", and "partner". The relationship marketer's objective is to "help" customers get as high up the ladder as possible. This usually involves providing more personalized service and providing service quality that exceeds expectations at each step.

**Build Brand Engagement**

By using every transaction with a customer as an opportunity to gain insight, can create customer lock-in by delivering the right experience and modifying the experience based on your customer's needs and motivations.

Rewarding loyal customers. Identifying high-value visitors that forwarded a new product offer to a friend and send a special discount offer as a thank you.

Reengage inactive customers. Identifying loyalty program members that have not been to the site recently. Send them a text message with a bonus points offer.

**Increase Customer Loyalty**

Once companies establish a learning relationship with their customers, companies become their partner. Thus, able to meet and exceed customer expectations by anticipating their needs. The more complex customers' needs become, the more they will appreciate the relationship companies could establish with them and the less likely they will be to go elsewhere.

Improve customer service. Identify high value customers who used online support system and indicate their issue was unresolved. Launch proactive customer service calls to help resolve the problem. Increase up-sell and cross-sell opportunities. Tie offline information such as purchase history and demographic data to online behavior to tailor up-sell and cross-sell promotions to include product or services a customer is most likely to buy.

**Dimensions of Relationship Marketing**

The growth of technology and its impact on relationship marketing. The rise of technology has complemented the relationship marketing aspect in banks, both in the way that banks analyses customer data internally and the way they communicate information to their customers. In analyzing client activity, banks today are more cognizant of trends rather than simple shifts in volumes. Smart systems automatically generate market news on customer financial performance, new ventures and generate possible avenues for new banking solutions. Customer reporting, because of a focus on relationship marketing, has evolved to be more user friendly and need based.

On a separate note, an interesting theory by Leo YM Sin et al states that there are six dimensions or prerequisites to implementing relationship marketing (defined as relationship marketing orientation). These are trust, marketing communication, shared value, empathy, reciprocity, and bonding.

**Trust**

Morgan and Hunt argued that trust is the willingness to rely on an exchange partner in whom one has confidence. A bank in which a client has confidence stands ahead of competition. The results of trust can be seen in a bank’s profitability, growth, and market share and customer retention. It is therefore an edge that banks can employ in their desire to gain a strategic advantage and survive in today’s increasingly competitive environment.

**Bond**

As in any relationship, the one between a customer and a business provider (in this case, a bank) requires a bond that unites them together. Callahan and Lawry refer to it as the dimension of a relationship that results in two parties (customer and supplier or buyer and seller) acting in a unified manner towards a desired goal. When such a relationship exists, the customers are not only seen as clients, but also as partners.

**Marketing Communication**

Several relationship marketing scholars agree that communication is a fundamental aspect of relationship development. The quality of information that is shared and the mode in which this is done plays a central role in a bank/customer relationship. Hence, careful design of communication means and forms must play a decisive role in complimenting the relationship marketing aspect of a bank.
Shared Value

Value, according to Kotler and Keller, reflects the perceived tangible and intangible benefits and costs to customers. In any marketing concept, value is central. A trend that is seen today in the banking space because of relationship marketing relates to the values associated with the product offerings being shared between the bank and the customer. If a customer does not see himself treated as a partner by a bank deriving shared value, the relationship will not transcend reaping any higher benefits.

Reciprocity

This deals with the dimension of business relationships where it is believed that people owe one another because of their prior actions. This is premised on the fact that, if you desire assistance, you must first assist others. For example, a bank that steps to the forefront when a customer is in difficulty stands at an advantage over its peers. This builds a sense of loyalty and ensures the relationship is grounded firmly for the long term.

Empathy

Sin et al describe empathy as analyzing a business relationship in such a way that enables the two parties involved to see the situation from the other’s perspective, i.e. seeking to understand somebody else’s desires and goals. For example, the front office staff of a bank must be able to place themselves in the customer’s position to serve them accordingly and ensure satisfaction.

Table 1. SME Definitions used by various institutions in Pakistan.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Bank</td>
<td>Total Assets of Rs. 20 million</td>
<td>Total Assets of Rs. 100 million</td>
</tr>
<tr>
<td>Federal Bureau of Statistics</td>
<td>Less than 10 employees</td>
<td>N/A</td>
</tr>
<tr>
<td>Punjab Small Industries Corporation</td>
<td>Fixed investment, up to Rs. 20 million excluding land and building</td>
<td>N/A</td>
</tr>
<tr>
<td>Punjab Industries Department</td>
<td>Fixed assets with Rs. 10 million excluding cost of land</td>
<td></td>
</tr>
<tr>
<td>Sindh Industries Department</td>
<td>Entity engaged in handicrafts or manufacturing of consumer or producer goods with fixed capital investment up to Rs.10 million including land &amp; building</td>
<td></td>
</tr>
<tr>
<td>State Bank of Pakistan (SME)</td>
<td>An entity, ideally not being a public limited company, which does not employee more</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. SME Definitions in selected Asia Pacific Economic Cooperation (APEC) member countries

Enterprises exporting up to US$2.5 Million a year are considered Small by the State Bank of Pakistan.

<table>
<thead>
<tr>
<th>Country</th>
<th>Sector</th>
<th>Employment</th>
<th>Other Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Manufacturing</td>
<td>Less than 100 employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Less than 20 employees</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Manufacturing</td>
<td>Less than 500 employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Less than 50 employees</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>Varies with Industry</td>
<td>Usually less than 100 Employees</td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td></td>
<td>Less than 100 employees</td>
<td></td>
</tr>
<tr>
<td>Japan*</td>
<td>Manufacturing</td>
<td>Less than 300 employees</td>
<td>¥100 million assets</td>
</tr>
<tr>
<td></td>
<td>Wholesaling</td>
<td>Less than 100 employees</td>
<td>¥30 million assets</td>
</tr>
<tr>
<td></td>
<td>Retailing-Services</td>
<td>Less than 50 employees</td>
<td>¥10 million assets</td>
</tr>
<tr>
<td>Korea</td>
<td>Manufacturing</td>
<td>Less than 300 employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Less than 20 employees</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>Varies (for SMI)</td>
<td>Less than 75 employees (Different for Bumiputera Enterprises)</td>
<td>Less than RM 2.5 million</td>
</tr>
<tr>
<td>Philippines</td>
<td>Manufacturing</td>
<td>Less than 200 employees</td>
<td>P 40 million assets</td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>Less than SS12 million fixed assets</td>
<td>Less than 100 employees</td>
</tr>
<tr>
<td>Singapore</td>
<td></td>
<td>Less than 500 employees</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td></td>
<td>Less than 500 employees</td>
<td></td>
</tr>
</tbody>
</table>
RESULTS AND DISCUSSION
A. SME Objectives by SMEDA
   Formulate Policy to encourage the growth of SMEs in the country and to advise the Government on fiscal and monetary issues related to SMEs.
   1. Facilitation of Business Development Services to SMEs.
   2. Facilitate the development and strengthening of SME representative bodies associations / chambers.
   3. Set up and manage a service provider’s database including machinery and supplier for SMEs.
   5. Facilitation of SMEs in securing financing.
   6. Strengthening of SMEs by conducting and facilitating seminars, workshops, and training programs.
   7. Donor assistance for SME development of SMEs through programs and projects.
   8. Assist SMEs in getting international certifications (such as UL, CE, DIN, JIS, ASME, KS, etc.) for their products and processes.
   9. Identification of service opportunities based on supply/demand gap.

B. Role and Importance of SME
   In the industrialized countries, statistics show that SMEs are major contributors to private sector employment. Importance of small-scale industrial is clear from following:

   Foreign Exchange Earnings
   It is observed in recent survey that SMEs share in manufactured exports is of 25%. By exporting products of SMEs such as handicrafts, handmade carpets, jewelry etc., a country earns significant foreign exchange that can be used to remove the debt burden of the country.

   Stability in Prices.
   SMEs also help the government to stabilize prices in the country. When goods are available in sufficient quantity, there will be no chance of fluctuation in prices in the country.

   Extension of Market
   SMEs help to produce surplus goods, which can be sold in different markets. The domestic and foreign markets will get the benefit from this expansion.

   Equitable Distribution of Wealth.
   SME are generally established in the backward and rural areas thus helping in increasing the income of these areas and helping in equitable distribution of wealth.

   Reduction in Rural Migration
   Most SMEs are working in rural areas, where employment opportunities are increasing day by day. People prefer to work near to their houses. This trend reduces the mobility of people from rural to urban areas.

   Reduction in imports.
   SMEs could be helpful in reduction imports by producing import substitutions. By reducing imports, foreign exchange can be saved.

   Problems of SMEs in Pakistan
   Although small-scale industries are growing rapidly in our country, they are facing several problems. We have discussed below these problems briefly.

   Financial Constraint.
   Financial constraints have been identified as the topmost problem impending the nature of SMEs in the country. Poor financial position of the people does not allow them to buy modern tools and raw material for production. They remain unable to meet their financial requirements in time.

   Problems Getting Loans.
   Lack of finance is one of the most binding constraints in the growth of SMEs. For many reasons SMEs do not go to banks for other financial institutions to meet financial needs like; lack of information regarding banks, low market penetration by bank, lengthy and difficult procedures of providing loans etc.
Problems of Marketing.
In the current scenario of competition, the marketing of products is considered a necessary part of production. Poor and insufficient marketing facilities are affectively to the impact of SMEs.

Shortage of Raw Materials.
In case of developing countries like Pakistan, mostly small and medium enterprise is not provided with sufficient and cheap raw material. Due to this factor SMEs are unable to produce cost-efficient and quality products in time.

Lack of appropriate tools.
Non-availability of appropriate and modern tools for SMEs, create barriers for efficient production. Old techniques and outdated tools are adopted in most SMEs. Due to all these factors the quality and quantity of produce remain low.

Problems with electricity.
Situation of Electricity supply in rural as well as in urban areas in constable. Especially in remote areas either the electricity supply is not available, or they are facing problems of load-shedding.
The small investors cannot afford the facility of generators or other means of power supply. These factors adversely influence the performance of SMEs.

Lack of Government Attention.
The lack of attention of government to industries is also a great problem of small-scale industries. Government sometimes allows importing these products by reducing import duty or by other ways, which are being produced in SMEs. SMEs cannot afford competition with established nations and must face loss.

Role of the State in the Development of SMEs
The public sector has a major role to play in the development of SMEs. Due to their small size, they do not have the same capacity to influence the environment in their favor as larger firms, regulation being imposed, disproportional costs on SMEs, they are limited in capability, because of their small size SMEs usually face lack of management capacity and cannot afford costly support services and ability to access and analyze information.

CONCLUSION
Since the objectives of researchers were to try to understand the role of relationship marketing on performance of SMEs. A thorough literature review was conducted to meet the objectives. The current scenario of competition. The findings in our thorough literature review suggested that values, complex relationships, strong customer focus, personal contact and communication with customers significantly relate with performance of SMEs. Customer Relationship quality reflects the intensity of information sharing, communication quality, long-term orientation, and satisfaction with the relationship between SME industry and customers. SME industry should place adequate attention on reducing customers waiting time during claims with the help of strong relationship marketing.

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