



Retail relationships in a digital age [☆]



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ABSTRACT

Technological developments in retail service delivery raise new questions concerning the nature of relationships between retailers and customers. Through an online survey based on established dimensions of relationships, this study examines how customers perceive a range of technologically mediated and face-to-face retail relationships in comparison to core social relationships. From a combination of mapping and statistical techniques, retail relationships emerge with distinctly different profiles. Respondents regard technologically mediated relationships as less friendly and co-operative but more task-orientated than their human-to-human counterparts. This analytical approach presents valuable diagnostic information for benchmarking and evaluation of marketing performance, offering opportunities to develop the strengths of existing relationships, draw on relevant benefits from the analogous relationships, and promote a more distinctive relational position.

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1. Introduction

After 25 years of the relationship marketing paradigm (Morgan & Hunt, 1994), how do customers now view relationships with retailers and salespeople? Are these relationships similar to common social relationships, such as close friends, teammates, casual acquaintances, or even parent and child, or are they unique relationships with distinct features, such as commercial friendships (Price et al., 1996)? Has widespread adoption of Internet shopping and other retail technologies changed the nature of retail relationships?

The results of Wish, Deutsch, and Kaplan (1976) and Iacobucci and Ostrom (1996) suggest retail relationships are distinct from close friendships, or even teammates and co-workers. Other researchers ask whether commercial friendships (Price et al., 1996) are really like a true friendship or only friendlike (Butcher, Sparks, & O'Callaghan, 2002), or even whether relationships can truly exist in circumstances such as retailing, where interactions may be infrequent, routinized, and customers meet a range of changing personnel (e.g., Barnes, 1994a). Nevertheless, Beatty, Mayer, Coleman, Reynolds, and Lee (1996) and Butcher et al. (2002) show significant relationships do exist for some customers. Have the undoubted cultural, social and technological changes, and intensive efforts toward customer rela-

tionship building, led to changes in how people perceive customer-salesperson relationships?

This question is important in the context of the changes in retailing, especially the growth in Internet shopping. The introduction of instore technology (e.g., kiosks and self-service checkouts) and recent developments in robotics add to the changes in the customer retail experience. Internet retailers find particular challenges to retain customers on their websites, persuade them to make purchases, or build long-term relationships (Hsieh, Chiu, & Chiang, 2005). Offline, various researchers stress the value of interpersonal relationships in increasing customer trust, commitment and retention (Macintosh & Lockshin, 1997; Morgan & Hunt, 1994; Wong & Sohal, 2002). Gutek, Bhappu, Liao-Troth, and Cherry (1999) indicate that a service relationship with a particular human service provider is significantly more effective at creating trust and commitment than promoting brand or firm loyalty on their own. Even offline, developing relationships becomes more difficult if customers chose every self-service opportunity, reducing opportunities for interpersonal interaction.

Social presence cues on retail interfaces offer one compensation strategy for the lack of interpersonal interaction on the internet, so customers regain a sense of human contact and sociability (Hassanein & Head, 2006; Merrilees & Fry, 2003). Such cues include pictures of staff, enhanced interactivity, and avatars on the interface. An avatar representing a 'salesperson' or 'salescharacter' provides users with interactions with more features of face-to-face communication. Research supports the link between providing avatar salespersons and increased customer engagement, trust and patronage intentions (e.g., Holzwarth, Janiszewski, & Neumann, 2006; McGoldrick, Keeling, & Beatty, 2008; Wang, Baker, Wagner, & Wakefield, 2007).

The potential of social presence cues for relationship building is less clear. While Bickmore and Picard (2005) emphasize that

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appropriate management of technologically driven relationships leads to pay-offs, including increased consumer engagement and enjoyment, Babin, Babin, and Boles (1999) caution that appropriate salesperson behavior is a critical success factor for retailers. Hence, effective design of technologically driven customer communications demands considerable development in scripting appropriate interactions, at the optimum level, based on an understanding of consumer expectations and attitudes toward technologically driven retail relationships (Bickmore & Picard, 2005). For effective ROI, retailers therefore need information on how customers perceive relationships (if any) with technologically driven communication channels.

This study objectives are:

1. To assess what kinds of relationship now exist between retail staff and customers, addressing a recurrent question for customer relationship management by comparisons between customer perceptions of retail relationships and other social relationships. Such information will aid benchmarking and evaluation of current performance, developing the strengths of existing relationships, and in promoting a more distinctive relational position.
2. To compare human-to-human relationships in retailing with those in human-to-technology retail channels. The attractions of the technological interfaces, such as the Internet, include convenience, speed or even avoidance of salesperson interaction (Bhatnagar & Ghose, 2004). Bickmore and Picard (2005) recommend comparing human–technology interactions with the “equivalent” human-to-human interaction to understand the role of social–emotional cues and actions to maintain a beneficial relationship with the customer across differing service delivery channels.

2. Conceptualizing retail relationships

Relationships are central to people's lives and are a complex interaction of cognitive, affective, and behavioral processes between two social actors (Hinde, 1995) but are not necessarily viewed in the same way by both participants. Indeed, some relationships are completely one-sided (e.g., parasocial relationships) or pseudo-relationships, existing only because of high exit barriers. Hence, managers need to understand how customers view commercial relationships with retail staff or other social actors in retailing.

Relationships generally exist and persist for the benefits people obtain. Beyond functional benefits of products and services for customers, Gwinner, Gremler, and Bitner (1998) derive three relational benefits; confidence, social, and special treatment benefits. Hinde (1995) identifies major dimensions of relationships as: formality, content and quality of an interaction, conflict and distribution of power (equality), reciprocity and complementarity (co-operation), intensity, self disclosure, interpersonal perception, voluntariness and satisfaction. As retail relationships are usually voluntary and satisfaction is an outcome, we defer these aspects. To examine customer perceptions of a variety of retail relationships we adopt the Wish et al. (1976) formulation, as the dimensions of formality, equality, sociability, co-operation and intensity subsume the other elements.

The seminal work by Wish et al. (1976) influenced work on the psychology of interpersonal relationships (Argyle, 1992), consumer research (Iacobucci & Ostrom, 1996), relationship marketing (Fournier, 1998; Fournier & Yao, 1997), computing, and design of avatars (Bickmore & Picard, 2005). Wish et al. (1976) asked 87 respondents to rate 45 interpersonal relationships on 25 bipolar scales, which they generated by repertory grid procedures. The subsequent multi-dimensional scaling analysis presents four clear dimensions. The first is ‘evaluative’, denoting co-operative and friendly versus competitive and hostile; contrasting examples are close friends, versus business rivals. Dimension 2 is a contrast between equal versus unequal, close friends having a more symmetrical relationship than a supervisor and employee. Dimension 3 is intense versus superficial, and examples of

contrasting relationships are between casual acquaintances versus parent and child. The fourth dimension is socioemotional and informal versus task-orientated and formal, including the contrast between informal relationships (parent–child) and more formal relationships (business partners). Wish et al. (1976) report a correspondence between their results and those of Triandis (1972) and the Osgood, Suci, and Tannenbaum (1957) potency and activity dimensions of evaluation.

Iacobucci and Ostrom (1996) and Wish et al. (1976) include several business relationships in their studies, including salesman and regular customer, waiter and restaurant patron and bank teller and bank customer. Such evidence substantiates customer–salesperson relations as units that consumers can meaningfully evaluate and compare against other ‘traditional’ relationships, such as husband and wife. The Wish et al. (1976) framework thus forms a baseline against which to map current perceptions of retail relationships, especially human-to-technology. Aggerwal (2004) identifies norms associated with transaction-oriented exchange relationships and more social-oriented communal relationships, demonstrating the value to marketers of understanding the detailed characteristics of relationship types.

The literature on customer relationship development lends further support for using these fundamental relationship dimensions within the present study. For Barnes (1994b), the dimensions of customer relationships are trust, support/community, commitment and perceived pressure. In sequence, trust and support/community correspond to the socio-emotional dimension, and the other two to the intensity and equality dimensions. Barnes (1994a) describes a continuum of interactions varying between the short-term and often mechanical, with little commitment, and on-going, complex, highly personal interactions, with higher trust and relationship commitment. This continuum spans between discrete, single transactions and long-term relational exchanges (Berscheid & Peplau, 1983; Congram, 1991; Dwyer, Schurr, & Oh, 1987). Gutek et al. (1999) define service pseudo-relationships as existing between single encounters and full service relationships, typically where the customer interacts each time with a different employee of the same company.

The socio-emotional dimension finds support in the Gwinner et al. (1998) social and confidence relational benefits associated with friendliness and trust. Likewise, Coulter and Ligas (2004) deploy measures of socializing and emotional attachment in their typology of customer–service provider relationships. Thomson, MacInnis, and Park (2005) contribute a scale of emotional attachment in relationships with brands, demonstrating strong associations with loyalty and willingness to pay a price premium. The importance of equity in interpersonal relationships (Lloyd, Cate, & Henton, 1982) provides the basis for the equity dimension. This dimension is consistent with the concept of empathy in sales/service relationships (Zeithaml, Berry, & Parasuraman, 1988) and the likelihood of personal advice seeking (Mittal & Lassar, 1996).

The present study follows a similar rationale to Iacobucci and Ostrom (1996), examining the similarities and differences among commercial relationships, using the Wish et al. (1976) dimensions, but expanding to a range of eight human-to-human retail situations and five emerging human-to-technology retail situations. The results of the previous work underpinning this study portray the salesperson–customer relationship as distinct from close friendships, but also different to casual acquaintances. Wish et al. (1976) depict the salesperson–customer relationship as co-operative, somewhat like casual acquaintances, but with less equality. However, on the task and intensity dimensions, the relationship is more formal, but less intense and more superficial than parent–child or close friend dyads. Iacobucci and Ostrom (1996) place the four customer dyad relationships (consumer and mail order salesperson; waiter and restaurant patron; consumer and flight attendant; bank teller and bank customer) as a

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