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Antecedents and consequences of liking in retail service relationships in China and Greece

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ABSTRACT

The marketing literature has provided a limited examination of the concept of liking, and even this has mainly occurred within business-to-business or advertising contexts. In this paper, the authors propose a model of the intervening role of liking in the customer-service provider relationship in two countries, China and Greece. The antecedents of liking include three key service constructs, namely customer education, customer participation, and service quality. The outputs of liking are proposed to be affective trust and affective commitment, which in turn influence (behavioral) loyalty. The research model is tested using samples from China (N = 277) and from Greece (N = 306). The model is largely supported in both samples. Therefore, the authors suggest that liking in financial services has an important role in the customer-service provider relationship. Implications for international businesses are discussed.

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1. Introduction

While it is difficult to identify a single point where marketers turned their attention from a transactional perspective to one that is focused more on building and managing relationships between various constituencies including other business partners and consumers, certainly the influential papers by Berry (1983) and Dwyer, Schurr, and Oh (1987) provides a touchstone to this change in thinking. Since that time the idea of customer relationship management (CRM) has been a central tenet of marketing thought and encompasses a variety of relationships, including those between businesses and customers, businesses and businesses or, more recently and due to the use of social media, between customers themselves. Regardless, it has become imperative that firms manage these relationships and nowhere is that perhaps more important than in a services context. In fact, Bitner, Booms, and Tetreault (1990) used the term "moment of truth" to describe the importance of the interaction between the customer and the service employee as it relates to the ability of the firm to

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successfully manage that relationship and provide satisfactory service to the customer.

Given the importance of CRM, service marketers should avail themselves to any concepts that might provide insights into how this can be effectively accomplished. One such concept is that of 'liking.' While having been discussed to some extent in other areas such as business to business (B2B; Nicholson, Compeau, & Sethi, 2001; Abosag & Naudé, 2014; Hawke & Heffernan, 2006; Dowell, Morrison, & Heffernan, 2015), management (Nguyen, Melewar, & Chen 2013) and advertising/branding (Keller, 1993; Ye & Van Raaij, 2004), there has been limited mention of liking within the services literature, especially in different countries. This is surprising given that liking has been said to be a cooperative trait (Stone, 2007) which is something that, given the recent importance placed on cocreation of value in service exchanges (c.f., Vargo & Lusch, 2004), would appear to hold some promise as a way for service marketers to better engage in the management of relationships with customers in different cultures.

The purpose of this paper is to examine the concept of customer liking in a retail services context in different cultures. Specifically, the paper will examine customer liking in retail financial services in two different countries by developing and empirically testing a model of the antecedents and consequences of liking in service relationships. Since liking has a persuasive effect, as it can directly

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influence feelings and emotions (Biel and Bridgewater, 1990), China and Greece were selected based on the fact that customers from collectivist cultures involve more emotion and feelings in relationships (Jayakody & Sanjeewani, 2006). Essentially, this study makes the argument that countries that share similar cultural values develop similar psychological approach to relationships even between countries that have different banking systems and customer relationship management procedures. China scores low on Hofstede and colleagues' (1991, 2001) dimension of individualism at 20, which makes China the highest collectivist culture in Asia. Similarly, Greece at 35, also scores low in individualism making it the second highest collectivist culture in Europe. The antecedents of liking within the banking industries are identified as customer education, customer participation, and service quality. The consequences of liking include affective trust, affective commitment, and loyalty. We start by discussing the theoretical foundation of the model and the hypotheses. We then present the methodology used and review the results from the analysis utilizing samples from China and Greece. Finally, we discuss the findings, managerial and theoretical implications, and areas for future research.

2. Conceptual background

Early studies within employee-organization relationship on liking tended to study liking and satisfaction (e.g. Locke, 1964). Both constructs, liking and satisfaction, have never been combined as one construct. In general, liking is an attitude whereas satisfaction is a global assessment of the state of relationships. Most studies on liking did not test for any association between satisfaction and liking and in fact these studies did not include satisfaction (e.g. Abosag and Naudé, 2014; Hawke & Heffernan, 2006; Nicholson et al., 2001). Few studies tested relationship between liking and satisfaction (e,g, Hall et al., 2002; Locke, 1964). Within services literature liking is found that liking help maintain a state of satisfaction among client much longer than satisfaction without liking (Hall et al., 2002). Clearly within services liking is a major construct and according to Hall et al. (2002, p. 75) "liking can be studied in its own right as psychologically characteristic of the relationship".

As mentioned previously, within a business context the concept of liking has most often occurred in the B2B (e.g., Hawke & Heffernan, 2006; Nicholson et al., 2001) or advertising literatures (e.g. Walker & Dubitsky, 1994). Both of these fields have for the most part drawn their conceptualizations from work in social psychology that focuses on interpersonal liking (Altman & Taylor, 1973; Hendrick & Hendrick, 1983; Rotter, 1980; Zajonc, 1980). However, even though liking is based on the interpersonal relationship literature, it has largely been overlooked by consumer relationship researchers, including those involved in service research where it would appear the concept of liking could provide relevant insights into managing service provider/customer relationships. Importantly, the concept of liking has also not been tested in different cultures, and nearly all previous research on liking focuses on individualistic cultures. Thus, the idea that there may be different evaluations of key service outcomes (e.g., trust and commitment) resulting from liking among collectivist cultures warrants a deeper investigation.

The branding literature has shown that customers choose to enter relationships with brands just as they do with other people (e.g. Fournier, 1998; Hayes et al., 2006; Zayer and Neier, 2011). Theories of consumer behavior have also revealed that people form self-brand connections (Escalas & Bettman, 2005). Brands are found to help customers articulate their identities (Aaker, 1996) and form relationships with them (Mangold & Faulds, 2009; Mukherjee & He, 2008; Mukherjee & Balmer, 2007) through the

development of sufficient levels of liking (Stone 2007) as they offer two main resources. First, brands offer the actual benefits that are realized from using and experiencing the product or service (Reimann & Aron, 2009). Second, brands suggest something unique about the customer to others within their social circle (Escalas & Bettman, 2009). Therefore, brands/institutions can offer social capital and resources in different forms including status created by brand possession and recognition by others, as well as an opportunity for self-expression via brands.

In the social-psychology literature, liking is generally defined as an attitude towards a person based on an emotional bond which is focused at the personal relationship level and emphasizes cognitive, affective, and behavioral beliefs (Hendrick & Hendrick, 1983; Rotter, 1980). In the B2B literature, liking at the interpersonal level is defined as "the global affective attachment" between business partners (Nicholson et al., 2001; p. 5). Similarly, in a banking/financial services context liking is defined as "an ability to 'get on' or be comfortable with the other party in a bank lender – business customer relationship; based on a positive attitude each person has for the other and the recognition of the existence of an affirmative emotional connection" (Hawke & Heffernan, 2006; p. 145). As can be noted, there are very few differences in these definitions even though they come from quite different areas.

Liking is considered to be a "reactive" construct since it is typically a response toward liked behaviors or meanings provoked by another individual or entity (Davis, 1985). Cialdani (2004) argues, though, that liking should be distinguished from other reactive behaviors due to its ability to create positive long-term interactive responses. Furthermore, Stone (2007) considers liking to be a cooperative trait rather than a character trait, thus further highlighting the ability of liking to facilitate relationship development. This is not to say that liking is easily established. Rather, Zajonc (1980) points out that liking "occurs only after considerable cognitive operations have been accomplished," implying that it may be difficult to engender liking within a relationship (p. 151).

Regardless, evidence indicates it would be worth the effort to engage in activities that would lead to liking, particularly given the need for service providers to create stronger relationships with their customers. This is attributable to research which has shown that liking can act to enhance relationships. Specifically, research indicates that liking leads to a propensity for individuals to remain in relationships (Altman & Taylor, 1973; Swan, Trawick, & Silva, 1985), improves the rating of a relationship (Carnevale, Pruitt, & Carrington, 1982; Khare, Labrecque & Asare, 2011), increases relationship attraction (Byrne, 1971; Caballero & Resnik, 1986), predicts the perceived quality of a relationship (Liden, Wayne, & Stilwell, 1993), and perhaps most importantly given the current context, enhances the evaluation of a service experience (Jayanti & Whipple, 2008). In addition to enhancing the nature of the relationship from the perspective of the individual in which liking is created, there is some evidence that liking can have a "reciprocal" positive impact on the party which is liked. Sternberg (1987) reported that those who acted in a way that led to liking would engage in those behaviors in the future in order to assure the continuation of being liked. In a services context, this would imply that service employees who recognize they are liked by customers would tend to engage in the behaviors they believe most likely led to their being liked.

3. Modeling the antecedents and consequences of liking

Much of the early discussion grounds liking in the interpersonal relationship social psychology literature. However, liking within services is not only based on pure interpersonal relationship between customers and financial institutions. Liking within retail services environment involves two levels,

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