Consumer Comfort and Its Role in Relationship Marketing Outcomes: an Empirical Investigation

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ABSTRACT
Our study contends that relationship comfort has a positive impact on various relationship marketing outcomes namely, satisfaction, trust, commitment, loyalty and active voice. We investigate if consumer relationship proneness moderates the impact of relationship comfort on various relationship marketing outcomes by using SEM and multi-group analysis on primary data collected from 300 respondents in India. Our findings demonstrate that relationship comfort has a positive impact on relationship marketing outcomes, and confirm that consumer relationship proneness moderates the link between relationship comfort and relationship marketing outcomes.

EXTENDED ABSTRACT
The advantage of relationship marketing strategies over discrete transactional activity is now widely recognized. Since developing and maintaining satisfactory service relationships can help reduce risk, transaction costs, increase loyalty and retention; financial services providers make huge investments in undertaking relationship marketing programs. Since huge financial outlay is involved, it necessitates the investigation of factors that impact the development and maintenance of successful relationships with the customers. Researchers suggest that comfort plays an important role in developing and maintaining lasting relationships, and that the strength of relationship outcomes is affected by consumer relationship proneness.

Given the importance of comfort in developing and maintaining lasting relationships, we studied the impact of relationship comfort on various relationship marketing outcomes so as to enhance the efficacy of the relationship marketing programs using comfort development tactics. Since the success of relationship marketing efforts depends as much on the relationship proneness of the buyer as the relationship orientation of the seller, we also look at the impact of relationship proneness on the part of the consumer to engage in relationship with the service provider on the various relationship marketing outcomes viz. satisfaction, trust, commitment, loyalty and active voice. The moderating role of consumer relationship proneness on the link between relationship comfort and the various relationship marketing outcomes was also looked at.

METHOD
A survey was carried out to test the proposed model and research hypotheses. Data was collected from 300 undergraduate, postgraduate and doctoral students of IIT Bombay, dealing with banks. All the respondents were customers of at least one bank as part of institute’s requirements. The research instrument contained items related to all the variables and demographic characteristics including age, gender and education. The measures for relationship comfort were drawn from Spake et al. (2003), satisfaction from Oliver and Swan (1989), trust from Doney and Cannon (1997), commitment from Morgan and Hunt (1994) and consumer relationship proneness from Odekerken-Schroder et al. (2003). The loyalty scale conceptualized as repurchase intention and positive word of mouth, was constructed from items used by Taylor and Baker (1994) and Harrison-Walker (2001). A pretest of the questionnaire so developed was undertaken to refine the instrument and remove any inconsistencies or comprehension problems. The measures used in the study were subjected to reliability and validity assessment for purification of research instrument. Structural equation modeling and multi-group analysis were used to test the hypotheses.

MAJOR RESEARCH FINDINGS
This study empirically tested a model of relationship comfort, consumer relationship proneness and the various relationship-marketing outcomes in a financial services context. Its contribution to marketing literature is twofold; first, it demonstrates that relationship comfort has a positive impact on relationship marketing outcomes. Second, it indicates that consumer relationship proneness moderates the link between relationship comfort and commitment and loyalty in a financial services context.

Results indicate that relationship comfort has a positive impact on the customers’ satisfaction, trust, commitment, loyalty and active voice in the relationship. This is in line with the earlier findings by Spake et al. (2003) where consumer comfort had a significant impact on and provides an incremental understanding of the traditional satisfaction-trust-commitment paradigm with service providers namely physicians and hair stylists. Further, comfort has also been proposed as an antecedent of service quality for maintenance and development of successful relationships with service providers (Dabholkar, Shepherd and Thorpe 2000). Having a high level of comfort with the service provider not only provides confidence and trust benefits to the customer (Hennig-Thurau et al. 2002), but also psychological benefits in the form of reduced anxiety and greater self esteem. Further, the results indicate that the moderating effect of consumer relationship proneness on the link between relationship comfort and the various relationship marketing outcomes was observed only in the case of commitment and loyalty. This means that relationship prone consumers will tend to be more committed and loyal towards their banks when made to feel comfortable, as compared to non-relationship prone consumers. The results also support the link between satisfaction, trust, commitment and loyalty in the relationship with the service provider. Satisfaction has been determined as an antecedent of trust, and commitment as a direct consequence of trust (Ganesan 1994; Westbrook and Oliver 1991; Dwyer, Schurr and Oh 1987; Moorman et al. 1992; Morgan and Hunt 1994; Rich 2000; Costabile 2000; Ojasalo 2002; Beatty et al. 1996; Bendapudi and Berry 1997).

The results of the study suggest some interesting directions for future research. After it has been determined that relationship comfort has a positive impact on relationship marketing outcomes in the banking sector, it is necessary to determine what kind of comfort increasing strategies are the most effective in the banking sector and other service provider contexts.

REFERENCES


