

Customer Faithfulness

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Submission date: 05-Aug-2019 12:37PM (UTC+0700)

Submission ID: 1157724159

File name: CUSTOMER_FAITHFULNESS.docx (58.75K)

Word count: 999

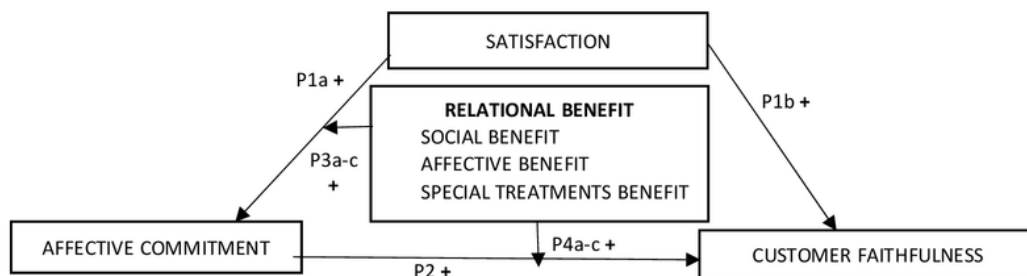
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CUSTOMER FAITHFULNESS: THE MODERATING ROLE OF THE RELATIONAL BENEFITS TRILOGY

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EXTENDED ABSTRACT

Ganesh, Arnold and Reynolds (2000) suggest that companies regard customer switching behavior as a nightmare, because such behavior threatens buyer-seller relationships, and more importantly, it decreases customer commitment and business sustainability. According to Yee (2015), one way to maintain business sustainability is to increase their customer faithfulness. Despite its importance, Akpan and Etuk (2014) point out that the investigation and integration of the concept of customer faithfulness is limited. Hence, the present study attempts to expand on customer faithfulness research by integrating and conceptualizing the mediating effect of affective commitment and moderating effect of the relationship benefits model (confidence benefits, social benefits and special treatment benefits) on customer satisfaction– customer faithfulness relationships. Phillips (2010) defines customer faithfulness as customers' psychological evaluations which encourage customers to be more open and emotionally attached to specific brands or organizations. Therefore, customer faithfulness results in customers being more sensitive, open and accepting of their preferred brands or organizations' current and future performance. Below is our proposed model of customer faithfulness.



Customer satisfaction refers to customers' positive evaluation of products and services and confirmation that their expectations of quality performance have been met (Wang & Shieh, 2006). Scholars asserts that a high level of satisfaction produces a high affective commitment (Gustaffson, Johnson & Roos, 2005) and leads to customer faithfulness (Sharma & Baoku, 2013). Thus, we propose:

P1: Customer satisfaction significantly improves (a) customers' affective commitment and (b) customers' faithfulness.

Bansal, Irving and Taylor (2004) conceptualize effective commitment as customers' emotional devotion to an offering or an offering's provider. To Mattila (2006), such commitment is very personal and improves customer identification and sense of belongingness toward an organizations. Thus, based on this consideration we propose:

P2: The higher the affective commitment, the stronger customer faithfulness.

1

Gwinner, Gremler, and Bitner (1998) relationship benefits consist of confidence benefits, social benefits and special treatment benefits. Confidence benefits refer to customers' perception of an organization's ability to reduce

anxiety and fulfill expectations and as a result, generates satisfaction (Lacey, 2007) and affective commitment (Kim & Ok, 2009). Social benefits are conceptualized as emotional outcomes that affect customers' experience and increase relationship intimacy with organizations which in turn produce satisfaction (Allen & Meyer, 1996) and affective commitment (Kim & Ok, 2009). Finally, special treatment benefits refer to extra care (economic and customized treatment) benefits that are offered to customers. Because of this personalization, such benefits increase satisfaction (Dagger & O'Brien, 2010) and affective commitment (Kim & Ok, 2009). Based on these arguments, we propose:

P3: The degree of (a) confidence benefits, (b) affective benefits and (c) special treatment benefits positively moderate the relationship between customer satisfaction and affective commitment.

P4: The degree of (a) confidence benefits, (b) affective benefits and (c) special treatment benefits positively moderate the relationship between affective commitment and customer faithfulness.

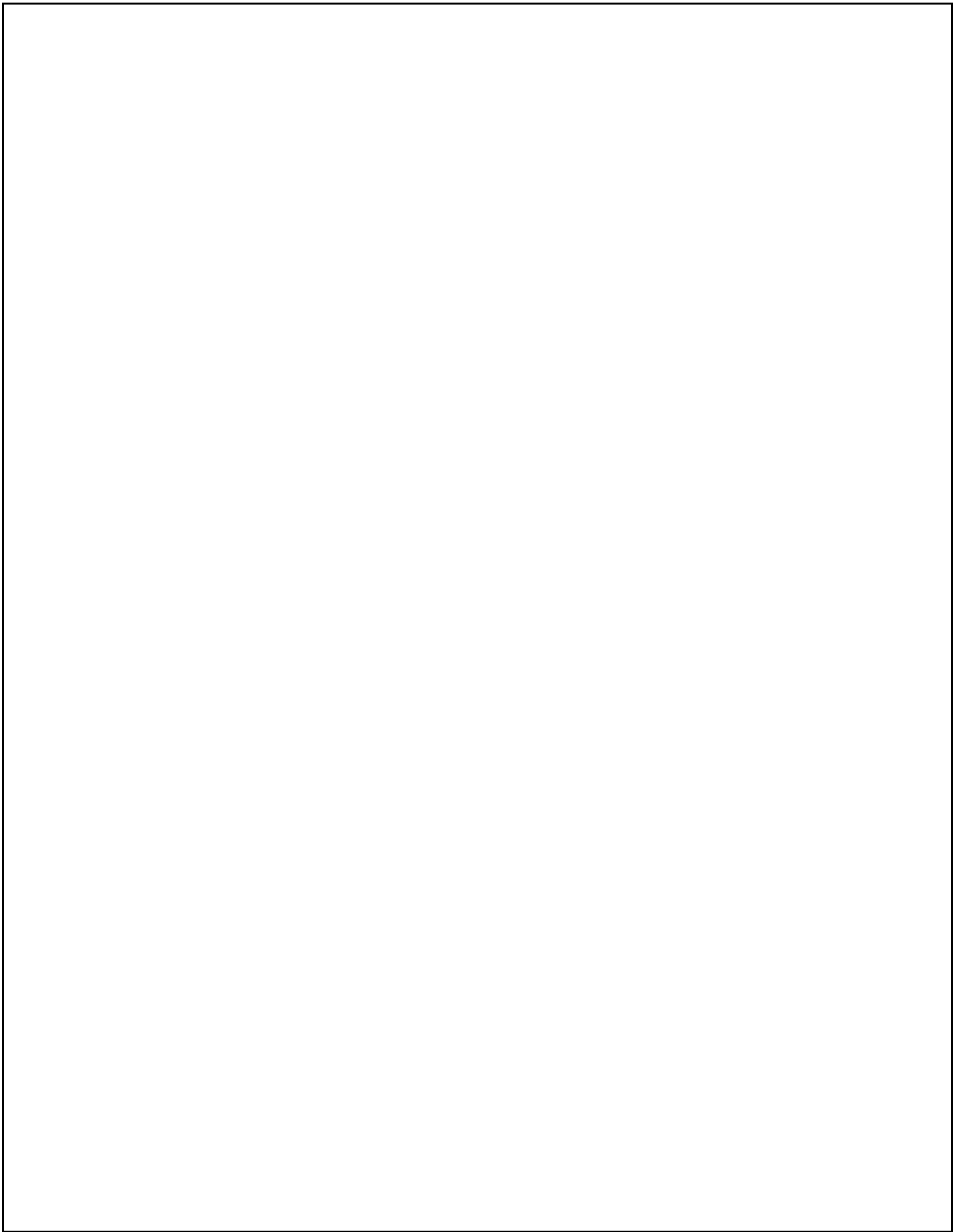
This present study has conceptualized that the degree of customer faithfulness is directly affected by customer satisfaction as well as customer affective commitment. In addition, this direct relationship is also predicted to be influenced by the intensity of the relational benefits trilogy. Today, the relational benefits trilogy plays a crucial role in strengthening customer faithfulness as these benefits offer emotional and non-emotional added values. Without these additional added values, customers have no reason to be faithful and tend to switch to competitors. Therefore, it is vital for businesses to understand how to generate and maintain, if not increase, customer faithfulness.

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