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Cass Business School
CITY UNIVERSITY LONDON

Service Variation Model in Customer Relationships

by

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A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Management

City University London

Cass Business School, Faculty of Management

July, 2012

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To my beloved parents, Pantelis and Chrysa, and my brother, Andreas, for their love, endless support and encouragement

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ACKNOWLEDGMENTS

I would like to offer my warmest appreciation to my first supervisor, Professor George Balabanis, for his effort, guidance and contribution throughout my PhD. I would particularly like to thank him not only for his academic support, but also, and most importantly, for his emotional support throughout these years, for his care and encouraging words.

I am very grateful to my second supervisor, Professor Vaggelis Souitaris for his useful comments and help, as well as Professor Thorsten Hennig-Thurau for his valuable comments and advices. I would also like to thank my mentor in Greece, Professor Ioannis Mourmouras for his guidance and support throughout my academic journey, as well as Professor Douglas West for his support and faith in me during my first academic steps as a Lecturer.

I offer my deepest appreciation to my father, Pantelis, my mother, Chrysa, and my brother, Andreas, for their love, continuous support, encouragement and endless care. Their motivation fuelled me to finish my PhD thesis especially during the difficult times.

Also, I would like to direct special thanks to my beloved brother Andreas Stathopoulos and best friend Dr. Xenia Kesoglidou for their precious and insightful feedback. Special thanks go as well to my very good friends Dr. Minas Kastanakis, Dr. Ioulia Bessa and Christiana Kaloudi for their support through bad and good times during my PhD.

I offer my regards to academic and research staff at Cass Business School, City University London. Especially, many thanks are due to Ms. Malla Pratt and Mr. Abdul Momin for their continuous support.

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ABSTRACT

This thesis examines the variations of customer relationships across different types of services and it contributes the existing knowledge of service marketing in three main ways. First, it identifies and brings together a coherent and exhaustive set of drivers that can explain repeat purchase behaviours. Second, it identifies the relational bonds which can strengthen or weaken service relationships and repurchase intentions through different service actions. Third, drawing on Theory of Planned Behaviour, it develops a new comprehensive and integrative conceptual framework, applicable to the service variation context.

A preliminary qualitative research was conducted based on sixty in-depth interviews in order to explore whether service variations exist and get insights on the key components of the new framework from a customer perspective. The adopted model was then empirically tested through a large-scale quantitative research in a random sample in London, providing new perspectives on services relationships. Through this empirical research the boundary conditions of the proposed framework were tested by accounting for different service types, based on four distinct service typologies.

The results suggest that relational bonds can be classified into three categories: 1) universal relational bonds that transcend service categories, 2) service specific relational bonds and 3) inconsequential relational bonds. The findings also suggest that although most of the relationships in the model work universally, their strength is moderated in many cases by the service type. This moderating effect depends on the service typology used and the stage of the relationship. Thus, at the first stage of the relationship which refers to the link between service actions and relational bonds, the customisation and contact levels associated with the service (Bowen's groups) as well as whether the service is consumed collectively or individually, have a significant moderating effect. At the second stage of the relationship which refers to the link between relational bonds and repurchase intentions, the hedonic or utilitarian nature of the service is very important. Finally, at the third stage of the relationships which refer to the link between repurchase drivers and relationship outcomes, the level of risk associated with the service (search/ experience/ credence services) is important. In addition to its theoretical contribution, the framework provides service providers with specific information and guidance in order to manage long-term customer relationships in a successful and a resourceful manner.

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LIST OF ABBREVIATIONS

B2B Business to Business

B2C Business to Customer

CLV Customer Lifetime Value

CRM Customer Relationship Management

PCV Past Customer Value

RFM Recency, Frequency and Monetary value

RM Relationship Marketing

SOV Share of Visits

SOW Share of Wallet

TPB Theory of Planned Behaviour

TRA Theory of Reasoned Action

WOM Word of Mouth

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CHAPTER 1: INTRODUCTION

BACKGROUND TO THE RESEARCH

The last two decades customer-centred strategies are becoming crucial for the profitability of the organisations and are taking the place of product-centred strategies (Bolton, Lemon & Verhoef, 2004). Thus, relationship marketing is one of the fastest growing areas in both the business and academic world. The continuum growth of relationship marketing relies on the fact that most businesses start realizing the significance of building and retaining strong relationships with their customers (Schneider, White & Paul, 1998; Mattila, 2001; Reinartz & Kumar, 2000; Rust, Zeithaml & Lemon, 2000). Although for many years researchers were emphasizing mostly on acquisition strategies, the focus has shifted on retention strategies, mainly because it has been proven that the cost of acquisition is five to ten times higher than the cost of retention (Egan, 2011; Palmer, 2011; Oliver, 1999; Nasir et al., 2005; Reichheld et al., 2000; Scullin et al., 2002; Reinartz et al., 2000; Ahmad et al., 2001; Winer, 2001).

Additionally, the benefits of customer retention strategies can be significant and many research efforts had been focused on identifying and examining the determinants of keeping long-term profitable customer relationships (Reynolds & Arnold, 2000; Gronroos, 1997). Agreeably, one of the most important determinants of long-term profitable customer relationships is customer loyalty, but also other determinants such as word of mouth and share of wallet are rising in importance (McDougall & Levesque, 2000; Evanschitzky et al., 2006; Dick and Basu, 1994; Gwinner et al., 1998; Reichheld & Sasser, 1990; Fullerton, 2003). Especially in the service context, empirical evidence links customers' perceptions of service performance to these important relationship outcomes - customer loyalty, positive word of mouth and share of wallet (Hennig-Thurau, Gwinner & Gremler, 2002; Keiningham, Perkins-Munn & Evans, 2003; Briggs & Grisaffe, 2010).

There is no doubt that the service sector has become a dominant factor in national economies, as it increases to an extent greater than 77% of UK gross domestic product (Bansal, Irving & Taylor, 2004; Zeithaml, Bitner & Fremler, 2009; Galetzka, Verhoeven & Pruyn, 2006). Thus, while service sector is growing and becomes more competitive, service providers have to start focusing more on increasing their competitive advantage by strategically managing every type of relationship among their customers. In relation to service relationships though, much focus has been given on emotional responses, such as satisfaction, trust and commitment (Cronin, Babin & Hult, 2000; McDougall & Levesque, 2000; Fullerton, 2003; Olsen & Johnson, 2003; Gittell, 2002; Wirtz & Lee, 2003; Bansal, Irving & Taylor, 2004), whereas other emotional responses, such as relational bonds or ties, which relate to repurchasing behaviours in the services context, have not been fully explored (Spake et al., 2003; Bagozzi et al. 1999).

Customer relationships and repeated purchasing are strongly affected by different types of bonds which can either positively influence or negatively 'lock-in' the customer with a service provider (Berry, 1995; Liljander & Strandvik, 1995; Liljander, 2000). However, the main body of research concerned with relational bonding is focused on the Business to Business (B2B) setting, examining the supplier-seller relationships (e.g. Dwyer, Schurr & Oh, 19987; Morgan & Hunt, 1994; Doney & Cannon, 1997; Claycomb & Frankwick, 2005). Business to Customer (B2C) relational bonding has not been extensively researched to date, in that B2C relationships are more complex and context specific, which makes it very difficult to develop and measure a universal framework in such a setting (Arantola, 2002). This problem becomes far more complex in the services B2C relationship setting, because of the nature of the service (e.g. intangibility and variability) as well as the recent advances in technology (Palmer, 2011; Zeithaml, Bitner & Fremler, 2009; Day, 1999).

Although it has been recognised that the nature of customer relationship variables are polymorphous and influenced by the nature of the services (Galetzka, Verhoeven & Pruyn, 2006; Paolo & Laurent, 2010), very little research exists that takes into account

the moderating effect of the service types on customer relationships. To date most of the research around customer relationships has been focused on different customer types/segments (customer segmentation in CRM strategies) and different customer profitability levels (Customer Lifetime Value models) (e.g. Campbell & Frei, 2004; Hogan et al., 2002; Berger et al., 2002; Reinartz & Kumar, 2000; Rust, Zeithaml & Lemon, 2000; Libai, Narayandas & Humby, 2002; Chiu et al., 2005; Libai et al., 2002). However, the specific context in which a relationship is being involved is also very important issue, though under-researched (Paolo & Laurent, 2010). It is only within specific context that answers can be found to specific questions and meanings can be provided (Morgan & Smircich, 1980; Whetten, 1989). Marketing and especially relationship marketing is highly context dependent (Sheth & Sisodia, 1999; Veloutsou et al., 2002). Relationships are developing in specific contexts which determine their main characteristics, magnitude and strength and under different contexts, distinct types of relationships emerge (Veloutsou et al., 2002). As Paolo and Laurent (2010, p. 133) state "cross-validation across different service industries (e.g. search, experience and credence services) is required". However, to date the majority of the studies in service relationships is based on one service industry (e.g. banks, or mobiles etc.) which limits tremendously the generalisability of the results.

Therefore, this study is going to explore how customer relationships are being built through different attitudinal relational bonds across different types of services and how they can lead (if they do) to repeated purchase behaviours, drawing on the Theory of Planned Behaviour. The Theory of Planned Behaviour (TPB) provides a useful framework in understanding how attitudes, perceived behavioural control and subjective norms should combine to influence repeated intentions and behaviours (Ajzen, 1985; 1991). This theory was developed in response to the criticisms that Theory of Reasoned Actions (TRA) received (Fishbein & Ajzen, 1975; Ajzen & Fishbein, 1980), which is agreeably one of the most resilient theories in social psychology research (Bansal & Taylor, 2002; Bagozzi, 1992). Although TPB is not the only attitude-behaviour model, but actually one of many and it comes with limitations (e.g. Mischel & Shoda, 1995; Taylor & Todd, 1995; Eagly & Chaiken, 1993; Albarracin et al., 2001; Ajzen, 2011), Bansal and Taylor (2002, p. 408) point out that "the TPB has been proven useful as an actionable framework for marketers to

influence behaviour", which is also supported by many other researchers (e.g. Taylor & Todd, 1995; Bansal and Taylor, 1999; Gauff, 1992; Liao et al., 1999; Fortin, 2000; Smith et al., 2008). Thus, after conducting the preliminary qualitative research of this study and after addressing all the main points of criticism of TPB, this theory was found to be the most adequate model that could operationalise the constructs proposed.

Based on the theoretical platform of TPB, this study proposes a new framework which explains the variations of customer relationships across different service types, by examining how relational bonds are being built through different service actions, and together with subjective norms, perceived difficulty, and prior experience how they influence repurchase intentions and relationship outcomes such as loyalty, word of mouth and share of wallet.

LITERATURE GAP AND PURPOSE OF THE THESIS

It has been recognised that the nature of customer relationships is multi-faceted and is influenced by many drivers. Therefore, understanding how those drivers are built and lead customers to repeatedly purchase from a service provider and even lead to service loyalty, represents an issue of critical importance (Paul et al., 2009). However, despite the large number of research on customer loyalty drivers and relationship marketing (RM) models, existing knowledge on this topic is highly fragmented, especially in the services marketing context. Many researchers have observed that there is a big conceptual overlap in measurements and definitions of variables used in many customer relationship models (Gupta & Zeithaml, 2006; Paul et al., 2009; Palmatier et al. 2006). Thus, as Verhoef et al. (2007, p.115) state, it is very difficult to generalise the findings of these models "since the research is fragmented and the results are mixed". Adding to that, the limited number of studies which make an effort to incorporate most of the possible explanatory variables in order to examine their importance in customer relationships creates a big literature gap which needs to be explored (Zeithaml, 2000). This gap was mainly identified through an initial review of

some of the critical customer relationship management (CRM) and relationship marketing (RM) models in the literature (presented in Chapter 2). Based on this review it becomes apparent that there is not a universal framework with a complete set of drivers that could explain how customers can reach certain levels of loyalty. This thesis attempts to overcome this fragmentation by evolving a comprehensive and integrative conceptual framework, incorporating a coherent and exhaustive set of drivers (including new drivers) which can explain how customer relationships are being built in services.

Revisiting and reviewing the literature, another gap was identified. Customer bonds have been mainly examined either conceptually (Arantola, 2002; Berry, 1995; Williams, Han & Qualls, 1998) or empirically in a Business-to-Business context (Buttle, Ahmad & Aldlaigan, 2002; Wilson, 1995). Relational benefits, on the other hand, have been empirically examined in a B2C context (Gwinner, Gremler & Bitner, 1998; Hennig-Thurau, Gwinner & Gremler, 2002; Paul et al., 2009). Yet, relational benefits relate only to the positive nature of bonds and in order to understand and examine the development of customer relationships it is vital that we examine both the negative and positive natures of bonds (Bendapudi & Berry, 1997; Liljander & Strandvik, 1995; Liljander & Roos, 2002). Thus, this study attempts to bridge this gap by identifying the bonds which can strengthen or weaken customer relationships and promote repeat buying intentions, rather than focusing only on the benefits which can enhance loyalty.

In this attempt to identify the relevant relational bonds in the service context, it is also important to identify the drivers of those relational bonds. It has been largely recognised in services marketing that service attributes or actions, and mainly service quality attributes, have a profound effect on customer relationships (Zeithaml et al, 2009; Galetzka, Verhoeven & Pruyn, 2006). Once more, going back to the literature, it has been identified that there is only a limited number of studies which try to link a complete set of different service actions to relationship benefits (e.g. Paul et al., 2009), and no study at all, to the researcher's knowledge, that incorporates a complete set of relational bonds. Including in the proposed conceptual framework and examining

empirically the link between a complete set of relational bonds with services actions, it can fill in a big, mainly practical, gap which can be useful particularly to service relationship managers.

Finally, the biggest limitation in services marketing research, is the generalisability of the results in services, as the majority of the empirical studies in the area is conducted in one service context, especially focused on financial services (e.g. Eisingerich & Bell, 2007; Paolo & Laurent, 2010; Verhoef, Franses & Hoekstra, 2002; Athanassopoulos, Gounaris & Stathakopoulos, 2001; Crosby et al., 1990; Aurier & N'Goala, 2010; Hansen, Sandvik & Selnes, 2003; Sharma & Patterson, 2000), telecommunications (e.g. Gustafsson, Johnson & Roos, 2005; Bolton 1998; Bolton & Lemon, 1999; Fullerton, 2003) and transportation (e.g. Evanschitzky et al. 2006; Wagner et al., 2009; Rust, Zeithaml & Lemon, 2000). However, only a very limited research focuses on the variations of customer relationships across the different service types. More specifically, two groups of researchers have directed their research efforts towards identifying the differences across services: 1) the first group in two studies (Hennig-Thurau, Gwinner, Gremler, Paul, and Wiertz) has focused on Bowen's types of services variations across three types of relational bonds (functional, psychological and social or confidence, social and special treatment), and 2) the second group in two studies (Hsieh, Chiu, Chiang and Hiang) has focused on search, experience and credence online goods/services variations across social, structural and financial bonds.

Yet, there is evidence in the literature, that additional product/service typologies exist which can influence the consumption process, focusing on different service characteristics or values, such as hedonic versus utilitarian values (Jones, Mothersbaugh & Beautty, 2003; Babin, Darden & Griffin, 1994). All of these typologies are grounded on different aspects of service nature reflecting problems in their delivery but also customers' responses and motivations. On that ground, in order to fully understand service relationships, it is important to examine customer relationships not only with respect to one service classification but on the basis of several relevant classifications (which are focused on different aspects of services), in

order to find out how each classification scheme complements each other in theory building.

Therefore, this study is the first one that attempts to address this gap by checking variations across different typologies and by examining their moderation effect on bonds and customer relationship strategies. For this reason, in addition to the aforementioned taxonomies of services that separate these into:

1) search, experience, and credence qualities of services by Nelson (1974) and Darby & Karni (1973), with the main focus on the risk and uncertainty involved in the nature of the service
2) the level of contact, customization and standardization by Bowen (1990), with the main focus on the way the service is delivered to the end customer and
3) hedonic and utilitarian services (Hirschman & Holbrook, 1982; Mano & Oliver, 1993), with the main focus on the perceived evaluation values derived from the service

this thesis is revisiting another classification, namely the collective versus individual service typology, which has been neglected in the marketing literature as a service typology. This typology was first introduced in economic science literature by Hill (1977) in order to explain how services should focus on individual economic units (meaning the customer) or on mass economic units. In the current context, this service typology is proposed on the basis of whether the customer is experiencing the service alone (individual service) or together with other customer/s (collective service). This is another important factor for developing customer relationships which differs from the rest service typologies, in terms of the context in which the service is consumed (collectively or individually).

To sum up, this study proposes that different service characteristics should be taken into consideration in order to better understand customer relationships. This involve different service classifications based on the context in which the service is consumed (collectively or individually), the way the service is delivered (level of customisation and contact), the nature of the perceived service value (hedonic or utilitarian) and the

risk involved in evaluating the outcome of the consumption (search, experience credence). On these grounds, this study introduces a new theoretical approach which highlights the variations among these different service types, across a number of parameters which are important to marketers. Additionally, this study attempts to identify, compare and test which typology is the most appropriate basis for relationship marketing strategy development (where most variations occur).

RESEARCH OBJECTIVES

The overall goal of the current research is to develop a new theoretical framework of relational bonds which better explains the development of service relationships through repurchase intentions. In particular, the aim is *to understand, identify, test and verify all the relational bonds that foster repurchase behaviours across different types of services and to construct a new integrative and comprehensive model of services relationships.*

To achieve the overall goal, the following research objectives are employed:

1. *To develop a general conceptual model that can explain variation in customer relationship antecedents, mediators and outcomes across different types of services.*
2. *To identify which services actions influence relational bonds.*
3. *To identify differences across different types of services in terms of service actions' effect on relational bonds.*
4. *To identify the drivers of repeated purchase behaviour.*
5. *To identify the variations across different types of services of the potency of relational drivers to repeated purchase behaviour.*

The first step towards the achievement of the research objectives of the thesis was to review the different conceptual models in relationship marketing. After reviewing the literature it was apparent that there is not a universal model that can explain customer relationships. Thus, a preliminary qualitative research was conducted based on sixty in-depth interviews (and follow-up interviews after a course of 3 months). In the early stages of the interviewing process it became very clear that customer relationships are based on different relational bonds and they are service-context specific. After analysing the interviews, some of the main constructs of the research were identified, and the results directed the researcher to revisit the literature in order to conceptualise and develop a new framework that could better explain customer relationships across different types of services.

Theory of Planned Behaviour (TPB) was employed as a theoretical platform of this framework, as it was found to be the most well established theory in social psychology which explains the link between attitudes and behaviours. All the main points of TPB's criticisms were tackled on the basis of the qualitative findings and recent research in the literature and a new conceptual model of customer relationships across different types of services was proposed. The different services were then carefully selected, through interviews with experts and by using a small questionnaire that 17 raters had to fill in. With a 96.5% inter-rater agreement, seven different services were selected to represent the different service typologies.

The hypotheses of the proposed model were then tested through a big scale quantitative research, based on a questionnaire that was randomly administrated in the Greater London area using door-to-door sampling technique. After validating the reliability of the data on a final sample size of 548 respondents and testing the measurement scales (through SEM), the data were analysed through multiple regressions and Chow tests. Finally, based on the quantitative results the importance of the relationships was identified, as well as the variation of these relationships across the different service types.

CONTRIBUTION

The purpose of this theoretical framework is an initial step towards understanding how customer relationships are being built through different relational bonds across different types of services. The proposed framework is mainly grounded on an initial qualitative research, using constructs which appear central to services marketing and relationship marketing literature.

The contribution of this study is crucial to the academic as well as the business world in that it identifies which drivers (relational bonds) affect the relationship development between the service provider and the customer. It proposes a new approach of relationship development based on the relative strength and valence of bonds. The new approach of relationship development proposed in this thesis can lead to the advancement of finer grained theories which take into account the consumption context of service and the resulting variation of relational bonds. Moreover, creating a guidance of which relational bond/s can influence the tendency of repetitive purchasing in a specific service type, will enable managers to use the appropriate services actions that would enhance this/these bond/s.

More specifically, the contribution could be broken down in to the following points:

Main Theoretical Contribution

1. As it has been already mentioned above, existing research in customer relationships is fragmented. Thus, the main theoretical contribution of this study is the development of a new integrative and comprehensive framework that explains how customer relationships vary across different types of services. This framework is tested in four different service typologies and this can aid theoretically in identifying which service characteristics can strongly moderate customer relationships.

2. A main issue that has not been successfully addressed in the existing empirical studies is the identification of a complete set of relational bonds, which are relevant to the development of customer relationships. Thus, this study is contributing to knowledge by bringing together a complete set of relational bonds relevant to service relationships, which provides a more holistic view in services marketing and a finer theoretical base which can be used in different concepts in future research.
3. Additionally, this is the first attempt which links all these relational bonds to a set of different services actions. Thus, another theoretical contribution of this study is that it provides a deeper understanding of how service actions are related to relational bonds.
4. Using Theory of Planned Behaviour (TPB) as a theoretical platform, this thesis tackles the main criticisms of this theory and enhances the proposed model by including automatic responses (habit bonds) and prior experience in the service context. These constructs could be also used in other contexts and test if they can increase the predictive validity of the theory.
5. Finally, this study brings to the surface a previously neglected service typology by marketers, the collective versus individual service typology. Hence, highlighting the importance of whether a service is consumed collectively or individually, contributes to the enhancement of theoretical knowledge in services marketing.

Main Managerial Contribution

1. Based on the different service typologies used, this study helps practically the managers identify the parameters of their service and choose to enhance those customer relational bonds which apply to the specific service context that they operate in. Using this kind of marketing strategy they can focus easier on the appropriate customers and segment their customer database in more detail.

2. Another important contribution of this study, especially from a managerial point of view, is the link between the services actions and the relational bonds. By examining which specific actions can enhance these relational bonds that appear to be the most important in a specific service context, the managers will have a powerful marketing tool. As services actions can be controlled by the company, managers can asses and choose the appropriate marketing action/s in order to push their targeted customers to the right direction in order to enhance loyalty and increase their profitability.

3. Finally, managers would be able to better predict and monitor financial and relational outcomes, as different relational bonds result in different margin contribution. Therefore, they will be able to allocate their resources more effectively depending on the marketing actions and predicted outcomes.

STRUCTURE OF THE THESIS

This thesis involves six chapters:

Chapter 1 – Introduction: The first chapter provides an introduction to the thesis where the research objectives are being stated, the rationale of the study is being developed and the main literature gaps are being indentified.

Chapter 2 – Literature Review on Customer Relationships: This chapter provides the theoretical background of the main relationship marketing models (CRM models) and customer loyalty. It sets the scene and helps understand better the mechanics of customer relationships from a normative point of view. It also provides insights on the variables underlying the development of relational bonds and relationship outcomes, as well as the areas that are subject to possible variations across services.

Chapter 3 – Theoretical Background & Conceptual Model: This chapter is introducing the conceptual model of the study, which is guided by the findings of the preliminary qualitative study (presented in the next chapter, 4). It focuses more on the different service typologies which explain the variations of the link between relational bonds and repeated behaviours and revisits the literature for a solid theoretical base of the proposed conceptual model to be found. Thus, in this chapter the new conceptual model is being formulated and presented on the basis of the Theory of Planned Behaviour. The final part of this chapter presents the hypotheses development again through the relevant literature.

Chapter 4 – Methodology: This chapter introduces the methodological approaches and tools used in both empirical studies. First, it provides the methodological procedures used for the preliminary qualitative research of the thesis, as well as the results, based on 60 in-depth interviews. Second, it presents the primary study of the thesis, which was conducted on the basis of a big-scale survey using a random sampling technique in the geographic area of London, UK. A data overview is being presented with the statistical procedures followed in order to test the hypotheses. These procedures include data screening and preparation, statistical validation of the measurement model using AMOS, SPSS and Excel.

Chapter 5 – Results of the Quantitative Study: This chapter presents the results of the hypotheses which were tested on the grounds of multiple regressions and the results of the moderating effect of the service typologies which were analysed through the Chow test. This chapter also presents and discusses the results of the proposed framework. Finally, the mediating effects of the conceptual model are being described.

Chapter 6 – Conclusions: This chapter discusses the main findings of the thesis, followed by the main theoretical contributions and managerial contributions of the study. Finally, the limitations of the study are being presented, together with some ideas for future research.

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CHAPTER 2: LITERATURE REVIEW ON CUSTOMER RELATIONSHIPS

INTRODUCTION

Following the background of the research, this chapter provides the theoretical base of the main relationship marketing management models and customer loyalty. This section will set the scene and help understand better the mechanics of customer relationships from a normative point of view and provide insights on the variables underlying the development of relational bonds and relationship outcomes, as well as the areas that are subject to possible variations across services. Firstly, the recent developments of Customer Relationship Management (CRM) will be presented followed by the main CRM and Customer Lifetime Value (CLV) frameworks. Customer loyalty was found to be the common element in all the reviewed frameworks and thus, the theoretical base of loyalty is presented in the second part of this chapter. Reviewing the main CRM models and nature of customer loyalty, helped the researcher to understand the importance of customer relationships and the different CRM phases that can influence companies' profitability. More importantly, it helped to identify the gaps in the literature and generated the need to conduct a preliminary qualitative research (presented in chapter 4). Further relevant literature to the research objectives of the thesis is provided in the next chapter together with the conceptual model formulation (chapter 3).

CUSTOMER RELATIONSHIP MANAGEMENT

WHAT IS CRM

Customer Relationship Management (CRM) is a rapidly growing field in Marketing in both academic and business world. In the recent years, practitioners as well as academics try to understand and explore how customer relationships can be managed

effectively (Reinartz et al., 2004). However, there is confusion among academics and executives in relation to what exactly CRM consists of and how CRM is defined, which resulted in having many different authors defining CRM from different viewpoints (Payne & Frow, 2005; Boulding et al., 2005; Bull, 2003; Winer, 2001; Reinartz et al., 2004; Richards & Jones, 2006; Yim et al., 2004). There are plenty of CRM definitions in the literature, other focused on the technological side of CRM other on the database and other on the customer value. This confusion in the field led to the lack of a clear and complete accepted definition in the academic world (Boulding et al., 2005; Payne & Frow, 2005). This confusion is also reflected in the business world. Payne and Frow (2005) draw attention to the following notions of meaning of CRM by interviewing executives: direct mail, loyalty card scheme, database, help desk, call centre, data mining, and e-commerce solution. It is worth noticing that in the past CRM was viewed and defined as the notion which derives basically from technology, whereas currently it is defined as more customer derivative than technology.

Reviewing all the CRM definitions, Payne and Frow (2005) proposed three possible perspectives of CRM (see figure 1):

> *'**Perspective 1**: CRM Defined Narrowly and Tactically'*
>
> CRM is described as a "particular technology solution" (Payne & Frow, 2005, p. 168), for instance when CRM is described only in terms of Sales Force Automation (SFA).
>
> *'**Perspective 2**: CRM Defined Customer Centric'*
>
> CRM refers to "a wide range of customer oriented IT and Internet solutions" (Payne & Frow, 2005, p.168).
>
> *'**Perspective 3**: CRM Defined Broadly and Strategically'*
>
> CRM focuses on shareholders' creation of value through the management of customer relationships (Payne & Frow, 2005, p. 168).

Figure 1: Three Perspectives of CRM



*** Source: Payne and Frow, (2005), 'A Strategic Framework for Customer Relationship Management', p. 168**

Suggesting 'Perspective 3' as the best approach, Payne and Frow (2005) proposed the following holistic definition of CRM:

> *CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and cocreate value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications (p. 168).*

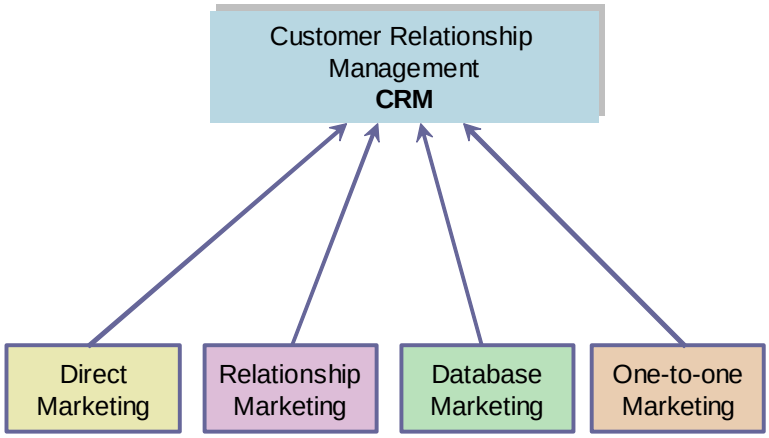
This definition of CRM is most favourably accepted by recent researchers in the field. Boulding, Staelin, Ehret and Johnston (2005, p.159) on the basis of the key aspects of Payne's and Frow's definition propose that the heart of CRM "is the concept of dual creation of value". Additionally, Buttle (1999, p. 2) focusing more on the relationship between the firm and the customer defines CRM as "the development and maintenance of mutually beneficial long-term relationships with strategically significant customers". This definition by Buttle (1999) seems to be the most dominant one in the relationship marketing literature, and it incorporates the main philosophy of CRM.

HISTORY OF CRM

> *CRM is the outcome of the continuing evolution and integration of marketing ideas and newly available data, technologies, and organizational forms.*
>
> (Boulding et al. 2005, p.156)

CRM is closely linked with four related marketing approaches: a) Direct marketing, b) Relationship Marketing, c) Database Marketing and d) One-to-one marketing (Chaffey et al., 2003).

Figure 2: Links between CRM and Marketing Approaches



***Adapted by Chaffey et al, 2003, p. 218**

However, relationship is the key word in Customer Relationship Management (Caldwell, 2000), which makes Relationship Marketing concept be closer linked with CRM (Buttle, 1999; Reinartz et al., 2004; Payne & Frow, 2004; Bueren et al., 2005). This is also supported in the academic community, where "the terms Relationship Marketing and CRM are often used interchangeably" (Payne & Frow, 2005).

Relationship Marketing was introduced in 1983 by Berry, and in 1990 Grönroos emphasised that relationship marketing focuses on long-term relationships with the

customer (Gronroos, 1990; Payne & Frow, 2004; Luo, 2002; Lindgreen et al., 2006; Reinartz & Kumar, 2000). Ahmad (2001) then added that relationship marketing generally tends to emphasize on keeping existing customers, increasing share of customers' spend and maintaining long-term relationships with individual customers (Ahmad & Buttle, 2001). The common element in "all theoretical approaches in the relationship marketing literature is that managing relationships is beneficial for the firm" (Reinartz et al., 2004).

In the 1980s there was a big increase in customer data, due to the developments in marketing, which shifted the emphasis on customer instead of the products and/or brands (Boulding et al., 2005; Reinartz et al., 2004; Chen & Popovich, 2003). Attempts to organize and make the best use of this big amount of customer data led to the generation of new concepts such as 'one-to-one marketing' - Peppers and Rogers (1993) - and 'mass customisation' - Pine (1993) - (Boulding et al., 2005). These concepts together with the rapid technological advances and fierce competition increased the significance of relationship marketing and gathered the emphasis on the need to penetrate into more information-enabled relationships (Nasir & Nasir, 2005; Payne, 2004; Boulding et al., 2005).

Therefore, the application of CRM solutions began to be used by vendors, which enabled them to manage customer relationships in a better way (Boulding et al., 2005; Payne, 2004). Firms realised that CRM integrates new technologies and new marketing concepts that can deliver log-term relationships, profitable for both the company and the customer, especially through the two-way communication that CRM provides (Payne, 2004). Specifically, CRM enabled firms to gather, organize and analyze data about customers' and company's activities easier and faster (Boulding et al., 2005). By using these data firms started focusing on three main areas: the acquisition of new customers, the retention of existing customers and the enhancement of customer relationships by customising communications and segmenting customers according to their value to the organization (Boulding et al., 2005; Payne & Frow, 2005). Additionally, Boulding et al. (2005, p.157) emphasized that CRM goes beyond the customer focus:

"Not only does CRM builds relationships and uses systems to collect and analyze data, but it also includes the integration of all these activities across the firm, linking these activities to both firm and customer value, extending this integration to the value chain, and developing the capability of integrating these activities across the network of firms that collaborate to generate customer value, while creating shareholder value for the firm."

CRM PROCESSES AND STRATEGIES

Many researchers explored the process of CRM trying to map an effective strategy which can foster firm's performance and customers' value. However, "CRM processes are typically complex and only structured to a certain extent" (Bueren et al., 2005, p. 575). An overview of the most recent frameworks regarding CRM processes is summarised in the table 1 below.

Table 1: CRM and other Customer-Centric Processes

Authors/ Year	CRM Frameworks	Focus
Winer (2001)	(1) Create a database of customer activity (2) Analyses of the database (3) Customer Selection according to given analyses (4) Tools for targeting customers (5) Build relationships with the targeted customers (6) Privacy Issues (7) Metrics for measuring the success of CRM	Focus on Acquisition and retention
Yim, Anderson & Swaminathan (2004)	(1) Focusing on key customers (2) Incorporating CRM-based technology (3) Managing knowledge (4) Organizing around CRM	Focus on customer satisfaction and retention

Reinartz, Krafft & Hoyer (2004)	(1) relationship initiation, which includes acquisition and recovery management (2) maintenance, which includes retention, cross- and up-selling, and referral management (3) termination, which includes exit management	Focus on economic performance
Payne & Frow (2005)	(1) strategy development (2) value creation (3) multichannel integration (4) information management (5) performance assessment	Focus on Retention
Kumar & Peterson (2005)	(1) choose the right customers, (2) contact the customers, (3) send the right message at the right time, (4) manage multi-channel shopping, (5) manage high-cost customers, (6) find and keep the right customers, and (7) manage loyalty and profitability simultaneously	Focus on Retention

Winer (2001, p. 91) based on the research question "what do managers need to know about their customers and how is that information used to develop a complete CRM perspective?" developed a CRM framework (figure 2). Organizations should firstly gather information about their customers, such as transactions, contacts, descriptive information and responses to company's marketing activities (Winer, 2001). The next step is to analyse the gathered data and cluster these customers using metrics such as customer lifetime value (CLV), in order to decide which customers should be targeted (Winer, 2001). Further, the company has to decide which channel is going to be used on the targeted customers, in order to build and sustain profitable relationships with them (Winer, 2001). However, careful consideration must be given by the managers on the privacy issues that might arise as well as how they are going to measure CRM success (Winer, 2001).

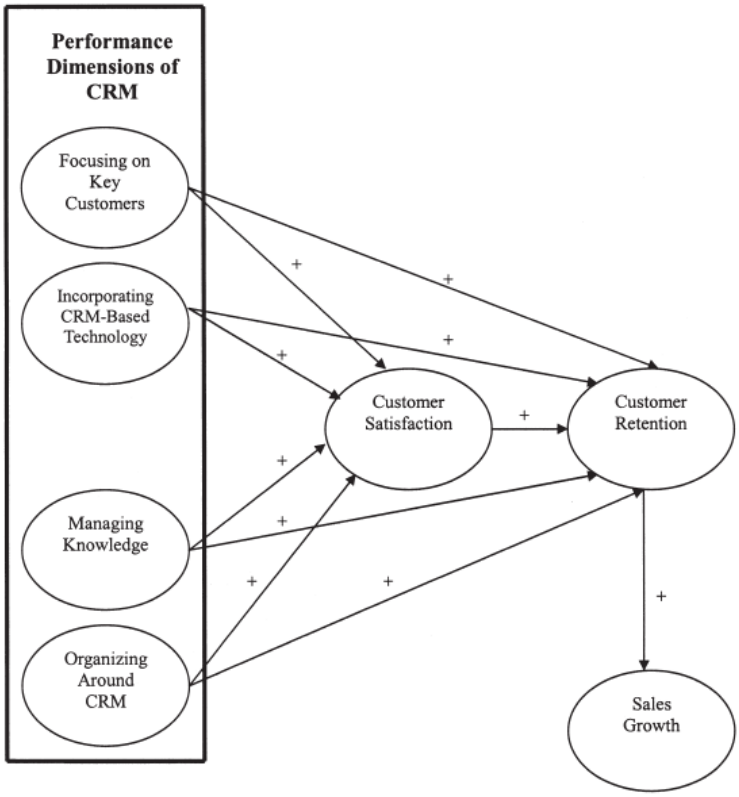
Figure 3: Winer's CRM framework



***Source: Adapted from Winer (2001), p. 91**

Yim, Anderson and Swaminathan (2004) proposed in their framework (figure 5) that the firm's first step is to choose the right customers focusing on their profitability and to start enhancing firm-customer's relationship by managing their activities and resources around these customers. Integrating the latest CRM technology with constantly updated customer information can successfully capture customer satisfaction and customer retention that will subsequently lead to long-term profitable customer relationships (Yim et al., 2004). Therefore, they proposed that the firm's activities should be mainly driven by customer knowledge and technology innovation (Yim et al., 2004). However, they found that technology does not have a significant positive impact on satisfaction and retention as customer knowledge does (Yim et al., 2004). These results are also supported by Reinartz et al. (2004) who found that CRM technology has no significant link between CRM processes and economic performance of the organization (Reinartz et al., 2004).

Figure 4: Yim, Anderson & Swaminathan's CRM framework



***Source: Yim, Anderson & Swaminathan (2004), p. 267**

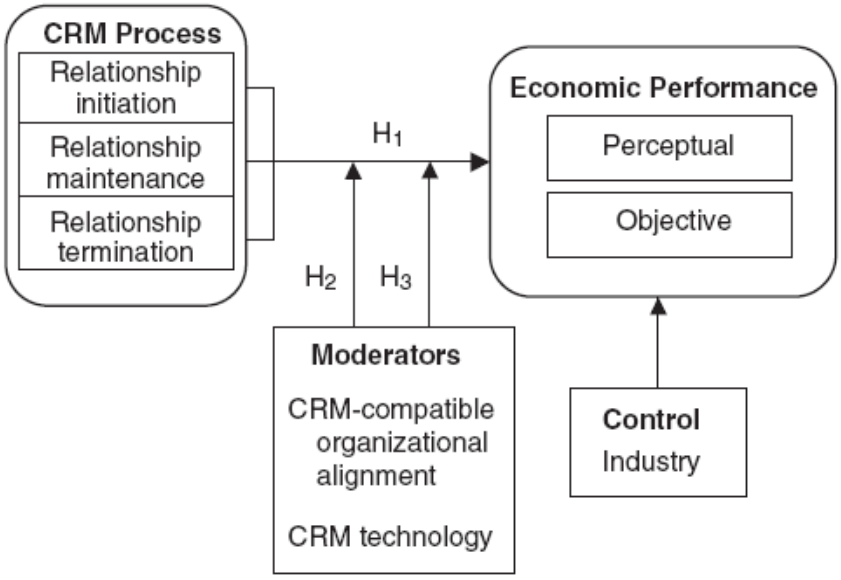
Reinartz et al. (2004, p. 294) classifies CRM into three levels: 'functional, customer-facing, and company wide'. Focusing on the customer-facing level, they conceptualized a process for CRM which includes three primary dimensions with each dimension having further sub-dimensions (p. 295):

(1) relationship initiation, which includes acquisition and recovery management

(2) maintenance, which includes retention, cross- and up-selling, and referral management

(3) termination, which includes exit management (figure 5).

Figure 5: Reinartz, Krafft & Hoyer's CRM framework



***Source: Reinartz, Krafft & Hoyer (2004), p. 295**

The aim of their model is to examine how each dimension influence economic performance according to CRM compatible organizational alignment and CRM technology (Reinartz et al., 2004). They found that the more the firms implement CRM processes in the initiation and maintenance phase, the better they perform (Reinartz et al., 2004). Furthermore, the effect of CRM compatible organizational alignment was found to be positively significant moderating economic performance only in the initiation stage (Reinartz et al., 2004). However, Reinartz et al. (2004) emphasized that a successful CRM process should not be focused on the technology, especially at the initiation phase of the relationship, but rather on the 'people-related' element. Therefore, they propose that one way to use technology cost efficiently might be in low valued relationships, for example when the relationship is at the termination phase (Reinartz et al. 2004).

On the other hand, a more holistic approach of CRM technology is important to the organization as it is a basic element of processing information within the organization. In this way the organization can gain a better insight of its customers and respond to them appropriately (Payne & Frow, 2005). The key elements which Payne and Frow (2005, p. 173) identify in this process are:

a) Data repository: "provides a powerful corporate memory of customers, an integrated enterprisewide data store that is capable of relevant data analyses"

b) IT Systems: "refers to the computer hardware and the related software and middleware used in the organization"

c) Analytical Tools: "enable effective use of the data warehouse can be found in general data-mining packages and in specific software application packages". Also analytical tools "should measure business activities"

d) Front office and back office applications: front and back office has to work together sufficiently in order to manage and improve the workflow and customer relationships.

e) CRM Technology Market Participants: Despite the number of vendors that design CRM software, "few software vendors can provide the full range of functionality that a complete CRM business strategy requires"

All these CRM technology components can enhance organization-customer's communication by better organizing and analyzing information (Bueren et al., 2005; Payne & Frow, 2005). The information exchange is a two-way communication initiated either by the customer who want to receive information from the organization, or by the organization who want to deliver information to customers (Bueren et al., 2005). Nowadays, there are plenty of channel choices by which this information can be delivered. Payne and Frow (2005) classified broadly the main channel options into six categories: a) sales force (account management, service and personal representation), b) outlets (retail branches, stores, depots, and kiosks), c) telephony (traditional telephone, facsimile, telex, and call centre contact), d) direct marketing (direct mail, radio and traditional television, excluding e-commerce), e) e-commerce (e-mail, the Internet, and the interactive digital television) and f) m-commerce (mobile telephony, short message service and text messaging, wireless application protocol, and 3G mobile services). There should be careful consideration of the selected marketing channel because different customers react in a different way according to the channel of communication (Kumar & Peterson, 2005). The integration of these channels combined with the number of times that the organization is going to contact its

customers is a crucial process for CRM process because it reflects on customers' purchase behaviours and determines how customers lifetime value can be maximized (Kumar & Peterson, 2005; Payne & Frow, 2005).

Thus, business and customer strategies should become programs that create and deliver value, including three key components: a) the value the customers receives from the organisation, b) the value the customer can give to the organisation and c) the co-creation of the lifetime value for the desirable segments (Payne & Frow, 2005). To achieve that, a company should firstly develop a business strategy concerning the development of customer strategy as well as reviewing the competitive and industry environment (Payne & Frow, 2005). In particular, the customer strategy should be concerned with the development and identification of the appropriate segments, selecting the best segmentation approach, for example "macro, micro, or one-to-one segmentation approach" (Payne & Frow, 2005, p. 170). Finally, the company has to allocate its resources appropriately across these segments in order to achieve maximum financial performance levels (Kumar & Peterson, 2005). Improved retention and acquisition strategies, as well as effective coordination of channel management, can co-produce value for both the customer and the organisation (Payne & Frow, 2005).

Trying to develop a more holistic approach of CRM, Payne and Frow (2005) conducted a workshop in order to find the appropriate criteria for selecting CRM processes. In this attempt they tested Srivastava's, Shervani's, and Fahey's (1999, p. 169) proposed criteria which were proven to be fully appropriate and they are:

1) "the processes should comprise a small set that addresses tasks critical to the achievement of an **organization's goals**
2) each process should contribute to the **value creation** process
3) each process should be at a **strategic or macro level**
4) the processes need to manifest clear **interrelationships"**

Furthermore, from this workshop they found two more criteria:

5) each process should be **crossfunctional** in nature
6) each process would be considered by experienced practitioners as being both **logical and beneficial** to understanding and developing **strategic CRM activities**

Subsequently, they used these criteria in order to identify the "key generic CRM processes" (p. 169) in order to create a conceptual framework and help organisations develop and implement a more successful CRM strategy. Payne and Frow (2005) identified five CRM processes: (1) strategy development, (2) value creation, (3) multichannel integration, (4) information management and (5) performance assessment (figure 4).

Figure 6: Payne and Frow CRM framework

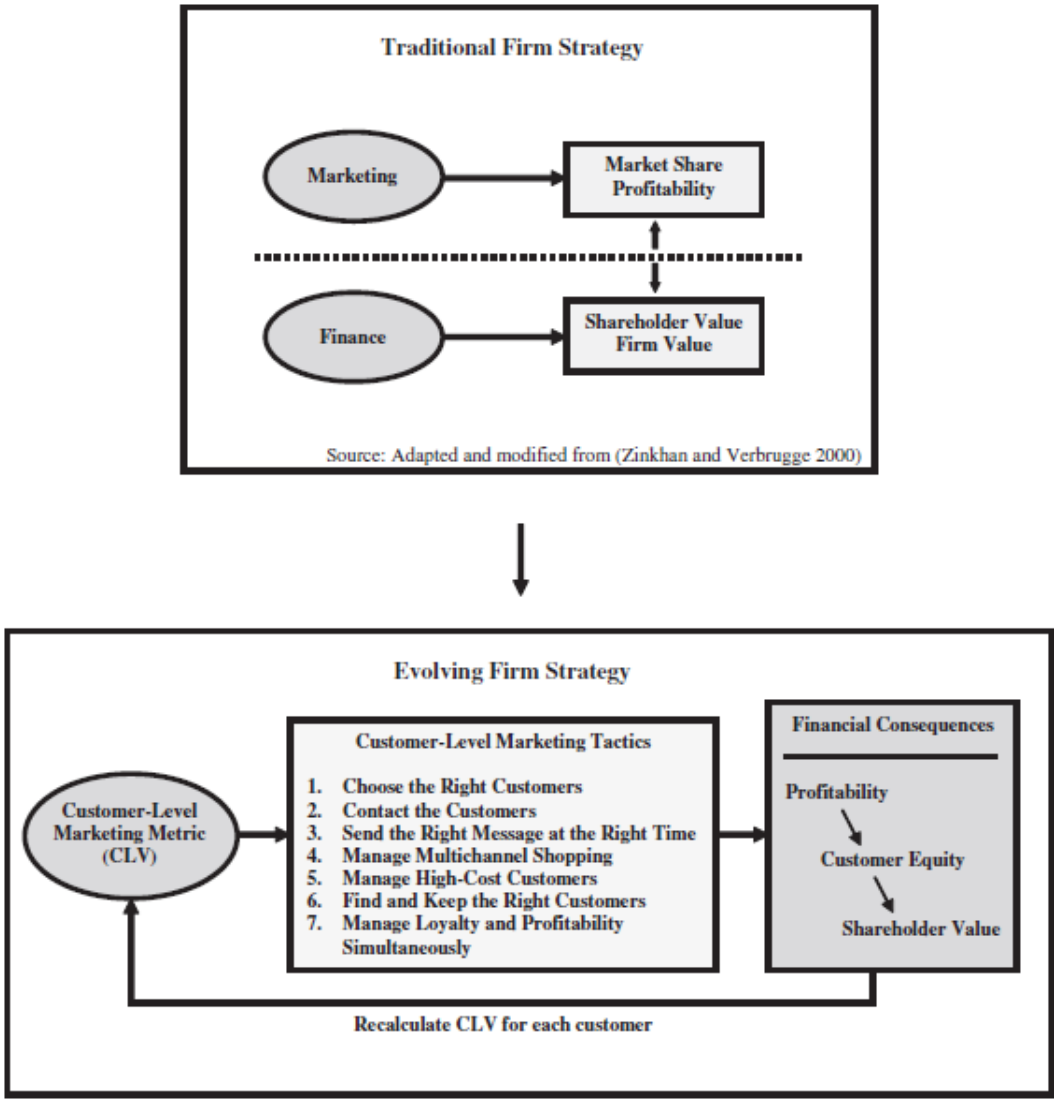


***Source: Payne and Frow (2005), p. 171**

A detailed strategy (strategy development process) can lead the organisation to the improvement of its business performance (performance development process). Also, it is well established in the literature that competitive advantage can be produced by

creating value to both the customer and the business (value creation process) but also to "associated cocreation activities" (Payne & Frow, 2005, p. 170). As a result collecting data from customers and other sources (information process) can help organisations enhance customer relationships and improve their experience (multichannel integration process).

Figure 7: Kumar & Peterson's CRM framework



***Source: Kumar & Peterson (2005), p. 506**

Kumar and Peterson (2005) developed a framework (figure 7) to describe seven customer-centric marketing tactics, which are "(1) choose the right customers, (2) contact the customers, (3) send the right message at the right time, (4) manage multi-

channel shopping, (5) manage high-cost customers, (6) find and keep the right customers, and (7) manage loyalty and profitability simultaneously" (p.508). Organizations have to search for customers that can bring value back to them and segment them accordingly (Kumar & Peterson, 2005; Payne & Frow, 2005). In recent literature the focus is shifted on retaining customers, but careful consideration should be given to whether all of the existing customers are profitable, and consequently worthy of being retained. Therefore, customers who cost much more to be retained than the value they bring to the organization are not the right customers (Kumar & Peterson, 2005).

Kumar and Peterson (2005, p. 508) in their framework emphasize that customer value is not measured only in terms of profit but also in "positive word of mouth, effectively lowering the quest of acquiring some new customers or retaining some current customers". Thus, organizations in this process have to determine the customer lifetime value (CLV) as well as the appropriate drivers of "profitable lifetime duration" for the organization, such as "past purchase amounts, extent of cross-buying, and depth of buying in a single category" (Kumar & Peterson, 2005, p.508). When an organization identifies these drivers which point to the high value customers, then it has to chase them providing the right incentives (Kumar & Peterson, 2005). However, this process should not exclude all those customers who just want to walk in; it means that the organization will not provide them with any incentives as long as they are not profitable to the organization (Kumar & Peterson, 2005).

Based on customer lifecycle Kamakura et al. (2005) developed a CRM framework which consists of three stages: 1) acquisition, 2) development, and 3) retention. Their research purpose was to describe some issues and challenges for each of these stages:

(1) Acquisition:

In this stage the aim of the company is to attract more, as well as profitable customers (Kamakura et al., 2005). Gupta et al. (2006) stress that acquisition does not refer only to new customers but also to lapsed customers and - Winer (2001) adds - to competitors' customers. The profitability of the customer can be generally calculated

when the cost of the potential customer is lower than the expected value of this customer (Kamakura et al., 2005). In this stage the focus is on how the company can influence the buying decision process of these customers (Gupta et al., 2006). Thus, companies apply "heavy doses of mass advertising and price-oriented promotions to customers and channel members" (Winer, 2001, p. 90). However, the selection of the appropriate acquisition communication strategy should be carefully considered because customer acquisition takes place across a range of channels –e.g. television, internet, direct mail – and it has to be consistent and efficient (Kamakura et al., 2005). Therefore, a multi channel acquisition strategy has to be adopted in relation to the firm's service or the product (Kamakura et al., 2005). The most common marketing tactic in acquisition stage is sales and advertising, according to Winer (2001).

(2) Development:

Customer development stage refers "to the growth of revenues from existing customers" (Kamakura et al., 2005, p. 285). The main aim of the companies here is to expand customer demand using channel management as well as cross-selling and up-selling activities (Kamakura et al., 2005). By using channel-specific promotions companies can migrate customers to lower cost channels (Kamakura et al., 2005). Additionally, using cross-selling companies can encourage customers purchase across service or product categories within the company and using up-selling they can increase customer demand in existing service or product categories (Kamakura et al., 2005). Specifically, Kamakura et al. (2005) emphasize that "cross-selling yields both immediate profit as well as the potential to deepen existing relationships, thereby increasing the switching costs associated with purchasing from another vendor" (p. 285). Furthermore, Gupta et al. (2006) adds that the margin which is generated by each customer in every time period 't' depends not only on the company's cross-selling and up-selling efforts, but also on past purchase behaviour of each customer.

Another interesting issue at this stage worth noticing is the optimal allocation of resources from the company to each customer (Kamakura et al., 2005). Long-term profitability might require short-term cost sacrifices from the firm, in order to invest resources on a better service quality which will provide the company with more

detailed information about its customers (Kamakura et al., 2005). Who is the appropriate customer with whom a relationship can be built should be carefully considered at this stage in order to allocate the resources accordingly (Day, 2000). Developing such a relationship makes it more difficult for the competitors to copy it, as it is customer-specific and very complex (Day, 2000). However, most researches in this area examine mainly firms' perspective of how their relationship with their customers can develop focusing on cross-selling and up-selling strategies (Kamakura et al., 2005; Gupta et al., 2006). Customers' perspective is also crucial at this stage, as it is a two-way relationship and can initiate either from the customer or the company. As Reinartz et al. (2005) point out, different response variables occur according to who initiates the communication. Maximizing long-term profitability requires "a holistic perspective toward the relationship" (Reinartz et al., 2005, p. 77).

(3) Customer Retention:

Customer retention refers to "the probability of a customer being "alive" or repeat buying from a firm" (Gupta et al., 2006, p. 144). Customer retention is one of the most important stages of CRM and much research have been done in this area given the fact the retention strategies can directly increase company's profitability (Kamakura et al., 2005; Gupta et al., 2006; Reinartz et al., 2004). Although for many years researchers were emphasizing mostly on acquisition strategies, the focus is shifted on retention strategies, as the cost of acquisition is higher than the cost of retention (Oliver, 1999; Nasir et al., 2005; Reichheld et al., 2000; Scullin et al., 2002; Reinartz et al., 2000; Ahmad et al., 2001; Winer, 2001). The key element of customer retention is customer loyalty. Kamakura et al. (2005, p. 286) stress that in order to increase customer loyalty and lifetime, companies should firstly understand the drivers of customer defection in order to be able to "predict those customers who are at risk of defection at a particular point in time" and design their CRM strategy appropriately. Additionally, Reinartz et al. (2005) found that the link between CRM implementation and better firm performance has the strongest effect in the relationship retention stage.

The main efforts of the company at this stage are to improve customer satisfaction, service quality and loyalty schemes, since the communication becomes more

interpersonal and interactive (Kamakura et al., 2005; Winer, 2001). Although, many studies have established a strong relationship between these variables and customer retention, there are many researchers who question the strength of this link – Mittal and Kamakura (2004), Zhang and Wedel (2004), Sharp and Sharp (1997), Dowling and Uncle (1997), Lal and Bell (2003) (as cited in Kamakura et al., 2005).

CUSTOMER LIFETIME VALUE

The main aim of CRM is to create value primarily to customers which will lead to the creation of value to the firm (Boulding et al., 2005). Development of measures "that are directly connected with this value dual-creation process, enabling the firm to understand the drivers of value and thus to ensure long-term success" is an essential issue for the company (Boulding et al., 2005, p.160). Failing to do so may lead to long-term failure (Boulding et al., 2005). In recent years increased interest, in this area of dual creation of value, has been given to the concept of CLV- Customer Lifetime Value (Reutterer et al., 2006; Gupta et al., 2006; Kumar et al., 2006; Kumar & Shah, 2004; Berger et al., 2002; Kumar & Peterson, 2005; Venkatesan & Kumar, 2004; Berger et al., 2006; Rust et al., 2004). This interest is driven by the fact that CLV is the only 'forward looking metric' that incorporates the main drivers of customer profitability (Reutterer et al., 2006; Gupta et al., 2006; Kumar & Shah, 2004). Due to the technological advances in collecting information about the customer, firms can capture more data about their customer that can enable them to use a forward looking metric, such as CLV (Kumar et al., 2006).

Gupta et al. (2006, p. 141) define CLV as "the present value of all future profits obtained from customer over his or her life of relationship with the firm". CLV is viewed as a more superior and dynamic metric compared to other traditional metrics, such as SOW (share of wallet), PCV (past customer value), RFM (recency, frequency and monetary value) (Kumar & Shah, 2004; Gupta et al., 2006; Venkatesan & Kumar, 2004). Using CLV metric firms can pro-actively manage their CRM strategies in order to improve their performance (Kumar & Shah, 2004; Berger et al., 2002). Ryals (2004)

found that CRM strategies and customer value are interlinked and thus any change in customer value, changes also the customer management strategies.

Berger et al. (2002) developed a framework that assesses how marketing activities can influence CLV (figure 8). This framework views customers as assets and is based on four critical activities that companies have to take into consideration in order to manage effectively customers as value (Berger et al. 2002, p. 41):

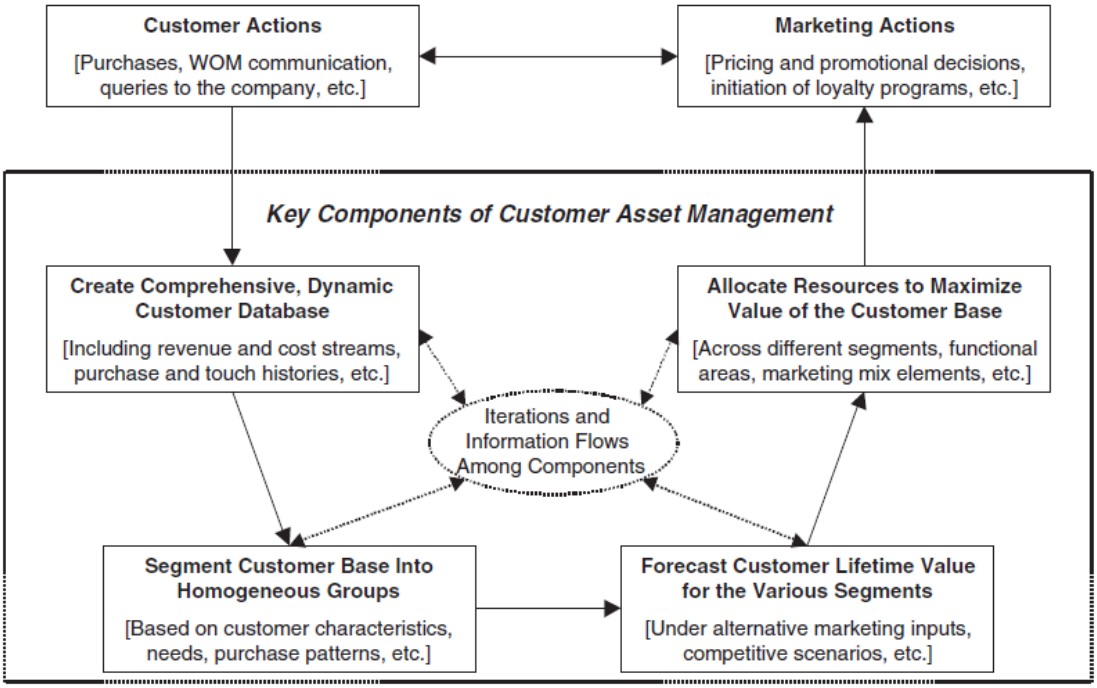
(1) Create a database guided by marketing intelligence for the calculation of CLV

(2) Segment according to customer needs and purchase patterns

(3) Forecast CLV under alternative scenarios

(4) Allocate resources to maximize the value of the customer base

Figure 8: Customer Asset Management



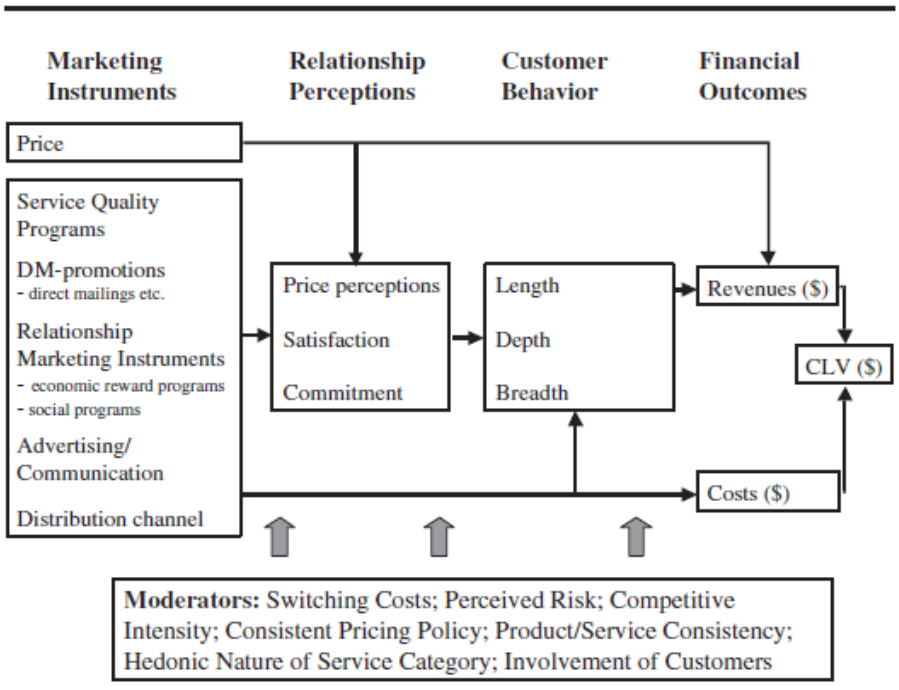
***Source: Berger, Bolton, Bowman, Briggs, Kumar, Parasuraman & Terry, (2002), p. 42**

They found that CLV, as a dynamic metric can affect the resource allocation among the firm's marketing activities, but at the same time CLV is also affected by this resource allocation (Berger et al., 2002). Therefore, improved rates of financial performance is based on how firm assesses CLV. This assessment depends on two

factors: "(1) how much revenue a firm gains from the relationship with an individual customer and (2) the cost to maintaining the relationship with the customer" (Berger et al., 2002, p. 42).

Another study that fouses on managing customers as assets is conducted by Bolton et al. (2004). They created a framework (figure 9) called CUSMAS (Customer Asset Management of Services), which sets propositions based on "how marketing instruments influence customer behaviour within the relationship, thereby influencing the value of the customer asset" (Bolton et al., 2004, p. 271).

Figure 9: CUSMAS Framework



NOTE: CUSAMS = Customer Asset Management of Services; DM = direct marketing; CLV = customer lifetime value.

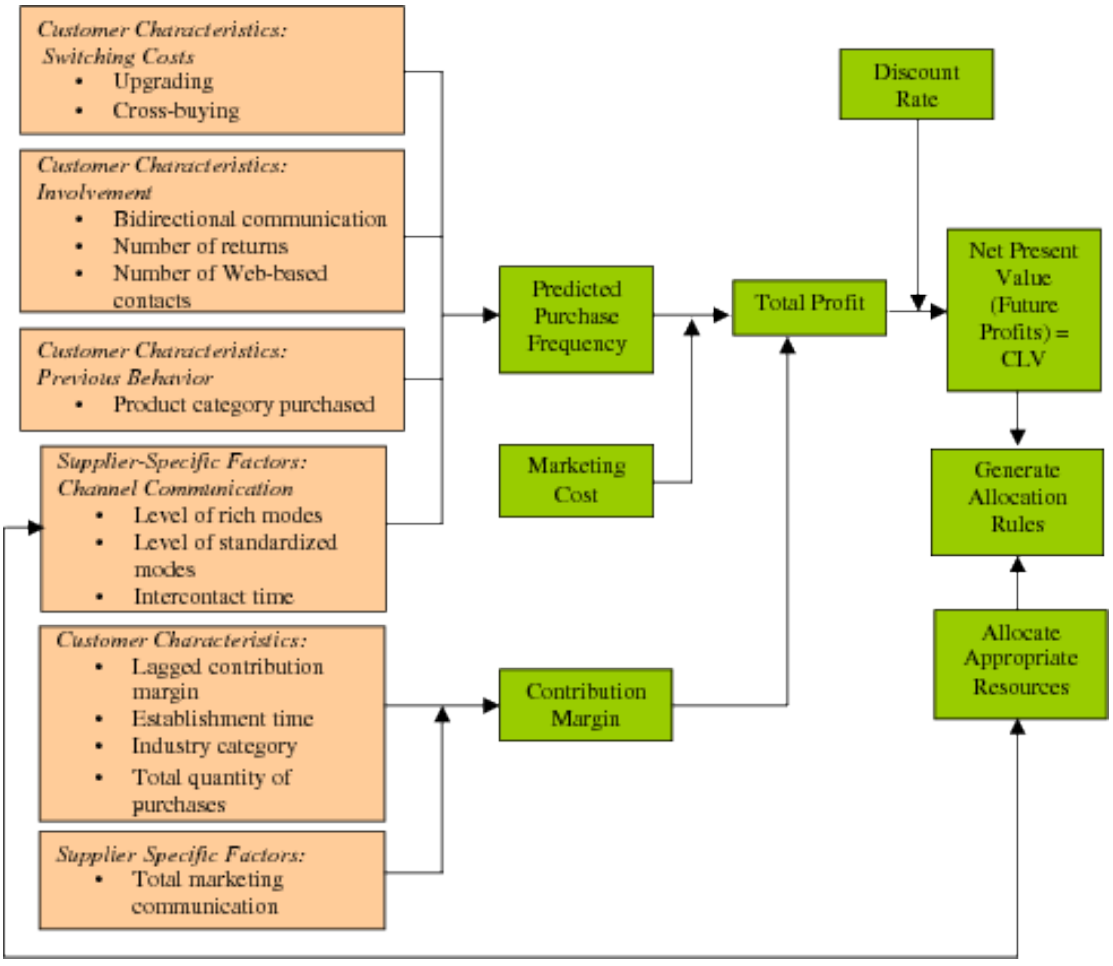
***Source: Bolton, Lemon & Verhoef, (2004), p. 274**

This framework is based on service organisations and includes six marketing instrument categories: "price, service quality programs, direct marketing promotions, relationship marketing instruments (e.g. reward programs), advertising/ communications and distribution channels" (Bolton et al., 2004, p. 273). Each of these categories influence customers' satisfaction, commitment and price perceptions in a

different way, which in turn influence the relationship length, depth and breadth (Bolton et al., 2004). This process co-creates revenues that consequently affect CLV (Bolton et al., 2004). Relationship length is related to the duration and the retention of the relationship, whereas the relationship depth refers to upgrading or increased usage and relationship breadth refers to cross-buying (Bolton et al., 2004). CLV is also related to marketing instrument through the cost which is required by the firm in order to influence customer decision behaviours (Bolton et al., 2004).

CUSMAS framework was partly tested in Venkatesan & Kumar (2004) study, which supports that customers can bring higher profits in the long run to the organization when they are selected on the grounds of rules that can maximize CLV. Focusing on appropriate resource allocation across various marketing contact channels, Venkatesan and Kumar (2004) developed a dynamic CLV framework (figure 10).

Figure 10: CLV Framework



***Source: Venkatesan & Kumar, 2004, p. 110**

In evaluating CLV, managers should take into account an important aspect, namely whether the relationships are contractual or non-contractual (Venkatesan & Kumar, 2004). When customer relationships are contractual the focus is on the prediction of customer retention; the probability of a customer to stay in or terminate a relationship (Venkatesan & Kumar, 2004). On the other hand, when a relationship is non-contractual, the focus is on "predicting future customer activity because there is always a chance that the customer will purchase in the future" (Venkatesan & Kumar, 2004, p.108). There are two main approaches in predicting customers' activity in a non-contractual setting: a) 'lost-for-good' and b) 'always-a-share' (Venkatesan & Kumar, 2004, p.108). According to the first approach, 'lost-for-good', "a customer is alive given his or her previous purchase behaviour…however, the measure assumes that when a customer terminates a relationship, he or she does not return to the supplier" and thus if the customer returns back, he or she is treated as a new customer (Venkatesan & Kumar, 2004). The second approach, 'always-a-share', is based on the assumption that "customers are more likely to reduce their frequency of purchase before terminating a relationship… [something that] enables a customer to return to the supplier after a temporary dormancy in a relationship" (Venkatesan & Kumar, 2004). Thus, in their study Venkatesan & Kumar (2004) used the 'always-a share' approach.

Based on their results, the relationship between CLV and marketing contacts across various channels is nonlinear and firms can improve their financial performance by developing marketing communication strategies which maximize CLV (Venkatesan & Kumar, 2004). Testing partly the CUSMAS framework they found that marketing instruments influence the frequency of purchase and contribution margin, and both ultimately affect CLV (Venkatesan & Kumar, 2004). Additionally purchase frequency is influenced by depth and breadth of purchase, which also affect CLV (Venkatesan & Kumar, 2004). Finally, they examined the relationship between purchase frequency and supplier's communication. Venkatesan and Kumar (2004, p. 109) categorised three types of channel communication: "rich (e.g., face-to-face, trading event meeting), standardized (e.g., direct mail, telephone) and Web based". They found that frequency of purchase is nonlinearly correlated to the supplier's communication tactics (Venkatesan & Kumar, 2004). Therefore, the best possible communication level is

essential because too much communication may result in dysfunctional relationships and timely communication may result in forgetfulness (Venkatesan & Kumar, 2004).

CUSTOMER LOYALTY

There are plenty definitions of loyalty in literature if we consider that by 1978 there were already 53 definitions (Davis, 2001). However, the most popular and common definition which can be found in the literature is Oliver's (1999, p. 34) definition who defined loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour".

Brown in 1952 divided loyalty in four categories based on customers' purchase behaviour: a) undivided, b) divided, c) unstable, and d) no loyalty (Ponnavolu, 2000; Srinivasan et al., 2002; Harris & Goode, 2004).

Table 2: Brown's loyalty categories

Undivided loyalty	Families that buy mostly the same brand along with a scattered purchase of other brands
Divided loyalty	Families that buy the same brands but switch their sequence
Unstable loyalty	Families that mostly buy two or more brands along with a scattered purchase of other brands
No loyalty	Families buying brands in a random fashion

***Source: Ponnavolu, 2000, Customer loyalty in interactive media: An exploration of its antecedents and consequences**

However, the most recent researches reveal that loyalty can be generally categorised in: a) attitudinal loyalty, b) behavioural loyalty and c) loyalty as a combination of both attitude and behaviour (Davis, 2001). Attitudinally, loyalty refers to the "feelings customers have towards a product/service or organization" (Teerling et al., 2004, p.5)

and it can be measured "by psychological commitment to the target object" (Koo, 2006, p.121). On the other hand, behavioural loyalty refers to the behavioural intentions of the customers "to continue purchasing the same product/service" (Teerling et al., 2004, p.5) and it can be measured by the "proportion of purchase of a specific brand" (Koo, 2006, p.121).

Over the years, both attitudinal loyalty and behavioural loyalty have been criticized - and especially the behavioural loyalty - as being insufficient because they can be confused with spurious loyalty which results from the lack of available alternatives in the marketplace for the consumer (Srinivasan et al., 2002; Shankar et al., 2003). As a response to these criticisms, a third category was introduced which consists of both attitudinal and behavioural loyalty, and it is currently the most acceptable one (Koo, 2006; Srinivasan, 2002; Teerling et al., 2004; Grondin, 2003; Warrington, 2002; Macintosh et al., 1997; Anderson et al., 2003; Thatcher et al., 2004; Reinartz et al., 2002). "The relationship between attitudes and actual behaviour is of great importance to organizations" (Teerling et al., 2004, p.5) and particularly "store loyalty is based on both the strength of attitude and repeat purchase behaviour" (Macintosh et al., 1997, p. 489). When a customer is loyal he/she has a strong intention to buy from one vendor and as loyalty increases, the frequency of visits and purchases from this particular vendor increases as well (Thatcher et al., 2004; Nasir et al., 2005).

Kumar and Shah (2004, p. 318) trying to answer the question 'what does it take to build and sustain true loyalty' introduced a framework (see figure 11) focused on the enhancement of behavioural and attitudinal loyalty and how these two can generate profitability. Shoemaker and Lewis (1999), as cited in Kumar & Shah (2004), propose that a customer can be 'truly loyal'and exclusively buy from one company, when the customer strongly feels that a company meets his/her needs. This implies that true loyalty has to be measured by both behavioural and attitudinal loyalty (Kumar & Shah, 2004).

Figure 11: Customer Loyalty Framework



***Source: Kumar & Shah (2004), p. 320**

Kumar and Shah (2004) as shown in figure 11, made an attitudinal and behavioural analysis of customers in order to determine the reward type offered to the customers based on CLV measurements.

Kumar and Shah (2004) provide a behaviour analysis of customers, clustering them in four cells, based on two dimensions a) profitability and b) purchase behaviour.

Figure 12: Behavioural Analysis



***Source: Kumar & Shah (2004), p. 321**

The purchase behaviour measurement varies according to the industry and the products; for instance it might be measured by cross-selling or frequency of purchase (Kumar & Shah, 2004). As such the cells represent:

Table 3: Behavioural Analysis

Cell	Representation
Cell 1	strong purchase behaviour
Cell 2	corrective action in terms of increasing purchase behaviour (for example increasing cross-buy) for customers
Cell 3	low revenue potential customers or new customers
Cell 4	increasing profitability for the customers

***Source: Adapted by Kumar & Shah (2004), p. 321**

In the same manner Kumar and Shah (2004) formulated an attitude analyses provided in figure 13.

Figure 13: Attitudinal Analysis



***Source: Kumar & Shah (2004), p. 321**

In this figure customers' characteristics are clustered in four cells based on the dimensions a) attitude strength of customers' needs and b) attitudinal differentiation of customers in relation to other brands (Kumar & Shah, 2004). Cell 1 and 2 includes the best possible investments for the company "in cultivating attitudinal loyalty" (Kumar & Shah, 2004, p. 321), whereas cell 3 "represent the weakest attitude orientation

towards the brand of a company/store" (Kumar & Shah, 2004, p. 321). Finally, cell 4 might include customers with 'multi brand' loyalty and firms should "augment behavioural loyalty for these customers and try to increase their share of wallet (or share of purchase) through appropriate marketing initiatives" (Kumar & Shah, 2004, p. 321).

Behavioural loyalty, on the other hand, can be observed through the purchase behaviour of the customer and some of the frequently used measures in the literature for behavioural loyalty are (Kumar & Shah, 2004):

SOP: share of purchase

SOV: share of visits

SOW: share of wallet

PCV: past customer value

RFM: recency, frequency and monetary value

All of these measures have a common element that the more a customer spends the more he/she is valued by the firm (Kumar & Shah, 2004). The underlying assumption of this proposition is that the past purchase behaviour can determine the future one, as the behaviour will most probably be the same (Kumar & Shah, 2004). Kumar and Shah (2004) uses customer lifetime value (CLV) in order to measure profitability mainly for two reasons. Firstly, it is "the only forward looking metric" (p. 322) and secondly it is "consistent with the customer-centric paradigm of marketing" (ibid).

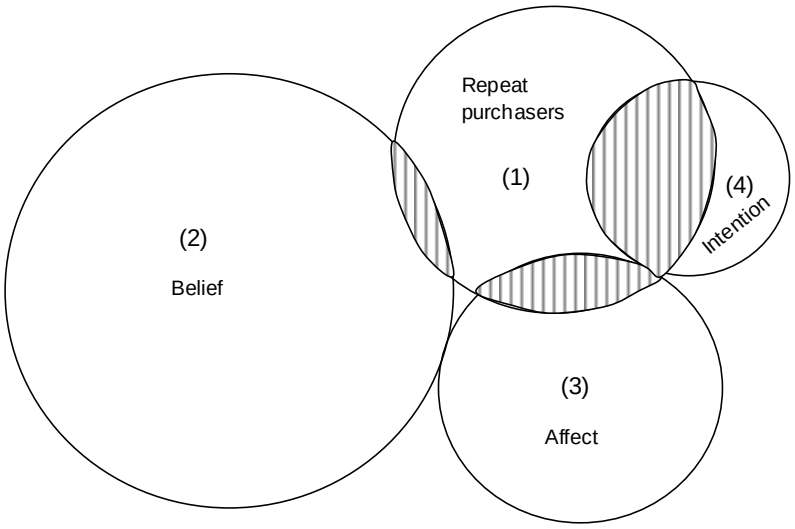
LOYALTY LEVELS

Following the behavioural approach Jacoby and Kyner (1973) defined loyalty as a non-random purchase behaviour over a brand (among a set of alternatives), which is expressed over time by a decision making and psychological process. However, the

behavioural approach of loyalty (which is based only on repurchase behaviour) was criticized over the years, mainly because behavioural loyalty could not explain the development of loyalty (Dick & Basu, 1994). Specifically, behavioural loyalty was criticized as being insufficient because it could not capture the individuals' conditions and attitudes that lead to a specific behaviour and it can be confused with spurious loyalty which results from lack of alternatives in the marketplace (Srinivasan et al., 2002; Shankar et al., 2003; Dick & Basu, 1994).

Therefore, Jacoby and Chestnut (1978), based on a psychological approach, proposed that loyalty should be examined on the basis of customer's belief (cognition), affect and intention (conative). Using a Venn diagram (figure 1) Jacoby and Chestnut (1978) proposed that there are four types of purchasers who buy Brand A.

Figure 14: Venn Diagram by Jacoby and Chestnut (1978)



***Adapted by Jacoby and Chestnut (1978), p. 108**

Set 1 includes the customers who constantly purchase Brand A driven from some behavioural criteria (Jacoby & Chestnut, 1978). Set 2, 3 and 4 includes the customers who purchase Brand A and this purchase behaviour is mainly driven either by beliefs (cognitive), affect (affective) and intention (conative). As shown in figure 1, it is

assumed that these three sets are independent (Jacoby & Chestnut, 1978). This does not indicate that the customers who are included in set 3 and purchase Brand A lack of brand belief or intention (Jacoby & Chestnut, 1978). It indicates that the primary driver of purchasing Brand A is affect (Jacoby & Chestnut, 1978). Additionally, figure 1 shows that set 2, 3 and 4 overlap with set 1. This implies that members included in each set "may engage in some degree of behavioural consistency over time" (Jacoby & Chestnut, 1978, p. 109). Notably, the overlapping percentage of set 2, 3 and 4 steadily increases from a low percent in relation to the customers who are driven by their beliefs to a high percent in relation to the customers who are driven by their intention to repurchase Brand A.

Set 2 includes customers who primarily purchase Brand A based on a positive belief, such as the taste of the product, the information of the product, the price of the product or the size of the product (Jacoby & Chestnut, 1978). In this set customers develop a range of several beliefs due to the extensive quantity of information about services and products to which they are exposed (Jacoby & Chestnut, 1978). Therefore, the overlapping percent of set 2 to repeat purchase is relatively lower, as the customer might experience several positive beliefs from other brands. This means that they might have purchased Brand A based on a positive belief, but this belief may not persist over competitive brands in the future. Thus, customer is more vulnerable in this set and the positive brand belief of Brand A can easily change through promotions or advertising efforts made by other brands (Jacoby & Chestnut, 1978).

Set 3 includes customers who primarily purchase Brand A on the grounds of a positive affection which they have established with Brand A (Jacoby & Chestnut, 1978). This positive affection is developed through continuum experience and positive beliefs with the brand, but their purchase behaviour was driven mainly by liking the brand (Jacoby & Chestnut, 1978). Compared with customers in set 2, customers in set 3 have a higher overlapping percentage with repeat purchase. Affect-driven customers tend to direct the perceived information and tend to be more selective (Jacoby & Chestnut, 1978). This affective attitude reduces the probability of brand switching as well as the variance of external received information (Jacoby & Chestnut, 1978). Therefore, brand

preferences are “more enduring than beliefs and may well influence decision-making activities on qualitatively different level” (Jacoby & Chestnut, 1978, p. 110). However, customers in set 3 might switch to another brand based on their impulse or their need to search for variety (Jacoby & Chestnut, 1978).

Set 4 includes customers who primarily purchase Brand A based on “an explicit intention to be loyal purchasers of that brand [and therefore this set has] the most direct impact on brand choice” (Jacoby & Chestnut, 1978, p. 110). Therefore, the overlapping percent of set 4 to repeat purchase is considerably higher than that of set 2 and 3. The belief and affect elements are transformed in set 4 into ‘a simple intention’ to purchase (Jacoby & Chestnut, 1978). Customers in this set have developed a decision ‘rule’ which drives them to purchase Brand A. This decision ‘rule’ also includes “an explicit statement of repurchase” (Jacoby & Chestnut, 1978, p.111). For customers in set 4 Brand A is the best in the market, but occasional incidents (e.g. out-of-stock or mistakes) may result in brand switching (Jacoby & Chestnut, 1978).

Jacoby and Chestnut (1978) suggest that the overlapping percentages are going to increase as long as positive beliefs lead to affect and positive affect leads to intention. Positive beliefs may result in repeated purchase, but customers from set 2 are going to proceed into set 3 only when these beliefs develop positive affect (Jacoby & Chestnut, 1978). Likewise, customers from set 3 are going to proceed into set 4 only when positive affect develops a decision rule which leads to the intention to purchase (Jacoby & Chestnut, 1978). However, in each set customers might accept alternative brands and not proceed to the next set (Jacoby & Chestnut, 1978). Finally, brand loyalty can only exist when all three elements- belief, affect and intention - are stored in customer’s decision making (Jacoby & Chestnut, 1978).

Based on this structure, Dick and Basu (1994) explored the attitudinal antecedents classified into three categories: 1) cognitive antecedents, 2) affective antecedents, and 3) conative antecedents. Each of these three categories plays “a role in defining the nature of the attitude and consequently its relationship with patronage behaviour” (Dick &Basu, 1994, p. 102). Later, Oliver (1999) expanded the loyalty sequence

(cognitive-affective-conative) by adding a fourth loyalty phase, the 'action loyalty' or 'action inertia'. By adding the fourth phase in the loyalty development Oliver (1999) managed to capture all approaches of loyalty: attitudinal (cognitive-affective), behavioural intention (conative) and purchase behaviour (action). Oliver (1999) proposed this framework, supporting that customers are loyal in each phase and "different elements of the attitude development structure" is related to each phase (p. 35). Therefore, customers experience first the cognitive loyalty, followed by affective, conative and finally action loyalty (Oliver, 1999).

COGNITIVE LOYALTY

This is the first loyalty phase that customers are experiencing since they purchased (at least one time) from a brand (Brand A). This indicates that Brand A is preferable to alternative brands based on available product/service information that customer is exposed to (Oliver, 1999; Yang & Peterson, 2004). Prior knowledge and "recent experience-based information" can develop a brand belief for Brand A (Oliver, 1999, p. 35). This brand belief, which includes information about product's/service's quality price and the like, is the only driver of purchase in this phase (Oliver, 1999; Evanschitsky & Wunderlich, 2006). Therefore, this is the weakest form of loyalty because it is initiated from cost-based attitudes and perceived performance of the product/service, rather than from the brand itself (Evanschitsky & Wunderlich, 2006). As Oliver (1999) states, the nature of cognitive loyalty is 'shallow', especially if the transaction becomes a routine and satisfaction cannot be processed. In this case, customers can easily switch to another brand which offers a superior product/service or better cost-benefit ratio (Evanschitsky & Wunderlich, 2006). On the other hand, "if satisfaction is processed, it becomes part of the consumer's experience and begins to take on affective overtones" (Oliver, 1999, p. 35).

AFFECTIVE LOYALTY

Affective loyalty is the second loyalty phase and customers purchase at this phase because they like or they have positive attitudes towards Brand A (Oliver, 1999; Yang & Peterson, 2004; Harris & Goode 2004). Affective loyalty can be developed "on the basis of cumulatively satisfying usage occasions" (Oliver, 1999, p. 35). Customers at this phase experience a pleasurable feeling towards Brand A, encoded in their minds as a combination of cognition and affection (Oliver, 1999). For example, a positive perceived performance of a Brand A can lead to a pleasurable feeling which will be eventually associated with Brand A. Therefore, affective loyalty is stronger than cognitive loyalty in that both cognition and affection are integrated. This integration results in emotions that "lead to focused attention on specific targets" (Dick & Basu, 1994, p. 104).

Furthermore, affective initiated attitudes can better predict behaviour than cognitive initiated attitudes based on two conditions: "1) when past behaviour is seen as mandated, development of a cognitive evaluation is inhibited and recollection of emotions may determine behaviour, and 2) once behaviour becomes habitual through repeated past experiences, it becomes relatively free of cognition appraisal and within specific domains may be guided by past emotional experiences" (Dick & Basu, 1994, p. 104). However, affective loyalty might not be solely directed towards a specific brand (e.g. Brand A) but towards a set of brands- multibrand loyalty (Oliver, 1999). As a result, customers who are also satisfied by other brands may easily switch to alternative brands (Oliver, 1999). Thus, a deeper level of loyalty is required for customers to process to the next phase, conative loyalty. At this point, Gommans, Krishnan and Scheffold (2001) suggest that affective loyalty can be strengthened by developing trust. Indeed, as "emotional connections deepen, trust in a partner may venture beyond … available knowledge. This emotion-driven element of trust makes the relationship less transparent to objective risk assessments" (Johnson & Grayson, 2005, p. 501).

CONATIVE LOYALTY

In the third loyalty phase, conative loyalty, customers combine attitudinal loyalty with a deeply held desire to act (Oliver, 1999; Evanschitsky & Wunderlich, 2006; Yang & Peterson, 2004). Customers develop this behavioural intention based on repeated positive cognitive and affective incidents toward Brand A (Oliver, 1999). Conative loyalty is stronger than affective loyalty, as it "implies a brand-specific commitment to repurchase" (Oliver, 1999, p. 35). This commitment is directed to the intention to purchase Brand A and not to the action of purchase (Oliver, 1999). Conative loyalty, compared to cognitive and affective loyalty, is not based only on previous experience and/or a present pleasurable feeling, but also on future expectations (Evanschitsky & Wunderlich, 2006). Moreover, customers in this phase may also make this intention explicit, by recommending Brand A to other customers. However, this 'good intention' to purchase Brand A might never take place due to unrealized action (Oliver, 1999). For example, a customer might intend to purchase from Brand A, but an unexpected service failure, time constraints or a new offering might result in switching brands. Conative loyalty does not exclude the trial of other or new offerings (Evanschitsky & Wunderlich, 2006). Thus, for a customer to proceed to the next loyalty level commitment has to be developed, in the sense that commitment-to-intention should be enhanced and become commitment-to-action.

ACTION LOYALTY

The final loyalty phase occurs when customers' intentions are converted to actions (Oliver, 1999). In this phase customers are ready to act, driven by a deep held commitment to repurchase from Brand A (Oliver, 1999). Action loyalty is the strongest form of loyalty as it includes cognition, affect and conation elements combined with customer's "desire to overcome the obstacles that might prevent the act" (Oliver, 1999, p.35). For example, offerings from alternative brands will not be considered in this phase as attractive as they might be (Evanschitsky & Wunderlich, 2006). In action loyalty customers are driven to purchase by the behaviour itself "in

some habituated manner" (Oliver, 1999, p. 37). Therefore, if the engagement of repeat purchase and desire to overcome obstacles is repeated then 'action inertia' occurs and truly loyal customers are being built (Oliver, 1999). This is consistent with Oliver's (1999) definition of loyalty which is mentioned earlier. As Kumar and Shah (2004) propose, if companies want to develop 'true' loyal customers they should enhance both behavioural as well as attitudinal loyalty. However, while action loyalty is the most desired one by companies, it is also the most difficult one to be achieved.

These four loyalty phases are suggested by Oliver (1999) to be sequential, in the sense that cognitive loyalty leads to affective loyalty, affective loyalty leads to conative loyalty and conative loyalty leads to action loyalty. This is also consistent to Jacoby's and Chestnut's (1978) psychological framework, described above, which indicates that beliefs (set 2) lead to affect (set 3) and affect (set 3) leads to intention (set 4), which includes both cognitive and affective elements, and therefore, intention leads to repeat purchase (set 1), which includes all three sets. This assumption is hypothesized and examined recently in three studies. Sivadas & Baker-Prewitt (2000), Harris & Goode (2004), and Evanschitsky & Wunderlich (2006) empirically tested the sequence of the four-level loyalty and found that this sequence is supported and accepted. All these studies found that the stronger link exists between cognitive to affective link, and the weakest between conative to action loyalty (Evanschitsky & Wunderlich, 2006). These findings imply that loyalty is easier to be built in early stages, whereas as loyalty develops it becomes more difficult to turn customers' intentions to actions. As Oliver (1999) states, the intention to repurchase a brand needs motivation in order to become an action. Therefore, motivational strategies are required from the companies especially in higher levels of loyalty in order to push customers to the next level.

SUMMARY

This chapter reviewed the relevant literature on CRM which constitutes the general theoretical base of this thesis. It also reviewed customer loyalty frameworks, which

provide the theoretical underpinning of this study and leads to the variables that are going to be examined in the next chapters. The CRM frameworks provide the basis of understanding the general area of this thesis and points out the importance of customer relationships to company's relational outcomes. More specifically, the customer relationships and loyalty attributes were reviewed combining both psychological and marketing explanations of their nature. After setting the scene and providing a better understanding of the mechanics of customer relationship from a normative point of view, the next chapter is going to introduce the theoretical background of the conceptual model developed as well as the hypotheses formulation.

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CHAPTER 3: THEORETICAL BACKGROUND & CONCEPTUAL MODEL

INTRODUCTION

In the previous chapter, a literature review outlining the main conceptual models in CRM and customer loyalty was presented. This chapter is introducing the conceptual model of the study, which is guided by the findings of the preliminary qualitative study (presented in the next chapter, 4). The conceptual models presented in the previous chapter, although they provide a good conceptual understanding of customer relationships and customer loyalty, they focus more on customer differences and loyalty types differences. In order to examine the importance of customer relationships in services in real life, the researcher conducted a preliminary qualitative research (presented in chapter 4). However, the findings of the preliminary qualitative study showed that illiterate customers in real life exemplify their relationships with service providers through different ties according to the nature of the service. This led the researcher to focus more on the different service typologies that can explain the variations of the link between attitudes to behaviours, and revisit the literature, in order to find a solid theoretical base for the proposed conceptual model. Thus, this chapter revisits the literature based on which the new conceptual model is formulated and presented. The final part of this chapter presents the hypotheses development again though the relevant literature.

CONCEPTUAL MODEL FORMULATION

Based on the conceptual frameworks presented in the previous chapter, it is concluded that there is variation of models to manage customer relationships without a guidance of which one is the most appropriate for different types of services. While some of the CRM models can be used complementarily and focus on customer types and relationship outcomes, most of them are not directly linked to service typologies or

specific actions companies can take to strengthen customer relationships for specific services. For this reason, it was decided that a preliminary qualitative study is necessary in order to understand and develop a conceptual model that could better explain customer relationships and their variation across services. Given the limited information available on the service variation of customer relationships and how service characteristics impact customer loyalty, a fresh qualitative approach (outlined in chapter 4) was deemed necessary to shape a framework. Indeed the qualitative findings provided preliminary evidence that customer relationships are service type-specific and there are different types of bonds or ties that dominate according to the service context. The results of the qualitative study (presented in chapter 4), helped the researcher to identify the relevant literature and develop a conceptual model. The qualitative research identified that many of the variables which affect customer relationships are related to the Theory of Planned Behaviour (TPB). The following sections introduce the theoretical background of the proposed model including the Theory of Planned Behaviour, an overview of the relational bonds as well as the different service typologies that were used in the current study.

THEORETICAL BACKGROUND

The conceptual model of this study is based on a combination of an extensive qualitative study and relevant theoretical background. Sixty in-depth interviews took place in the preliminary stage of this study[1], which indicated that the Theory of Planned Behaviour (TPB) is an appropriate platform to explain and examine repurchase intentions and service variations. As mentioned above, many of the relationships identified through the qualitative research (for example the relationship between attitudinal bonds to repurchase intentions and repurchase intentions to relationship behaviours), as well as some variables (e.g. subjective norms, intentions, perceived difficulty) were found to be related with TPB. Although TPB is not the only attitude-behaviour model, Bansal and Taylor (2002, p. 408) point out that "the TPB has been proven useful as an actionable framework for marketers to influence

[1] The qualitative research is outlined in the methodology chapter.

behaviour", which is also supported by many other researchers (e.g. Taylor & Todd, 1995; Bansal and Taylor, 1999; Gauff, 1992; Liao et al., 1999; Fortin, 2000; Smith et al., 2008).

The Theory of Planned Behaviour (Ajzen, 1991) is an extension of Reasoned Action Theory (Fishbein & Ajzen, 1975; Ajzen, 1985). In 1991, Ajzen added the construct 'perceived control' in the initial model, and he proposed that this construct together with attitudes and subjective norms can predict behavioural intentions. Both theories are well-known in psychology literature, in terms of linking attitudes to behaviours, but they have not been widely used in different contexts, except from health and social psychology (e.g. Armitage & Conner, 2001; Montano & Kasprzyk, 2008).

Prior to Planned Behaviour and Reasoned Action Theories, the link between attitudes and behaviours was based on two main theoretical approaches: 1) from memory and 2) from reconstruction (Glasman & Albarracın, 2006). Firstly, based on prior direct experience, attitudes are more easily available, especially when the actor is motivated to think about the specific object that this experience refers to. When this process is repeated, then the frequent access of attitudes is increased, which in turn acts as a future behaviour base (Petty, Haugtvedt & Smith, 1995; Glasman & Albarracın, 2006). Secondly, based on the constructionist approach, building "initial and later attitudes on the basis of the same information make the initial attitudes stable" (Glasman & Albarracın, 2006, p. 779), which in turn can predict future behaviour (Erber, Hodges & Wilson, 1995; Wyer & Srull, 1989). However, those attitudes can be changed, at a different point in time, when the information they are based on reflects departing evaluative propositions (Glasman & Albarracın, 2006). However, as much as these two approaches have a sound theoretical base, there was a lack of a universal conceptual model that could be empirically tested in psychology and social science. Thus, Theory of Planned Behaviour managed to cover the literature gap and provided a good theoretical platform that examines the link from attitudes to behaviour.

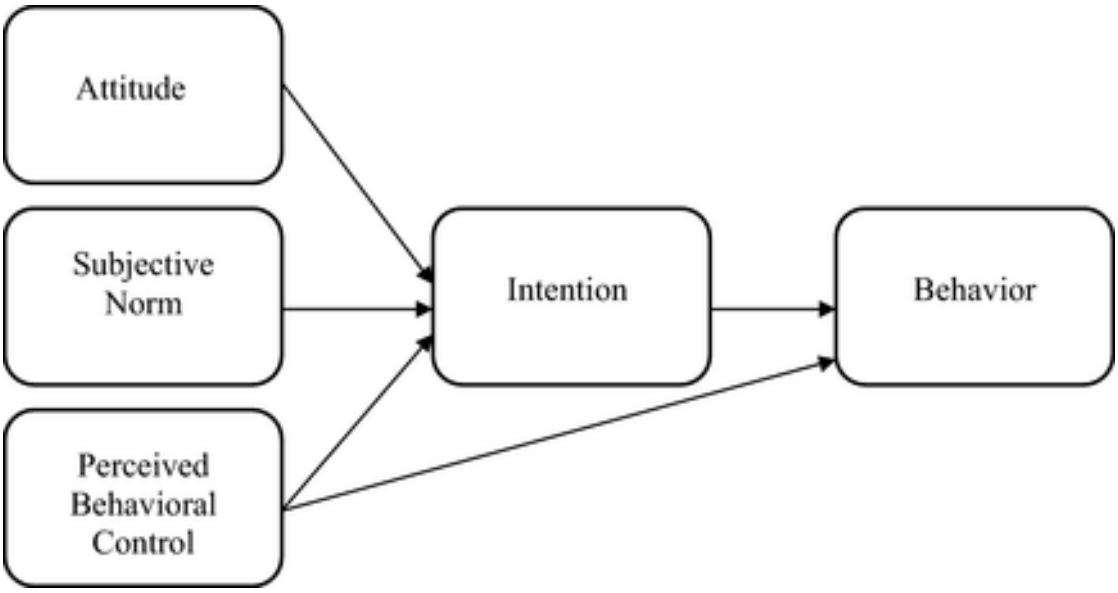
In their attempt to explain attitudes' influence on behaviour, Ajzen and Fishbein (2005) identified two types of attitudes: 1) 'general attitudes' that are directed towards

general objects or targets and 2) 'attitudes towards a behaviour' which are directed "toward performing specific behaviors with respect to an object or target" (p. 174). The latter, is incorporated in Theory of Planned Behaviour, as general attitudes failed in the past to predict future behaviour towards a specific target (which in this case would be repeated purchase behaviour).

Ajzen (1991) explains further why 'general attitudes' fail to predict future behaviour. He argues that 'general attitudes' take into account the aggregated result that comes from different occasions and situations in different points in time (Ajzen, 1991). These aggregated attitudes include several sources that influence each other and can sometimes even cancel each other (Ajzen, 1991). Therefore, measuring general behavioural dispositions through this aggregation presents a better measure of predicting general behaviours. However, Ajzen (1991) points out that the aggregation principle fails to predict behaviours towards a specific situation or even across situations, as it has been shown and criticised in the past. Thus, Theory of Planned Behaviour has been designed to "predict and explain human behavior in specific contexts" (Ajzen, 1991, p. 181) where 'attitudes toward a behaviour' is the most appropriate approach for examining this concept. *Attitudes* in this frame are dispositions and represent evaluations "of a psychological object captured in such attribute dimensions as good-bad, harmful - beneficial, pleasant-unpleasant, and likable-dislikable" (Ajzen, 2001, p. 28). This is also supported by attribution theory, where a specific behaviour has been examined to be caused by perceived attitudes and dispositions (Kenworthy & Miller, 2002).

As shown in figure 15, apart from attitudes, Theory of Planned Behaviour suggests that there are two more determinants of intentions: subjective norms and perceived control. *Subjective norms* refer "to the perceived social pressure to perform or not to perform the behaviour" and *perceived behavioural control* refers to the "perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experience as well as anticipated impediments and obstacles" (Ajzen, 1991, p. 188).

Figure 15: Theory of Planned Behaviour



As a rule of thumb in Theory of Planned Behaviour, the more positive the attitudes and the subjective norms are, and the higher the perceived behavioural control is, the higher the chance would be that the individual will be willing to perform a specific behaviour (Ajzen, 2012; Ajzen, 1991). However, the importance of each of the determinants of intentions (attitudes, subjective norms, and perceived behavioural control) is expected to differ across different situations and behaviours (Ajzen, 1991). *Intentions*, on the other hand, reflect the level of an individual's motivation to perform a specific behaviour and mediate the effect of the predictors on behaviour (Sheeran, 2002). Many established models support the strong direct influence of intentions to behaviour (such as Reasoned Action, Protection Motivation, Attitude-behaviour models), stating that, the best way to find out how an individual is going to behave is by asking him/her how they intend to behave (Sheeran, 2002). In an extensive meta-analysis, Sheeran (2002) found that, the effect size between intentions and behaviour is large and accounts for .53. Therefore, intentions are assumed to have an immediate effect on behaviours (Ajzen, 1991; Ajzen, 2012; Ajzen & Fishbein, 2005; Sheeran, 2002). Apart from intentions, perceived control is also considered to have an immediate effect on behaviour, since the execution of the behaviour can sometimes impose difficulties and thus "serve as a proxy for actual control and contribute to the prediction of behaviour" (Ajzen, 2012, p. 448).

Based on the directions grounded from the preliminary qualitative study, it was found that this thesis should try to empirically explain the relationship outcomes based on repurchase intentions, attitudes, subjective norms and perceived control amongst other. Thus, Theory of Planned Behaviour could not be ignored, as the aforementioned variables are key variables regardless the context. For that reason Theory of Planned Behaviour was reviewed carefully, trying to critically examine the benefits as well as the criticism that this theory received over the years. It was found that since its inception there are several additions and enhancements that need to be taken into account. After reviewing all the criticism that Theory of Planned Behaviour received over the years, there are some main points that need to be properly addressed:

1) The theory does not incorporate fully the affective attitude towards intentions (Mischel & Shoda, 1995)

2) There is an assumption that "individuals are motivated to perform a given behaviour... [which can] be particularly problematic when studying consumer adoption behaviors" (Taylor & Todd, 1995; Eagly & Chaiken, 1993), and

3) The theory is not incorporating the past behaviour in the model as an explanatory variable (Albarracin et al., 2001; Ajzen, 2011)

In the current study all three criticisms are taken into account and tried to be tackled. Prior to analysing in more depth how these vulnerabilities are being addressed in this study, it can be stated broadly that (1) the first criticism is tackled by including the affective attitudes through different emotional bonds (such as positive psychological bonds), (2) the second criticism is tackled by including the automatic psychological mechanism through habit bonds, which motivate individuals to certain behaviour, and (3) the third criticism is tackled by incorporating prior behaviour into the model.

(1) *The first criticism*:

As it will be described at the proposed conceptual model section (figure 16), switching costs, economic bonds, social bonds, confidence bonds, convenience bonds and emotional bonds reflect customers' attitudes and evaluations toward the service provider. Bonds can be defined as the positive or negative perceived customers'

evaluations and can be described as dispositions to remain with or leave from a relationship with a particular service provider. Those bonds can act as ties or exit barriers in the relationship development (Liljander & Roos, 2002; Arantola, 2002; Wendelin, 2008). Including and measuring different forms of positive emotions, adds the affective side of attitude in the proposed model which tackles the first criticism.

(2) *The second criticism*:

Additionally, habit bonds are also incorporated in the model. Habit in this instance represents the unconscious and uncontrolled automatic mental process that motivates individuals to perform a specific behaviour. Based on dual-attitudes theory people can have simultaneously two forms of attitudes towards the same object: implicit and explicit attitudes (Chaiken & Trope, 1999; Gawronski & Creighton, 2011). Explicit attitudes are the conscious and controlled processes, whereas implicit attitudes are unconscious and uncontrolled mental processes (Wilson, Lindsey & Schooler, 2000; Chaiken & Trope, 1999). Implicit attitudes need cognitive effort in order to be retrieved from memory, but when this process is over-learned it can be triggered automatically (Gawronski & Creighton, 2011). Therefore, automaticity is another mental process that needs to be incorporated in attitude-behaviour models. Within current theorizing, habits are "automated response dispositions that are cued by aspects of the performance context" (Neal et al., 2006, p. 198; Ajzen, 2012). Thus, in the proposed conceptual model 'habit bond' is considered to be another important construct that can influence intentions, something that is highly supported by the initial qualitative study of this research.

(3) *The third criticism*:

There are several meta-analytic reviews of Theory of Planned Behaviour indicating that the model offers very good predictions of intention and behaviours (Godin & Kok, 1996; Armitage & Conner, 2001; Conner & Sparks, 2005). One of these reviews by Armitage and Conner (2001) reported that the planned behaviour model accounts for 39% and 27% of the variance in intentions and behaviour, respectively. This provides evidence that there is potential for further development by adding more variables into

the model (Sandberg & Conner, 2008). One of these variables could be prior behaviour, as it has been also suggested by Ajzen himself.

Ajzen (2011) in his most recent articles admits that past behaviour has been neglected from Theory of Planned Behaviour. He states:

> *"intentions may be determined not only by attitudes, norms and perceived control but also by one or more additional variables, and these additional variables are captured, at least in part, by measures of past behaviour... This issue is still unresolved, begging for additional research.*" (Ajzen, 2011, p. 1121).

Therefore, in the current study prior experience has been added into the conceptual model in two forms: service experience and switching experience. Additionally, further evidences from the qualitative study indicate that past experience holds a key role on predicting repurchase intentions. This new construct could increase the explanatory power of the dependent variables.

Although both habit bonds and prior experience are two new constructs in this conceptual concept, parallel constructs that can explain the roots of habitual responses and the influence of prior experience in the repatronage behaviour and preservation of the relationship can be found in transactional cost theory. Transactional cost theory is extensively used in business-to-business research (Rindfleisch et al., 2010; Rindfleisch & Heide, 1997; Geyskens et al., 2006; Macher & Richman 2008). Based on Wlilliamson the transaction cost theory includes "both the direct costs of managing relationships and the possible opportunity costs of making inferior governance decisions" (Rindfleisch & Heide, 1997, p. 31). One of the main goals of transactional cost theory is to examine how the firms can efficiently manage and organise functional relationships (Bergen, Shantaneau & Orville, 1992). Thus, transaction cost theory includes three behavioural assumptions (e.g. bounded rationality, opportunism and risk neutrality) and three transactional dimensions (e.g. asset specificity, uncertainty and transaction frequency) (Rindfleisch & Heide, 1997).

The basic assumption is that both parties involved in the relationship "are motivated by economic self-interest and will engage in opportunistic behaviour" (Bergen, Shantaneau & Orville, 1992, p. 8). Different mechanisms have been proposed to limit the occurrence of such opportunistic behaviours and minimize the uncertainty, risk and transactional cost (Rindfleisch et al, 2010). In the business-to-customer context it can be said that the risk of opportunism may force people to stick habitually with the same sellers. Obviously, consumers have experienced opportunistic behaviours which they have led them to crystallise the choices of providers as a protection mechanism against opportunism. Thus, habitual responses can be used as economical means in order to avoid constant decision-making costs which can also lessen transaction costs (Tisdell, 2000).

The unit of analysis in transaction cost theory is the transaction itself (Williamson, 1996; Solomon, 2007). However, transaction cost theory research incorporates the broader spectrum of the relationship where transactions are embedded and suggests that prior transactions based on the 'ex post' logic (knowledge and measure of past performance) can enable or even constrain subsequent transactions (Rindfleisch et al, 2010; Ryall & Sampson 2009; Poppo & Zenger 2002). This is consistent with the proposition of this research that prior experience can influence the intentions and relationship outcomes.

TYPES OF SERVICES

The nature of the service alters the consumer calculus and motivations (to enter and remain) in a relationship as benefits, costs and risks vary across different types of services. Although it has been recognised that the nature and evolution of customer relationships is polymorphous influenced by the nature of the services, very little research exists. Based on the preliminary qualitative research of the current study, it became apparent from the early stages of the research that different service types can have a differential effect on service relationships. One of the fundamental distinctions of services which are based on the benefits afforded is along the hedonic-utilitarian

dichotomy (Hirschman & Holbrook, 1982; Mano & Oliver, 1993). This difference determines whether consumer evaluation of the service and the benefits of staying in a relationship are based on affective (hedonic services) and cognitive (utilitarian services) assessments (Mano & Oliver, 1993). Utilitarian services fulfil 'necessary' needs which are more functional and rational in nature (Albers-Miller and Stafford, 1999; Ng, Russell-Bennett & Dagger, 2007). Hedonic services on the other hand, fulfil feelings of joy, pleasure and/or delight which reflect more the psychological desire (O'Shaughnessy & O'Shaughnessy, 2002; Ng, Russell-Bennett & Dagger, 2007). Therefore, the evaluation of both service types is based upon different criteria that influence customers' perception and consequently their repurchase intention.

Another service typology which is the most recognised one in the services literature is the search-experience-credence classification of services by Nelson (1974) and Darby & Karni (1973). This classification is based on the level of information that someone has in order to be able to evaluate the outcome prior to the purchase (Nelson, 1974; Darby & Karni, 1973; Hsieh & Hiang, 2004). Search services are those services that the customer can obtain full information and asses the utility outcome prior to purchase (Hsieh, Chiu & Chiang, 2005). Experience services are those services that the customer can asses and measure the outcome only during or after the consumption, and credence services are those services that it is difficult to measure or asses the outcome even after the consumption (Hsieh, Chiu & Chiang, 2005; Klein, 1998). This classification is mainly used by researchers in order to examine how to minimize risk and maximize certainty, information quality and customer loyalty (e.g. Mitra, Reiss & Capella, p. 1999; Hsieh, Chiu & Chiang, 2005; Ulaga & Chacour, 2001; Hsieh & Hiang, 2004).

Another classification, which is frequently used in order to understand the relational benefits, is the Bowen's (1990) three groups based on the level of contact, customization and standardization (e.g. Gwinner, Gremler & Bitner, 1998; Hennig-Thurau, Gwinner & Gremler, 2002). Group 1 services include high contact and high customization characteristics and they are directed towards people – e.g. hair care services, medical care services (Gwinner, Gremler & Bitner, 1998). Group 2 services

are characterised by moderate contact and customisation and are directed towards objects – e.g. shoe repair, banks, dry cleaners (Gwinner, Gremler & Bitner, 1998). Group 3 services provide standardised solutions with moderate contact, typically directed towards people – e.g. airlines and movie theatres (Gwinner, Gremler & Bitner, 1998).

In addition to the traditional taxonomies of services that separate those into:

1) search, experience, credence qualities services by Nelson (1974) and Darby & Karni (1973),
2) the level of contact, customization and standardization by Bowen (1990) and
3) hedonic and utilitarian services (Hirschman & Holbrook, 1982; Mano & Oliver, 1993),

this study is revisiting another classification, the collective versus individual services, which has been neglected from the marketing literature as a service typology. This typology was first introduced in economic science literature by Hill (1977) in order to explain how services should focus on individual economic units (meaning the customer) or on mass economic units.

Hill (1977) defined collective services as "these are usually services … which are provided collectively either to designatable groups … or to the community as a whole." (p. 334). Repurchase intention will have different levels of importance according to the communal character of the service. Bagozzi (2000) makes the point that most of the literature in consumer research is focused on the 'personal action', or even the 'action' itself at the expense of collective or "social type of" action. However, he argued, social action is equally important if we want to understand its nature in terms of "what is done (i.e., a group acts) and why it is done (i.e., members of a group jointly hold a common goal and agree in a particular way to do their pails to achieve the goal)" (Bagozzi, 2000, p. 389). Therefore, in this study the individual – collective type of service is also included in the service selection and represents whether the customer is experiencing the service alone (individual service) or together with other

customer/s (collective service) which is another important factor for developing customer relationships.

All those typologies are relevant to relationship development process as they deal with different aspects of the factors responsible to repurchase intentions/behaviour and relational ties/bonds. Thus, the main aim of this thesis is to develop a new conceptual model and highlight differences among all ten types of services across a number of parameters that are important to marketers. It becomes clear through the literature and the preliminary study that the bonds which link a customer with a service provider and the nature of the relationship dynamics vary according to the nature of the service. The limited - and in most cases, the no existent - empirical evidence, hinders the development of hypotheses regarding the variation among the service types. This means that the nature of this part of the research is mainly exploratory rather than confirmatory. However, there is an effort to combine existing theoretical strands to formulate directional hypotheses, when this is possible. The following sections are providing some theoretical background of the variables of the conceptual model (for example, relational bonds and service actions).

RELATIONAL BONDS

Based on the preliminary qualitative study, it was found that there are different relational bonds which could influence either positively or negatively customers' repurchase behaviours in services. Thus, the following sections will present an overview of the relational bonds under different contexts as well as the different bond typologies that exist in the literature. The main difference between bonds and benefits, as outlined in the last section, is that benefits reflect only the positive side of bonds excluding the negative side. The eight relational bonds used in the present study as mentioned before are: economic bonds, confidence bonds, convenience bods, positive emotional bonds, negative emotional bonds, social bonds, habit bonds and switching costs. These relational bonds are based on the results from the qualitative analysis of

the preliminary research and further elaboration and conceptualization of these bonds is provided in the hypotheses formulation sections.

NATURE OF BONDS

Bonds were first examined in the social interaction context (Arantola, 2002). In sociology, Turner (1970, p. 41) argued that a bond can exist "when some value of the individual - shared or unique - is felt to be fostered by association and interaction with some other person or group". Providing an example of marriage, McCall (1970) in the same period defined bonds as the "psychological, emotional, economic or psychical attachments in a relationship that are fostered by association and interaction and serve to bind parties together under relational exchange" (Wendelin, 2004, p. 42). Based on this definition, Wilson and Mummalaneni (1986) brought the concept of bonds in marketing literature supporting that in customer relationships when the cost-benefit ratio provides favourable results then customers move towards greater involvement with each other, and this is when certain relational bonds start to develop (Wendelin, 2004).

In marketing literature the word 'bond' is used in different ways, mainly in the industrial relationships setting (Arantola, 2002; Wendelin, 2004). Terms such as 'friendship', 'links', 'ties' and 'benefits' are often used to describe the same concept (Liljander, 2000; Arantola, 2002; Wendelin, 2004; Silk, 2002). Table 4 presents the different definitions of bonds based on the more recent literature. All the definitions presented in table 4 support that businesses can build customer relationships by initiating one or several types of bonds (e.g., Berry, 1995; Berry & Parasuraman, 1991; Lin et al., 2003; Peltier & Westfall, 2000; Williams et al., 1998). When one or more bonds exist, customers tend to overlook any lack of service quality or delivery depending on the nature of these bonds; whether they are positive or negative (Arantola, 2002; Liljander and Strandvik 1995). Negative bonds can act as exit barriers whereas positive bonds can act as customer benefits (Liljander & Roos, 2002;

Arantola, 2002). For example, some customers might feel locked-in and keep purchasing from the same service provider even if they are dissatisfied (Liljander & Roos, 2002). This type of bonds is closely related to switching costs. Storbacka, Standvik and Gronroos (1994) support that the negative side of bonds is perceived by some researchers as switching barriers. This indicates that the nature of bonds is complex, as it can be either positive or negative.

Table 4: Definitions of bonds

Authors	Definition of Bonds
Silk, (2002) p. 423	Bond is defined as: (1) something that binds, fastens, confines, or holds together, (2) a cord, rope, band, or ligament, (3) something that binds a person or persons to a certain line of behavior, (4) something, as an agreement or friendship, that unites individuals or peoples into a group.
Arantola, (2002) p. 103	A bond is a perception by the customer of disincentives for switching suppliers. The context of bonds is a relationship. Negative bonds are barriers to exit when the customer has an incentive to leave the relationship, while positive bonds are incentives to continue the relationship even when a switching possibility presents itself.
Brown, (2003) p. 54	A bond is defined as the experience of having feelings for another that involve affection, closeness, and commitment and that are enduring through time and in different contexts.
Wendelin, (2004) p. 44	Bonds are the concrete or abstract technical, time, knowledge, legal, economic, geographical, social, cultural, ideological, psychological and strategic value creating, neutral or value reducing factors that form the building stones of the industrial business relationship. Bonds can be mutually or one-sidedly value creating or value reducing. The sum of the total package of bonds in a relationship equals to the total value of the relationship.

Thus, in order to obtain a better understanding of customer relationships, it is very important to identify a complete set of bonds, including both negative and positive bonds that can influence customer relationships.

TYPES OF BONDS

In industrial marketing literature, six types of bonds were initially introduced: social, technological, knowledge, planning and legal/economic bonds

(Storbacka, Standvik & Gronroos, 1994; Wilson and Mummalaneni, 1986). Liljander and Strandvik (1995) added four more bond types: geographical, cultural, ideological and psychological bonds. In the consumer marketing literature, Liljander and Strandvik (1995) proposed that there are ten types of bonds: legal, economic, technological, geographical, time, knowledge, social, cultural, ideological and psychological, as illustrated in table 5.

Table 5: Bond Categories

Bonds Types	Authors	Research Type
1. Financial/Economical 2. Social 3. Structural	Berry, 2000;Berry, 1995	Conceptual study (B2C)
	Hsieh, Chiu & Chiang, 2005	Quantitative study (online B2C)
	Chiu et al., 2005	Quantitative study (B2C, bank)
	Lin, Weng & Hsieh, 2003	Quantitative study (B2C, bank)
1. Economic 2. Legal 3. Technological 4. Geographical 5. Time 6. Social 7. Knowledge 8. Psychological 9. Cultural 10. Ideological	Liljander & Strandvik, 1995	Conceptual study (B2C)
	Arantola, 2002	Conceptual study (B2C)
1. Structural 2. Social	Wilson, 1995	Conceptual study (B2B)
	Williams, Han & Qualls, 1998	Conceptual study (B2B)
	Buttle, Ahmad & Aldlaigan, 2002	Qualitative study (B2B)
1. Familiarity 2. Care 3. Friendship 4. Rapport 5. Trust	Gremler & Brown (1996)	Conceptual study (B2C)
1. Social 2. Economic 3. Learning	Barnes et al., 2007	Conceptual study (B2B)

Liljander and Strandvik (1995) suggested that from these ten bonds, the first five - economic, legal, technological, geographical and time - can be perceived as negative bonds and act as exit barriers (Storbacka, Standvik & Gronroos, 1994). When these bonds dominate, switching costs might be increased which could consequently lock-in the customer (Liljander & Strandvik, 1995; Storbacka, Standvik & Gronroos, 1994). The other five – social, knowledge, psychological, cultural and ideological bonds – are difficult to be assessed, as they cannot be controlled by the company (Storbacka, Standvik & Gronroos, 1994). These bonds are controlled merely from the customer and it is suggested that they are mainly positive in nature (Liljander & Roos, 2002). Based on this rationale, Arantola (2002) attempted to conceptually introduce the three sides of each relational bond, arguing that each bond has a negative, a neutral and a positive side (please see Appendix 1 for the detailed definitions of all three sides of bonds).

In relationship marketing literature, the typology that is most widely used was proposed by Berry (1995) which distincts bonds in three types: structural, social and financial bonds. Financial or economic bonds are at the lowest level of the relationship hierarchy and relate to economic-based relational attributes (Peltier & Westfall, 2000; Peltier, Boyt & Westfall, 1997). The positive side of these bonds is based on monetary benefits or discounts which can build ties with the company, mainly when the competition does not offer the same benefits (Arantola, 2002; Berry & Parasuraman, 1991; Halinen, 1994; Liljander & Strandvik, 1995). Thus, these bonds are perceived as the weakest ones which cannot lead to 'true' loyalty, since customer's motives to re-purchase are money-driven (Liljander & Roos, 2002).

The other two bonds, social and structural, are more positively perceived and it is suggested that they can lead to true loyal relationships (Liljander & Roos, 2002). Firstly, social bonds are very important especially regarding service dimensions that contain interpersonal interactions (Berry, 1995; Peltier & Westfall, 2000). For example, customers can enjoy more their relationship with an employee that they find enjoyable to deal with, or even that they know long enough to feel a level of friendship (Gwinner, Gremler & Bitner 1998; Hennig-Thurau, Gwinner & Gremler, 2002).

Furthermore, the development of structural bonds can empower customers and make them feel actively involved in the consumption process, something that can strengthen their relationship with the service provider (Peltier, Boyt & Westfall, 1997; Peltier & Westfall, 2000). However, Liljander & Roos (2002) point out that this type of bonds would be more easily established in a B2B context rather than in a B2C context. Additionally, Hess, Shankar & Noreen (2003) support that even without the existence of social and structural bonds, a relationship between a company and a customer can exist. Thus, it is apparent that there is a need for further research in order to identify, especially in a B2C context, which are the relational bonds that can influence customer relationships.

BONDS VS BENEFITS

Relationship benefits are defined as "those benefits customers receive from long-term relationships above and beyond the core service performance" (Gwinner et al., 1998, p. 102). In services marketing, researchers are most commonly using the concept relational benefit rather than relational bond. The main reason is that benefits are solely focused on the positive side of bonds, and thus it is easier to be empirically examined. On the other hand, the nature of bonds is more complex and also includes the negative side of bonds (e.g. switching costs, economic or negative emotions) which make the conceptualisation and examination of bonds more complicated.

One of the most popular studies in service relationships was conducted by Gwinner et al. (1998), who empirically tested three main categories of relationship benefits: 1) confidence, 2) social and 3) special treatment. They found that the most important benefits were the confidence followed by social and then special treatment benefits (Gwinner *et al*., 1998; Liljander & Roos, 2002). Later, Hennig-Thurau et al. (2000) showed how these benefits can vary across different customer segments. To summarise the main typologies of benefits used in marketing literature, the following table was

formulated illustrating the benefits used, the authors and the methodology together with the context of research (B2C or B2B).

Table 6: Benefit Types

Benefits	1. Confidence/trust 2. Social 3. Special treatment	Gwinner *et al*., 1998	Quantitative study (B2C)
		Kinard & Capella, 2006	Quantitative study (B2C)
	1. Symbiotic 2. Psychological 3. Operational 4. Social 5. Economic 6. Strategic 7. Customization	Sweeney & Webb, 2002	Small-scale Qualitative study (B2B)
	1. Functional 2. Psychological 3. Social	Paul et al., 2009	Qualitative and Quantitative study (B2C)
	1. Functional 2. Social	Reynolds & Beatty, 1999	Quantitative study (employee-employer)

As the table above demonstrates, there is not a unified typology that includes all aspects of relationship benefits. The more detailed one is provided by Sweeney and Webb (2002, p. 78) who argued that relationship benefits "exist when value is added to what is received beyond the basic product, resulting in perceived positive consequences for the recipient". They found that there are seven types of benefits: symbiotic, psychological, operational, social, economic, strategic and customization. However, this typology is based on a small scale qualitative study which is focused on B2B relationships.

In the literature there is extensive debate as to what differentiates bonds from benefits. Liljander (2000, p. 169) supports that "there is clearly a need for further development of the concept of bonds and benefits in relationships". Reviewing the literature, it became apparent that bonds can provide a more holistic approach of customer relationships by capturing all aspects that can influence a relationship (Bendapudi and

Berry, 1997; Liljander and Strandvik, 1995; Liljander & Roos, 2002; Liljander, 2000). As Wendelin (2000, p. 2) states "the relationship outcome depends on the strengthening or weakening of bonds or preservation of bonds as status quo".

All these arguments suggest that there is a need for further research that can identify all the relational bonds that could influence service relationships. This is one of the main objectives of this study and the analysis of the qualitative study revealed that there are seven relational bonds that could influence service relationships: convenience, emotional (e.g. affection, likeness etc.), economic, switching cost, social, habit/automaticity and confidence/safety bonds. Further elaboration of the conceptualization of these bonds is presented in the hypothesis formulation section.

SERVICES ACTIONS

During the last two decades, the debate among practitioners about how services actions can affect customer relationships and consequently their purchase behaviours has been vibrant (Berger, et al., 2002; Bolton et al., 2004). Addressing this question will enable firms to allocate strategically their resources to these services actions that could successfully influence the relationship development process and will result in higher return on investment. Most of the studies to date are focusing merely on one services action in relation to customer relationships (loyalty programs or price or service quality) (e.g. Melancon, Noble & Noble, 2011; Peine, Heitmann & Herrmann, 2009; Bloemer, Ruyter & Wetzels, 1999). Other studies that incorporate services actions in relation to relationship marketing, e.g. Customer Lifetime Value, are mainly conceptual (e.g. Berger, et al., 2002; Bolton et al., 2004). However, it would be more interesting to explore how customer relations are influenced when all services actions are taken into consideration in one model. As a result, a more holistic view would be enabled and will allow us to examine which actions are more prominent in building customer relationships.

It is recognised that there is a difference of actions, reactions and interactions which may underlie the dynamic context of service relationships. However, the term action here indicates the series of services actions of a company over a period of time which may be a reaction, or an action that autonomously and unilaterally is initiated by the company or part of interactions with consumers. As services actions has not been conceptualised, or in many cases they do not go beyond the 4Ps, the first step was to try and find out a study that has empirically incorporated any kind of services actions in the context of services relationships. The only empirical research found in the literature that incorporates most of the qualitative findings of the current study and comprehensively summarises previous research in services marketing is Paul et al. (2009) study.

Paul et al. (2009) research includes the following service provider's attributes influencing customer relationships (showed at table 7), which are also included in this study:

1) service delivery (e.g. fairness, quickness, expertise and motivation),

2) service product (reliability, assortment, customization and features),

3) service environment (atmosphere and neatness), and

4) service location (proximity).

Additionally, two more service actions are included in this study, which were found to be very important form the preliminary qualitative research. Those actions are:

5) rewards schemes, and

6) service price.

All these actions are controlled by the company and have a differential effect on relational bonds. Therefore, it is very important to examine the differential effect those actions could have on different relational bonds.

Table 7: Services actions Selected

Services Actions	Definition	Examples of items	Source
Service Delivery	Actions that refer to the customer–employee interaction through which the service is produced	fairness quickness expertise motivation authenticity empathy low pressure	Paul et al. (2009)
Service Product	Actions that refer to the service as it is designed to be delivered	reliability assortment customization features availability value-added services uniqueness	Paul et al. (2009)
Service Environment	Actions that refer to the ambience in which the service is delivered	atmosphere neatness ambience	Paul et al. (2009)
Location	Attributes that refer to the geographical location where the service is provided	proximity	Paul et al. (2009)
Price	Price and value for money received from service provider	price value	Qualitative Research
Schemes	Schemes that the service provider is offering	reward programs	Qualitative research

* Adapted from Paul et al. (2009) and combined with the results of the Qualitative research.

- Service Quality Attributes

In the marketing literature, service quality is the key word in most of the studies examining the influence of a service provider's performance to customer's repurchase intentions or loyalty (e.g. Zeithaml, Berry & Parasuraman, 1996; Cronin, Brady & Hult, 2000). DeLone and McLean (2003) define service quality as "the overall support delivered by the service provider" (p.25). Focusing more on customers' perspective, Parasuraman, Zeithaml and Berry (1985) claim that "service quality is a measure of how well the service level delivered matches customer expectations" (p.42). The unique nature of services, which are intangible, heterogeneous, inseparable and perishable, fails to conceptualise objective ways of measuring service quality.

Consequently, researchers are measuring service quality through customers' perception (Parasuraman et al., 1985; Parasuraman et al., 1988; Lam et al., 1997).

In this study, the conceptualisation of service quality is reflected on the attributes of service delivery, service environment and service product (Paul et al., 2009; Rust & Oliver, 1994). These three main attributes correspond to Rust and Oliver (1994) conceptualisation of service quality. They propose that managing service quality includes three different aspects: "designing the service product, designing the service environment and delivering the service" (Rust & Oliver, 1994, p. 3). More specifically, the service product is focused on the service features offered, while the service environment is focused on the setting and props required to deliver the service (Rust & Oliver, 1994; Bitner, 1992; Neslin, 1983). These two attributes are designed 'into' the service (Rust & Oliver, 1994). On the other hand, service delivery is focused on the ways the service is provided on each specific occasion (Rust & Oliver, 1994; Bitner, Booms & Tetrealt, 1990). Within most of the service encounters, customers are expected to provide role performances which can only be monitored through the service delivery process (Rust & Oliver, 1994). Thus, all three attributes of service quality (service delivery, service product and service environment) are key determinants of customers' evaluations and perceptions of the service provider.

Additionally, recent studies (e.g. Paul et al., 2009) and evidence from the preliminary qualitative study suggest that further service actions such as schemes, location and price are also important in the context of repurchase intentions:

- Service price

Service price or perceived value can be defined either from the company's or the customer's point of view (Berger et al., 2002; Spiteri & Dion, 2004). The former refers to the value that the customers provide to the company, whereas the latter refers to the value the customers take from the company (Berger et al., 2002). In this study, service price consists of customers' perceptions of price and customers' perceived cost-benefits ratio (Spiteri & Dion, 2004; Yang & Peterson, 2004; Lam et al., 2004; Storbacka et al., 1994). This ratio is based on benefits which are received from the service provider compared to sacrificed customer's costs (Yang & Peterson, 2004;

Zeithaml, 1988; McDougall & Levesque, 2000; Lam et al., 2004). In the service context perceived price or value is of higher importance as compared to the 'hard goods' context, as there are wide variations of service pricing due to services' high sensitivity "to time and place utilities" (Singh & Sirdeshmukh, 2000, p.158). Perceived service price or value reflects customer's utility derived from the service provider which in turn can affect customer's attitude towards the provider (Yang & Peterson, 2004; Anderson et al., 1994). Thus, based on cost-benefit theory, there are many indications that the way customers perceive the level of price can affect their future attitude towards the service provider (Yang & Peterson, 2004; Cronin et al., 2000; McDougall & Levesque, 2000; Lam et al., 2004).

- Rewards

Rewards and incentives are widely used by practitioners in order to capture loyalty (Kumar & Shah, 2004). Loyalty programs are becoming a necessity in today's markets as an increasing number of companies provide them to their customers. Also, in the academic world, rewards and incentives are widely examined in relationship with loyalty which is a key component in CRM strategies (Kumar & Shah, 2004; Bohling et al., 2006; Bolton et al., 2004; Verhoef, 2003; Wulf et al., 2001). Rewards can be short-term or long-term economical, relational and promotional benefits which are managed for the customers who have "achieved a certain status based on their cumulative or annual patronage levels" (Fullerton, 2003, p. 342; Bolton et al., 2004). From the companies' perspective, rewards are given for two main reasons: 1) to increase their profit and 2) to develop closer bonds between the customer and the brand. Consequently, rewards can increase the probabilities of the company to maintain their existing customers (Uncles et al., 2002).

Therefore, one of the main purposes of providing rewards is to "create velvet handcuffs to bond the customer to the brand" (Uncles et al., 2002, p. 298). Another reason for creating reward schemes is to create resilience to alternative options for the customer, providing benefits to those customers that have reached a certain status of their relationship with the company (Verhoef, 2003; Bolton et al., 2004; Fullerton,

2003; Wulf et al., 2001). Thus, reward schemes are important tools used by companies to develop and tie their relationships with their customers.

- Location

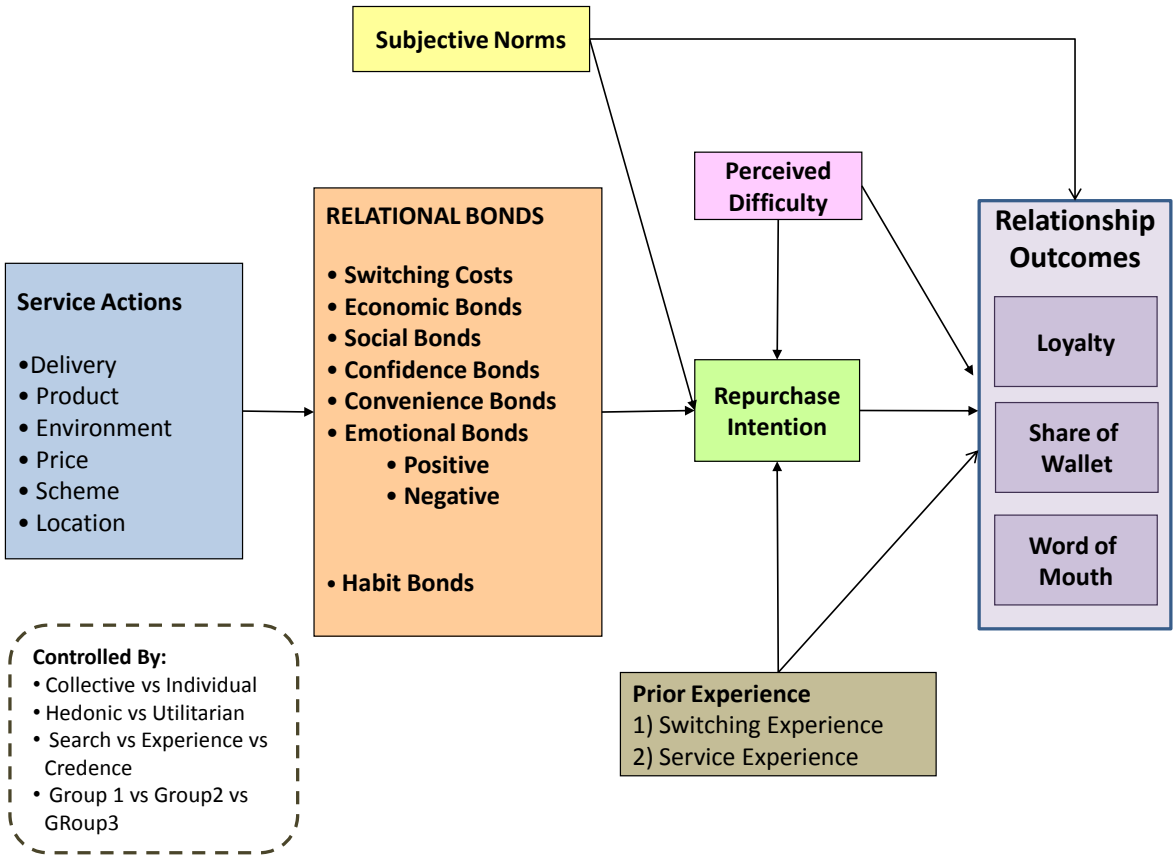
Service location in this study refers to the geographical location where the service is delivered (Paul et al., 2009). Based on the preliminary qualitative study, many respondents reported that the location of the service provider is an important factor which can influence their repurchase attitudes. However, service location is rarely considered by researchers as a key determinant of repurchase behaviours in the context of service marketing (Paul et al., 2009). It is mainly in the retailing context where most of the researchers support that companies should strategically plan their location in order to increase customers' convenience and consequently their repurchase behaviours (Craig, Ghosh & McLafferty, 1984; Jones, Mothersbaugh & Beautty, 2003). In retailing literature theories, such as the central place theory or store-choice models, there is evidence that location is not only important for attracting new customers but also for retaining the existing ones (Christaller, 1966; Losh, 1954). The easiest assumption regarding location is that the nearest option is the most prominent one (Hubbard, 1978; Craig, Ghosh & McLafferty, 1984). Yet, the lack of empirical evidence that the 'nearest-centre hypothesis' is true, has led researchers to raise questions regarding its validity (Craig, Ghosh & McLafferty, 1984). Further investigation of the location's role is thus clearly needed, especially in the services context as service location has not been sufficiently explored.

Therefore, all these services actions have been taken into account and hypothesized in the current study in relation to the relational bonds.

CONCEPTUAL MODEL

Figure 16 depicts the conceptual model of this thesis based on the rationale of Planned Behaviour Theory and proposing a new approach in Repurchase Intentions controlled by the type of service.

Figure 16: Conceptual Model



The model (figure 16) summarises the service relationship development process based on different relational bonds and their influence on repurchase intention. As shown at the model above, Theory of Planned Behaviour acts as a platform where attitudes are reflected through the first six relational bonds that are relevant to the services marketing context. Together with relational bonds, subjective norms and perceived difficulty influence intentions to repurchase which in turn influence behaviours. In this

context, behaviour is conceptualised in different forms of relationship outcomes, such as loyalty, word of mouth and share of wallet, since these are the most frequently used measures to empirically assess behavioural outcomes in services marketing. Furthermore, there are two main additions to this model: 1) service actions and 2) prior experience. These additions are largely based on the preliminary study of this thesis and they can contribute in providing a more holistic view of the consumers' repurchase process. Firstly, service actions which are initiated by the company can influence in different ways the relational bonds. Secondly, as explained earlier, prior experience was found (in the qualitative research) to be an important factor that can influence both intentions and loyalty outcomes. Therefore, prior experience together with intentions and perceived difficulty are expected to influence the relationship outcomes.

Another addition to the Theory of Planned Behaviour model is that the proposed model is examining the direct link between subjective norms and relationship outcomes. Especially in the context of services marketing, subjective norms might initiate directly some of the relationship outcomes, such as loyalty and word of mouth. This is made evident through the qualitative research of the study where many respondents replied in several cases that they simply revisit a service provider because a friend, peer or a family member purchase from this service provider (e.g. 'I go to this restaurant because my friends go there', 'I have this dentist, because it is the family dentist'). Evidence for these relationships is also provided in relationship marketing literature (e.g. Olsen, 2007; Choo, Chung & Pysarchik, 2004; Bagozzi et al., 2000), and therefore these links are being investigated in this study.

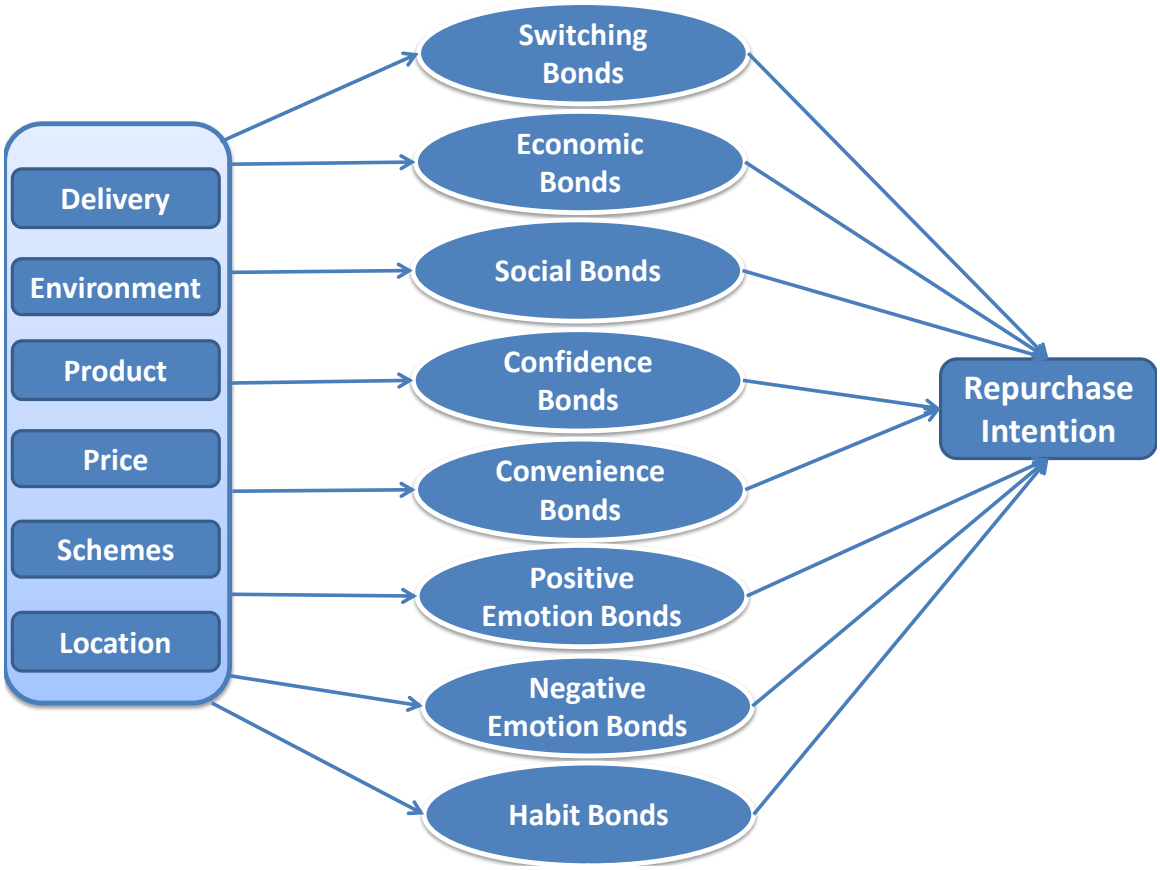
However, as one of the main contributions of this study is the examination of repurchase intentions across different types of services, this conceptual model is going to be tested across all services and then among the different types of services. As the buying motivations, benefits, consumption context and intrinsic attributes of services differ significantly, it is expected that all the relationships outlined above will not be the same across different types of services. Whether the service is hedonic or utilitarian, collective or individual, search experience or credence, customised or standardised, high or low contact, determines the differential effect of the relational

bonds. The following sections are elaborating in detail those hypotheses for all services, as well as across the service typologies.

HYPOTHESES DEVELOPMENT

The first part of the hypotheses section, as illustrated in figure 17, presents the hypothesised links between 1) service actions and relational bonds, and 2) relational bonds and repurchase intention. These hypotheses are detailed in the following subsections. In many cases, not all combinations of relationships are hypothesised. As it has been described at the introduction chapter, a main part of this study is exploratory in nature.

Figure 17: Hypotheses between Services Actions and Relational Bonds



While practitioners as well as academic research suggest that all services actions[2] play an important role in sustaining customer relationships and building relational bonds, there is very little work available regarding the exact effect of these variables. Some efforts were made to hypothesize their effect but it was difficult to identify their influence. As such, it was decided to use some of the services actions variables in some cases as control variables

SWITCHING COST

The negative side of bonds is also perceived by some researcher as switching barriers (e.g. Storbacka, Standvik & Gronroos, 1994). The main purpose of the switching cost literature is to find out what makes consumers resist to alternatives and persist with the same service provider (e.g. Bell, Auh & Smalley, 2005; Bansal & Taylor, 1999; Sharma & Patterson, 2000; Bansal, Irving & Taylor, 2004; Bansal, Taylor & James, 2005; Chiu et al., 2005; Burnam, Frels & Mahajan, 2003). As competition is rising and alternatives or substitutes are becoming more easily available to consumers through technological advances, the role of switching cost bonds are becoming particularly important to the relationship development process. Porter (1980) defined switching costs as the "one time costs facing the buyer of switching from one supplier's product to another" (p.10). When a customer exhibits high switching costs "the difficulty or disutility involved in changing over or switching to a new product/service/system" will be higher (Bansal & Taylor, 1999, p. 203). Switching costs can be psychological, emotional, financial or procedural in nature (Bell, Auh & Smalley, 2005; Burnham, Frels & Mahajan, 2003; Sharma & Patterson, 2000). For example, a switching cost might be the money, the time or the effort that the customer has to put in order to learn about, to evaluate and start up with another service provider (Burnam, Frels & Mahajan, 2003; Lam et al., 2004).

[2] Service delivery, product, environment, price, schemes, and location

The current study focuses on the procedural switching costs including learn, risk, set up and evaluation switching costs, since the psychological and financial costs are covered in more detail from the other relational bonds. Procedural switching costs "primarily involves the expenditure of time and effort" (p. 112) and could be also named information switching costs in the service context as "the components arise from a lack of information about the new provider or product by the consumer and a need to exchange information to initiate a relationship" (Burnham, Frels & Mahajan, 2003, p.125). Therefore, switching costs in this context are defined as the "perceived disutility a customer would experience from switching service providers" (Chen & Hitt, 2002, p. 258).

Switching costs contribute in the persistence of a relationship (Morgan & Hunt, 1994; Sharma & Patterson, 2000) and can act as bonds that tie the consumer with a service provider (Colgate et al., 2007). Thus, when a customer is under low switching costs s/he is more vulnerable to switching to another provider. On the other hand, when a customer is experiencing high switching costs s/he is more locked in the relationship with the existing service provider. This is also supported from the preliminary qualitative research of this study where many respondents stated that they repeatedly visit a service provider because they don't want to get into the procedure to find out or start with a new service provider (e.g. "My hairdresser is ok...she is not perfect...but I cannot get into the hassle of finding a new one...and the time that it will take to get used to the new one...I don't think so").

Service Quality – Delivery, Product, and Environment

Marketing literature, to date, is mainly focused on the direct link between switching costs and repurchase intention (e.g., Jones et al. 2000; Burnham, Frels & Mahajan, 2003). More recently, the moderating effect of switching costs on the relationship between customer satisfaction and customer loyalty received a lot of attention but the results are mixed (Jones et al. 2000; Burnham, Frels & Mahajan, 2003; Patterson and Smith 2003; Lam et al., 2004). Bell et al. (2005) examined the moderating effect of switching costs on the relationship between functional/technical service quality and customer loyalty, but the results showed that there is no significant moderation effect.

However, the direct link between switching costs and services actions hasn't been examined yet. Burnham, Frels and Mahajan (2003, p.120) emphasize that "firms should seek to simultaneously raise customer switching costs". Additionally, there are some studies suggesting that service quality fluctuations would be able to affect switching costs (Jones et al., 2007; Jones, Mothersbaugh & Beatty, 2000). Therefore, if switching costs can act as bonds that keep the customer in the relationship with a service provider, that means that several attributes of service quality would be able to influence the level of switching costs that the customer is experiencing, either by reinforcing or by weakening them. More specifically, Burnham, Frels and Mahajan (2003) propose that procedural switching costs would be able to be increased by reminding existing customers of the differentiated service features they offer. On the basis of these arguments it is expected that the attributes of service quality would have a direct positive association to switching costs bonds, with the main emphasis on the 'service product' attribute as the procedural switching costs are mainly concerned with the service information about the core product.

Hypothesis 1a: Service delivery is positively associated with switching costs.

Hypothesis 2a: Service product is positively associated with switching costs.

Hypothesis 3a: Service environment is positively associated with switching costs.

Regarding the type of service, it is expected that the direction of the relationship will remain the same, yet the strength is expected to vary. For example it is expected that service delivery would have a higher influence on switching costs for experience, hedonic and high contact – customised services (group 1), where customers need to spend more time in order to get used to and learn these kinds of services. For individual, utilitarian and search services, where more functional and practical issues are important, it is expected that service product will make customers feeling unattractive to alternatives. Service environment, on the other hand, is expected to be very important for collective services, since the ambience as well as the other customers is a very important factor for switching in collectively consumed services. Based on the exploratory nature of these arguments, the following hypotheses are proposed:

Hypothesis 1b: **The relationship between service delivery and switching cost will vary across service types.**

Hypothesis 2b: **The relationship between service product and switching cost will vary across service types.**

Hypothesis 3b: **The relationship between service environment and switching cost will vary across service types.**

Price

The impact of price on customer behaviour is well documented in economic science literature (e.g. Smith & Brynjolfsson, 2001). However, in marketing literature the direct link between price and switching costs has not been empirically examined yet. Thus, the nature of this hypothesis is mainly exploratory rather than confirmatory and the direction of the relationship is not pre-determined in the hypothesis. In economics, customer switching costs is considered to be one key factor that determines the level of prices in the market (Klemperer, 1995). Klemperer (1995, p.527) suggests that "prices are higher in the presence than in the absence of switching costs".

In the marketing literature, it is frequently reported that loyal customers are willing to pay more and not willing to switch even if the price would increase (Ruyter, Wetzels & Bloemer, 1998; Zeithaml et al., 1990; Roos, 1999; Strombom, Buchmueller & Feldstein, 2002). When a customer has chosen a specific service provider and keeps purchasing from it regardless the competitive offerings, switching would mean sacrificing utility from the existing service relationship (Wathne, Biong & Heide, 2001). This would result in an additional cost that could compensate for a price that might not be as good as expected (Sharpe, 1997; Wathne, Biong & Heide, 2001; Polo & Sese, 2009). Thus, in the economic literature the relationship between switching costs and price is found to be negative (Sharpe, 1997). The same relationship is expected to be found in this study mainly for utilitarian services, where the selection of the service is primarily based on the rationale of saving time and effort (Keh & Pang, 2010).

Yet, that outcome is not expected to have the same strength and direction across all services. As the profit margins and the production cost of each service varies significantly across different service contexts, it is proposed that the influence of price on switching costs will depend on the type of service (Wendelin, 2004). For example, for services that customers know the price range in advance and they can evaluate the outcome of the service, such as search services, the relationship between switching cost and price is expected to be positive. This means that the better the expected price the highest the switching costs. The same rationale is also expected for the more standardised services where contact is not very high, such as Bowen's Group 3 services. Based on that, the following hypothesis is proposed:

Hypothesis 4: Price relationship with switching costs is moderated by the type of service.

Rewards

Kumar and Shah (2004) stressed out that managers need to focus on loyalty buildings schemes especially if their customers are facing low switching barriers. In an empirical study comparing the reward scheme power on switching cost for members and non-members, Tanford, Raab and Kim (2011) found that members had higher switching costs and it was less likely to switch than non-members. Similarly, Klemperer (1995) proposes that switching costs can be created through different rewards provided by the company. In other words, when a customer is receiving rewards from a service provider, which translates into more benefits, then additional costs are brought upon switching cost (Tanford, Raab & Kim, 2011). Thus, reward schemes are expected to increase switching costs.

Hypothesis 5a: Reward schemes are positively associated with switching costs.

This relationship is expected to vary across service types. There is no previous literature that investigates this relationship across services. Therefore, the nature of this

hypothesis is exploratory and mainly based on the qualitative interviews and real life examples. Switching costs reflect the cost of perceived time and effort made in order to switch, which concerns the practical and cognitive side of decision making process. Additionally, rewards schemes and incentives reflect mainly the monetary benefits that customers are receiving, which also concern more practical and cognitive processes in customers' mind. Thus, the relationship between reward schemes and switching costs is expected to be stronger for utilitarian, standardised and search services, which reflect the cognitive side of customers' decision making process. Additionally, it has been noticed that collective services, in particular, such as airlines, movie theatres and restaurants are using more frequently reward schemes rather than individual services such as banks and dry cleaners. This indicates that the aforementioned relationship might be stronger for collective services rather than individual services.

Hypothesis 5b: The relationship reward schemes and switching cost will vary across service types.

Location

Service location is another factor that has been found to be crucial on customers dilemma to switch or not, to another service provider from the preliminary qualitative study. Although location is considered to be very important in the retailing context (Craig, Ghosh & McLafferty, 1984), there are few scholars in services context that take into account location when examining repurchase behaviours (Paul et al., 2009; Jones et al., 2003). Especially in services marketing, location should be an important factor since intangibility and inseparability of services require personal contact between the customer and the service provider (Jones et al., 2003). Therefore, location can be regarded as one of the important determinants for switching suppliers (Jones et al., 2003; Roos, 1999; Keaveney, 1995).

Roos (1999) provided qualitative evidence in the retailing setting where many customers are admitting that although the location might be inconvenient, they stay with the same retailer either because of the service delivery or the product. On the other hand, in the same research it is reported that many customers switched retailers

because they needed more variation, although the location was the best for them (Roos, 1999). Therefore, a good location does not translate necessarily into high switching costs as it would be expected. A good location might be very important in order to attract customers (Ailawadi & Keller, 2004), but at the retention stage it is a combination of service actions that need to be fulfilled in order to make them stay and not switch. Ailawadi and Keller (2004) have stated that location might not be any more the most important factor in consumers' decision making process - especially nowadays with the internet - but it is still one factor that should be taken into consideration in consumers' decisions to stay with a particular provider.

Thus, it would be expected that the proximity of the service provider would increase the willingness of the customer to stay and not to switch, as that could save him/her time and effort from switching. However, the proximity of the service provider is expected to have different effects on switching costs according to the type of the service. That could make some sense especially for utilitarian services where practical issues like time and effort are very important factors in customers' purchase behaviour. On the other hand, for hedonic services that might not be the case. For customers who are seeking feelings of pleasure through a service, sacrificing time and effort to reach their favourable service provider would possibly result in higher levels of fulfilment. This would mean higher level of attachment and much lower probability of switching, expecting the relationship between switching costs and location to be negative. In the same rationale, if the location of the service provider is very close and does not require any individual effort or personal sacrifice from the customer, this would make the customer more susceptible to trying new providers. Therefore, this effect is expected to be stronger for the individual services rather than the collective services. Finally, in their study Paul et al. (2009) found that location was more important for Groups 2 and 3, where contact is moderate to low and services are semi-customised to standardised, rather than Group 1 (high contact - customised). These arguments lead us to the following hypothesis:

<u>Hypothesis 6</u>: Location relationship with switching costs is moderated by the type of service.

Repurchase intention

Finally, it is expected that higher levels of switching costs will result in higher levels of repurchase intention. Increasing existing customers' perceptions "of the risks involved in switching (or the safety of staying), the difficulty of evaluating alternatives (or the ease of not doing so), the hassles of setting up a new relationship, and the learning required to use a new provider will increase customers' likelihood of remaining in an existing relationship" (Burnham, Frels & Mahajan, 2003, p.120). The significance and strength of this relationship might vary across different services as assets, methods, and other service product or market characteristics vary (Burnham, Frels & Mahajan, 2003). Klemperer (1995) is also supporting this statement especially among different industries where switching costs can vary significantly. For example, it might be expected that higher switching costs will result in higher repurchase intentions for experience services rather than search services, because it is required much more time and effort to learn and get used to another 'experience' service. That could be also true in hedonic services and high contact services (Group 1), where getting used to services requires again a lot of time and effort compared to utilitarian or low contact, standardised services. Therefore, it is proposed that:

Hypothesis 7a: Switching costs are positively associated with repurchase intention.

Hypothesis 7b: The strength of the relationship between switching costs and repurchase intention will vary across service types.

ECONOMIC BONDS

Economic bonds can be found frequently in business-to-business marketing literature as part of functional or structural ties (Arantola, 2002; Liljander & Strandvik, 1995b). Economic bonds can be defined as the monetary perceived benefits or losses that customer receives from a service provider (Gwinner, Gremler & Bitner, 1998). These

bonds are perceived to be one of the most important bonds on acquiring customer relationships (Lin, Weng & Hsieh, 2003; Chiu et al., 2005) and can act as "a primary motivation for developing relationships" (Gwinner, Gremler & Bitner, 1998, p. 104). Therefore, economic bonds have an important impact on customers' attitude towards the service provider because they are "interpreted as indications of the service firms' capabilities" (Lin, Weng & Hsieh, 2003, p. 108).

Price and Reward Schemes

Pricing incentives, rewards and loyalty programs are the most frequently reported tools in the literature that could influence economic bonds (e.g. Berry, 1995; Chiu et al., 2005; Hsieh, Chiu & Chiang, 2005). However, this link has not been empirically tested yet, in relation to economic bonds. Therefore, it is proposed that reward schemes as well as price will increase the strength of economic bonds. The direction of this relationship is expected to be the same across all services, but the strength of the relationship is expected to vary. Chiu et al (2005) suggest that for 'stayers' - customers who are keep purchasing from the same service provider - monetary improvements and incentives will largely improve the utilitarian values of customers' perceptions. Thus, it is expected that the strength of the aforementioned relationship will be stronger for utilitarian rather than hedonic services.

Additionally, Hsieh, Chiu and Chiang (2005) propose that reward schemes and economical incentives are stronger for search services rather than experience and/or credence services. For search and standardised services customers can obtain full knowledge of the service outcome before the purchase, which makes price and rewards key advantage for promoting economic bonds (Hsieh, Chiu & Chiang, 2005). As a result, it would be expected that the relationship between price and reward schemes with economic bonds will be stronger for search services and highly standardised services (Group 3).

Hypothesis 8a: The better the price, the higher the economic bonds will be.

Hypothesis 9a: Reward schemes are positively associated with economic bonds.

Hypothesis 8b: The strength of the relationship between price and economic bonds will vary across different service types.

Hypothesis 9b: The strength of the relationship between reward schemes and economic bonds will vary across different service types.

Repurchase Intentions

Liljander and Roos (2002) argue that the economic bonds are the weakest of all bonds, leading only to 'spurious' relations. Spurious relations are based on very low loyalty and commitment levels, which in contrast to 'true' relations, can lead to lower repurchase intentions (Liljander & Roos, 2002). Therefore, when the main concern of the customer is the price or the discounts that s/he receives, then s/he will constantly check for the best deals in the market. This attitude "tend to yield a temporary state of loyalty [which] fails to contribute to the development of true relationships between the customer and provider" (Kinard & Capella, 2006, p. 364). DeWulf, Odekerken-Schröder and Iacobucci (2001) and Hennig-Thurau, Gwinner and Gremler (2000) suggested that any benefit coming from economic bonds might be easily eliminated as competing providers copy those bonds. Additionally, Gwinner, Gremler and Bitner (1998) found that economic benefits are the least important of all benefits and are rated below the midpoint in the context of maintaining service relationships across all Bowen's service groups (Group 1, 2 and 3). These findings indicate a negative relationship which is in line with Hennig-Thurau, Gwinner and Gremler (2000) research. Therefore, previous literature indicates that the relationship between economic bonds and repurchase intentions can exist only under certain conditions.

For services were economic bonds are more easily copied by competitors it is expected that the relationship will be stronger. For example, for search and utilitarian services where price is one important issue for customers' choice to stay with a service provider, the relationship between economic bonds and repurchase intentions is expected to be stronger. On the other hand, for highly customised services with high levels of contact it is not expected that economic bonds will have a strong impact as there are increased opportunities for other types of relational bonds to be developed

further, and minimise the strength from financial bonds (Gwinner, Gremler & Bitner, 1998). Therefore, the following hypothesis is formulated:

Hypothesis 10: The relationship between economic bonds and repurchase intentions will be moderated by the type of service.

SOCIAL BONDS

Social bonds or benefits are the most frequently examined ties in relationship and services marketing literature the last two decades (e.g. Gwinner, Gremler, and Bitner, 1998; Hennig-Thurau, Gwinner & Gremler, 2002). Gwinner, Gremler and Bitner (1998) were the first to bring social benefits in customer services marketing context through an extensive empirical attempt to explain relational benefits in the service industries. In this context social bonds can be defined as personal ties which include perceived feelings of "familiarity, personal recognition, friendship, rapport and social support" (Gwinner, Gremler, and Bitner, 1998, p. 102). Those feelings are driven by and evolved through interpersonal relationships between the customer and the employees (Chiu et al., 2005; Wu, 2011). Thus, social bonds are perceived to be particularly important in retention strategies (Gwinner, Gremler, and Bitner, 1998; Colgate et al., 2007; Reynolds & Beatty, 1999).

Service Quality – Delivery, Product, and Environment

Hennig-Thurau, Gwinner and Gremler (2002) support that customers' service quality perceptions play a central role in the communication between the employees and customers, which lead us to the assumption that there should be a strong association between service quality and social bonds. Aug (2005) is also supporting that interpersonal and social ties can be facilitated by the quality that each service provider delivers to their customer. It is apparent that service delivery, which concerns the employee-customer interactions, is expected to be strongly connected with social

bonds. Kinard and Capella (2006) emphasize that personal, and especially face-to-face, communication can be the most effective tools in enhancing this kind of bonding.

Berry (1995) points out that when competitive offering is strong, companies should aim to increase social bonding through the core product offering in order to maintain a strong relationship. Therefore, the core product itself is also important in maintaining social bonds at a certain level. More particularly, in the first stages of the relationship when the customer doesn't have a lot of experience with the service provider, and his/her judgment about the service performance is mainly based on the core product, service product characteristics such as reliability would be able to encourage customer's intention to engage into an interpersonal interaction with this service provider. Especially customization as part of the service product variable is closely related to the formation of social bonds (Berry, 1995), and thus it is expected that service product will have a positive influence on social bonds.

Service environment is also expected to influence social bonding. As emerged from the qualitative research, the atmosphere and the ambience of the place, where the interaction between the customer and the employee is taking place, is a very important factor in customer's social experience. For example, if the place, where the interaction occurs, is very dirty, noisy or smelly, then the customer most probably would not like to engage in any long discussions with the employee/s, something that would not help in creating or building social bonds. Based on the above reasoning, the following hypotheses are formulated:

Hypothesis 11a: Service delivery is positively associated with social bonds.

Hypothesis 12a: Service product is positively associated with social bonds.

Hypothesis 13a: Service environment is positively associated with social bonds.

Those relationships are expected to vary across service types (Wu, 2011). It is expected that those relationships are going to be stronger in high-contact, high-customised services as the customer has more opportunities to engage in social

interactions with the employees rather than in more low- contact and standardised services (Kinard & Capella, 2006; Gwinner, Gremler, and Bitner, 1998). Additionally, Hsieh, Chiu and Chiang (2005) found that social bonds are significant across search, experience and credence services with minor differences (higher values in experience services, followed by search and then credence services). Based on risk evaluation, Wu (2011) also found that social bonds are important primarily on experience services followed by search services, and they are not important in credence services. The rationale behind this is that credence services are high risk services where the outcome of the service performance cannot be evaluated based on lack of knowledge. These characteristics don't allow the customer to easily judge the quality of the interaction, something that can disturb the social bonding development (Wu, 2011). On the other hand, in experience services the customer can evaluate and judge the quality of service during consumption which provides the chance of more intense interpersonal interactions between the customer and the employee. In the same sense, for search services the service quality can be evaluated in some cases even before the purchase, which can motivate customers to engage in social interactions.

In the hedonic – utilitarian dichotomy it is apparent that social bonds are expected to be stronger in hedonic services. Hedonic services involve more interpersonal interactions associated with pleasant feelings, which can lead to stronger social ties than utilitarian services where interactions are not a primary characteristic. Nevertheless, the strength of social bonds in relation to service quality attributes for the collective – individual services dichotomy is not so apparent. Breaking down service quality, it would be expected that service environment is going to be stronger for collective services, where interactions with employees is also affected by the presence and interaction with other customers. On the other side, service delivery and service product will be expected to influence more social bonds in individual services, where the interaction between customer – employee is not dependent on or disturbed by other customers. Thus, the customer is focused on the product itself and his/her interaction with the employee. Based on these arguments the following is proposed:

Hypothesis 11b: **The relationship between service delivery and social bonds will vary across service types.**

Hypothesis 12b: **The relationship between service product and social bonds will vary across service types.**

Hypothesis 13b: **The relationship between service environment and social bonds will vary across service types.**

Repurchase Intention

Social bonds in marketing literature have been mainly examined in relation to satisfaction (e.g. Hennig-Thurau, Gwinner & Gremler, 2002), loyalty (e.g. Wu, 2011) or commitment (e.g. Hsieh, Chiu & Chiang, 2005). However, there is limited research that links directly social bonds with repurchase intentions. It is proposed by Jones et al. (2000) that interpersonal relations can affect positively repurchase intentions as they can act as a 'positive switching barrier', but principally for dissatisfied customers. This is also supported by Gwinner, Gremler, and Bitner (1998) who suggest that personal relationships are very strong and may go beyond satisfaction. Additionally, Gremler and Gwinner (2000) found that rapport which is one aspect of social bonds can influence customers' loyalty intention. Therefore, it is expected that the stronger the social bonds are, the highest the repurchase intentions will be.

Again, social bonds are expected to be stronger in relation to repurchase intentions for high-contact, customised services, with high experience values. As it is explained earlier, those kinds of services provide more opportunities for personal interactions (Kinard & Capella, 2006; Gwinner, Gremler, and Bitner, 1998). The same rationale applies for collective and hedonic services where personal relationships with the employees or even other customers are far more important compared to individual and utilitarian services, regarding their repurchase intention. The nature of these two services, collective and individual, incorporates the successful development of social bonds in order for the customer to be willing to repurchase (Hennig-Thurau, Gwinner & Gremler, 2000). Thus, the following hypotheses are proposed:

<u>Hypothesis 14a</u>: Social bonds are positively associated with repurchase intentions.

<u>Hypothesis 14b</u>: The relationship strength between social bonds and repurchase intentions will vary across service types.

CONFIDENCE BONDS

Confidence bonds are playing a key role in customer development based on marketing literature (e.g. Gwinner, Gremler & Bitner, 1998; Hennig-Thurau, Gwinner & Gremler, 2000). In the services marketing context, confidence is distinguished from trust in the sense that confidence is the benefit or bond which is created by trust (Hennig-Thurau, Gwinner & Gremler, 2002). In other words, trust is a belief (Yau et al., 2000) that can result in different levels of confidence which is described as a disposition or "tendency that leads one to act in a particular way" (Stankov & Lee, 2008, p. 962). In line with this perspective, Hennig-Thurau, Gwinner and Gremler (2002, p. 234) define confidence as "perceptions of reduced anxiety and comfort in knowing what to expect in the service encounter". This view of confidence is supported by psychology researchers to reflect one's attitude (Petty, Briñol & Tormala, 2002; Krishnan & Smith, 1998; Glasman & Albarracın, 2006) and includes reduced risk and anxiety, as well as faith in the provider (Chiou, 2004).

Reducing the risk in services can act as a 'safeguard' for the relationships and provide feelings of assurance to the customer (Berry, 1995). These feelings are taking over vulnerability and uncertainty which occur normally at the early stages of a relationship (Berry, 1995). As time goes by and relationships become more established, feelings of reduced anxiety and confidence are taking over and weaken feelings of risk by improving the knowledge of service outcomes (Kinard & Capella, 2006; Gwinner, Gremler & Bitner, 1998). Gwinner, Gremler, and Bitner (1998) found that confidence benefits are the most important ones and the most promising in retaining the customer for the long-run. Additionally, Hennig-Thurau, Gwinner and Gremler (2002) support

that in the absence of confidence it is not possible to build any strong customer - company relations.

Service Quality – Delivery, Product, and Environment

Gwinner, Gremler, and Bitner (1998, p. 102) state that although confidence benefits "may be inextricably tied to the quality of the core service, it is likely perceived as an independent benefit of long-term relationships—particularly when customers perceive that there are comparable quality providers in the market". Basic elements of service quality such as reliability (service product), expertise (service delivery) and neatness (service environment) are apparently closely linked with confidence bonds. The ability of the employees to inspire elements of trust and the assurance that the product will perform as promised can reduce the level of risk and anxiety and increase confidence, especially while customers keep re-purchasing. Additionally a neat and clean environment can affect the level of confidence that a customer might have to the service provider. For example, some respondents from the qualitative study stated 'if I would visit a dentist, and the office was dirty I would be obviously scared and unsure of the quality of his work'. Therefore it is expected that all service quality variables are going to positively influence confidence bonds.

Hypothesis 15a: Service delivery is positively associated with confidence bonds.

Hypothesis 16a: Service product is positively associated with confidence bonds.

Hypothesis 17a: Service environment is positively associated with confidence bonds.

The strength of these hypotheses is expected to change according to the service type. Kinard and Capella (2006) found that confidence benefits are stronger for high-contact and customized services (group 1 services) compared to standardised, moderate-contact services (group 3 services). In relation to service quality, it is expected to have the same results in this study too. The risk and the uncertainty of the outcome involved in high-contact, customised services, but also in credence services are much higher than in standardised and search services. Thus, it is more likely that credence

and customised services will promote confidence bonds through different service quality elements.

Additionally, Kinard and Capella (2006) found that the highest the personal involvement of the customer is, which occurs mainly in individual services, the stronger the confidence bonds can be. In this context Kinard and Capella (2006) suggest that the company's efforts and resources should be focused on increasing confidence bonds in order to have long-term, profitable customers. Finally, it is expected that confidence bonds and especially in relation to service product, would be stronger for utilitarian services where features and reliability of the product are more important as they concern the practical aspect of the service. Based on the above, the following hypotheses are proposed:

Hypothesis 15b: **The relationship between service delivery and confidence bonds will vary across service types.**

Hypothesis 16b: **The relationship between service product and confidence bonds will vary across service types.**

Hypothesis 17b: **The relationship between service environment and confidence bonds will vary across service types.**

Repurchase Intention

Confidence benefits have been examined in marketing literature in relation to satisfaction (Hennig-Thurau, Gwinner & Gremler, 2002), commitment (Morgan & Hunt, 1994) and loyalty (Kinard & Capella, 2006). There is no research that links confidence bonds to repurchase intention. However, a lot of studies link trust directly to repurchase intention (e.g. Chiou, 2004; Eisingerich & Bell, 2007). In all of these studies confidence is perceived to be one of trust's main constructs. Based on this and the emphasis that is given to the rationale that high confidence bonds can make customer remain and keep purchasing from the same provider (Berry, 1995; Hennig-Thurau, Gwinner & Gremler, 2002) the following hypothesis is proposed:

<u>Hypothesis 18a</u>: Confidence bonds are positively associated with repurchase intentions.

Again it is expected that the strength of this relationship will vary across service types. As discussed before, in services where the risk is high and there is high customization and contact, confidence bonds are expected to be stronger (Kinard & Capella, 2006). These services are credence and group 1 services, where the relationship between confidence bonds and repurchase intentions depend highly on customers' faith on the service provider as they cannot easily (or at all) evaluate the outcome. In regards to the other two typologies, it is expected that the aforementioned relationship is going to be stronger for individual and utilitarian services.

In utilitarian services where cognitive characteristics of the service are more dominant and expectations are more countable than in hedonic services (Ng, Russell-Bennett & Dagger, 2007), elements of confidence such as reduced risk and anxiety, can play a more important role on customers' decision to repurchase from the same service provider. On the other hand in individual services, customers' decision making of re-purchasing depends solely on service provider's performance, without interruptions from other customers as it happens in collective services. Thus, in individual services, customers depend more on their confidence that the service provider will fulfil its promises rather than in collective services. In collective services even if the customer has great faith on the service provider, there are always the other customers who can disturb this relationship. Therefore, the following general hypotheses are proposed:

<u>Hypothesis 18b</u>: The relationship strength between confidence bonds and repurchase intentions will vary across service types.

CONVENIENCE BONDS

Convenience bonds are not very thoroughly researched in the services marketing context. Few studies have incorporated convenience bonds in their research either as a part of functional benefits in the B2C context (e.g. Pau et al., 2009; Reynolds and Beatty, 1999) or as time bonds in the B2B context (e.g. Arantola, 2002). Arantola (2002, p. 102) defines time bonds as "customers' perceived convenience and time saving benefits" which encourage them to stay in the relationship. Under the same rationale, Paul et al. (2009) define convenience benefits as "the customer benefits because s/he saves time and effort" (p. 222). Convenience bonds can also be defined as the search and decision costs related to the purchase (Chandon, Wansink & Laurent, 2000; Reynolds and Beatty, 1999). Dimitriadis (2010) adds that as convenience bonds are increasing the relationship between the company and the customer becomes easier, simpler and more effective. He also emphasizes the complexity aspect of 'convenience' construct in addition to the time and effort saving (Dimitriadis, 2010). Therefore, convenience is another important element of relationships that can act as a bond, and can be one of the reasons why customers stay in a relationship. Especially in the last ten years, some very established researchers, such as Berry, Seiders & Grewal (2002), Paul et al. (2009) and Seiders et al. (2007), emphasize on the importance of looking into convenience variable in the service context.

Service Quality – Delivery, Product, and Environment

Berry, Seiders and Grewal (2002) propose that services' operations and actions can 'dramatically' influence perceived convenience. More specifically, they propose that service environment plays an important role on convenience perceptions (Berry, Seiders & Grewal, 2002). For example, if the environment can fill up the 'waiting' time, then convenience perceptions are more positively related to service environment (Berry, Seiders & Grewal, 2002). On the other hand, if time is unoccupied and there are negative environmental elements, like smelly or dirty environment, time might feel longer than it actually is and tolerance to inconvenience might decrease (Berry, Seiders & Grewal, 2002). In the same sense, service product and delivery can influence feelings of convenience. For example, product features and availability can affect time

and efforts invested by the customer, and promote convenience (Berry, Seiders & Grewal, 2002). Additionally, quickness, expertise and motivation or even low pressure can also promote convenience, as the process of purchasing becomes easier and effortless in customers' perception (Berry, Seiders & Grewal, 2002). Therefore, it is expected that all service quality elements will have a positive influence on convenience bonds.

<u>Hypothesis 19a:</u> Service delivery is positively associated with convenience bonds.

<u>Hypothesis 20a:</u> Service product is positively associated with convenience bonds.

<u>Hypothesis 21a:</u> Service environment is positively associated with convenience bonds.

Berry, Seiders and Grewal (2002) support that convenience can be perceived differently by the customer according to service type. For example, customer might have higher levels of tolerance to inconvenience in respect to how quick the service is delivered (service delivery) when the service is high risk or the outcome is highly valued – e.g. credence services (Berry, Seiders & Grewal, 2002). Additionally, the relationship between service quality elements and convenience is expected to be stronger for more standardised and search services. The search and decision cost in those services is more important and convenience bonds can minimize this cost (Chandon, Wansink & Laurent, 2000). On the other side, for high contact, customised services where personal participation is higher, customers are willing to wait more. Especially, when customers are highly involved in the production process, they are more tolerant to inconvenience (Berry, Seiders & Grewal, 2002).

As far as the utilitarian – hedonic dichotomy - is concerned, Mimouni-Chaabane and Volle (2010) suggest that convenience benefits in relation to the core service quality offering (e.g. service product) are stronger when utilitarian values are more dominant than hedonic values. The reasoning for this argument lies on the nature of utilitarian services which are more concerned with the practical aspects of the service, such as time and effort (Mimouni-Chaabane & Volle, 2010). Based on these arguments it is

expected that there are going to be some variations in the aforementioned relationships based on the service type:

Hypothesis 19b: The relationship between service delivery and convenience bonds will vary across service types.

Hypothesis 20b: The relationship between service product and convenience bonds will vary across service types.

Hypothesis 21b: The relationship between service environment and convenience bonds will vary across service types.

Location

There are some researchers that perceive location as a construct of convenience named 'locational convenience' (e.g. Jones, Mothersbaugh & Beatty, 2003). In the current study location is measured based on the proximity of the service provider and not the convenience, and it is a tool controlled by the company. On the other hand convenience is a bond developed by customers based on the experience that they had with the service provider. Therefore, location and convenience are examined as two different variables, but it is highly expected that there should be a strong link between the two. This is also supported by Jones, Mothersbaugh and Beatty (2003) who argue that convenient location is a small part of the broader convenience variable and can influence positively the rest dimensions of convenience such as time and effort. Additionally, Berry, Seiders and Grewal (2002) propose that the longer the customers have to wait or to travel to reach a destination, the higher the psychological stress will be which can lead to feelings of inconvenience. Therefore it is expected that the better the proximity of the location is, the higher the convenience bonds will be:

Hypothesis 22a: Location is positively associated with convenience bonds.

In the same study, the researchers emphasize the differential effect of this relationship according to the type of service (Jones, Mothersbaugh & Beatty, 2003). They support that location in relation to convenience act as a peripheral rather than core service offering. This means that services with less personal contact and more standardised services might focus more on this relationship rather than other service types which are focusing more on the core service offering (Jones, Mothersbaugh & Beatty, 2003). These characteristics are mainly in search services and group 3 services. However, their findings showed that there was no significant difference across services (Jones, Mothersbaugh & Beatty, 2003). This might be based on the argument that the relationship between convenience and location is also important for the services where the customers have to travel in order to receive the service (Jones, Mothersbaugh & Beatty, 2003). High contact and high customised services (group 1) and experience/credence services are included in this category.

The same rationale is applied also to the other two typologies: collective/individual and hedonic/utilitarian services. It seems that the relationship between convenience and location is going to be equally important. Firstly, regardless of the service being consumed individually or collectively the same amount of effort and time to travel is associated to both typologies, so the relationship can be equally important for both service types. Secondly, for hedonic services the time saved from travelling will result in more time spending enjoying the service, whereas in utilitarian services the practical aspects of convenient location can affect the aforementioned relationship. Therefore, as there is no indication in services literature or in the qualitative study that the relationship between location and convenience will differ significantly across different service types, in the services context it is hypothesised that:

Hypothesis 22b: The strength of the relationship between location and convenience bonds will not vary across service types.

Repurchase Intention

Based on some of the most recent studies, different forms of convenience has been empirically examined in relation to satisfaction (e.g. Dimitriadis, 2010), loyalty intentions (e.g. Wagner, Hennig-Thurau & Rudolph, 2009), behavioural intentions (Seiders et al., 2007) and repurchase intentions (Jones, Mothersbaugh & Beatty, 2003). However, the results of those studies do not end up to the same conclusions. Additionally, the direct link between convenience bonds and repurchase intentions as defined at the present study has not been examined in the literature yet. Wagner, Hennig-Thurau, and Rudolph (2009) examined convenience benefits as part of a boarder variable, called customers benefits which also included recognition benefits. In their research they found that customer benefits are positively related to loyalty intentions. Furthermore, Seiders et al. (2007) in their research examined convenience benefits in relation to behavioural intentions and found a positive link. Behavioural intentions, however, are somewhat different from repurchase intentions, as the former, apart from repurchase intentions, include also word-of-mouth (Seiders et al., 2007).

On the other hand, Jones, Mothersbaugh, and Beatty (2003) examined the relationship between locational convenience and repurchase intention, and found that there is no significant relationship. The main rationale behind these findings is that convenience can influence positively repurchase intentions only under certain service conditions (Jones, Mothersbaugh & Beatty, 2003). These conditions include satisfaction levels and the type of service (Jones, Mothersbaugh & Beatty, 2003). Based on these arguments, it is expected that the relationship between convenience bonds and repurchase intention will be positive only for some types of services. For example, services with more personal involvement and higher utilitarian values, where practical issues like time and effort are more important, convenience is expected to have significant contribution to customers' decision to repurchase in the future. But for hedonic or collective services, where pleasure and social interactions are more dominant on customers' decision making to repurchase in the future, convenience might not contribute significantly on this decision. In addition, Jones, Mothersbaugh, and Beatty (2003) found that convenience do not contribute significantly in customers' intention to repurchase, especially for customised services. This can be rationalised based on the higher tolerance levels of inconvenience that customers might have

because they expect that a service might take longer when it has to be customed on their specific needs. Therefore, it is expected that:

<u>Hypothesis 23</u>: The relationship between convenience bonds and repurchase intentions is moderated by the type of service.

EMOTIONAL BONDS (POSITIVE AND NEGATIVE)

As it is described earlier in this chapter, bonds differentiate from benefits in the sense that bonds are more holistic and incorporate both positive and negative sides, whereas benefits include only the positive side of ties. Especially for the emotional bonds, which can be much more intensified in nature than all the other bonds and influence strongly the consumption experience, it is very important to consider both positive and negative sides (Arantola, 2002; Richins, 1997). Therefore, in this study both sides of emotional bonds are being examined, as they are gaining a great amount of attention lately in different studies (Mattila & Enz, 2002).

Emotional attachment is a commonly examined construct in consumer psychology (e.g. Park & MacInnis, 2006; Thomson, MacInnis & Park, 2005) brought from social psychology literature where it is examined in human relationships. In marketing literature there are several studies that define and measure emotional attachment in different ways; e.g. favourability, satisfaction and involvement. Thomson, MacInnis and Park (2005) distinguish emotional attachment from these constructs and argue that emotional attachment goes beyond these constructs in the following ways:

1) <u>Emotional attachment – Favourability</u>: Favourability is a reaction to an object that might fade away, without the condition of having an experience with the object. On the other hand, emotional attachment develops over time through interactions between the individual and the object (Thomson, MacInnis & Park, 2005).

2) Emotional attachment – Satisfaction: Satisfaction is the evaluation of the object that can happen right after consumption, without the condition of gradually laden emotional development. On the other hand, emotional attachment cannot de developed in an instance right after a consumption experience and needs a sequel of interactions which can lead to emotional development (Thomson, MacInnis & Park, 2005).
3) Emotional attachment – Involvement: Involvement refers to the 'mental readiness' which involves also cognitive processes that controls the consumption. However, emotional attachment goes beyond "mental readiness and resource allocation as it is often beyond one's volitional control" that refers mainly to emotions rather than cognition (Thomson, MacInnis & Park, 2005, p. 79).

Based on a scale development and an extensive empirical research, Thomson, MacInnis and Park (2005) have developed a new measurement of emotional attachment which includes the following emotion items: affection, connection and passion. This is also the approach of emotional attachment description that the present study is adapting, as it is the most comprehensive scale and incorporates most of the previous research developed in the field.

Emotional attachment can be often found in the literature under different labels. In some, mainly conceptual studies, emotional attachment has been described as 'psychological bonds' (e.g. Arantola, 2002; Liljander & Strandvik, 1995). However, caution should be taken when using this term, as some established empirical studies in marketing literature has been using the term 'psychological benefits' to describe trust, confidence or even privilege and welcomeness (e.g. Sweeney & Webb, 2002; Gwinner, Gremler & Bitner, 1998; Paul et al., 2009). To avoid any conceptual confusion, in this study emotional attachment is labelled as 'positive emotions' and refers to customers' perceived affective attitudes. The word positive is used to stress out that these bonds represent only the positive side of emotional bonds, and to distinguish them from negative emotions which represent the exact opposite side.

In line with the above, 'negative emotions' refers to the negative perceived feelings, such as anger, frustration, irritation and annoyance (Wagner, Hennig-Thurau & Rudolph, 2009). These feelings were found to be the most active and relevant in consumption experience (Richins, 1997; Bougie, Pieters & Zeelenberg, 2003; Bagozzi, Gopinath & Nyer, 1999). Additionally negative emotions were found to have a stronger impact on customers' repurchase decisions (e.g. Wagner, Hennig-Thurau & Rudolph, 2009). Thus, identifying what kind of emotional bonds, positive or negative, can be triggered by service actions and consequently influence repurchase intentions would be crucial especially in the service context, where opportunities of interaction with the personnel are increased (Vlachos et al., 2010).

Service Quality – Delivery, Product, and Environment

Service quality and certain elements of service quality, such as quickness, fairness, availability, features, and atmosphere, has been found to influence both positive and negative emotions in different studies (e.g. Voorhees et al., 2009; Bougie, Pieters & Zeelenberg, 2003; Jang & Namkung, 2009; Wong, 2004). In the service context both intangibles and tangibles aspects, such as delivery, product and environment can stimulate the customer's emotional state (Jang & Namkung, 2009). For example, positive emotions like affection or connection could be triggered by a compassionate employee, the reassurance of the reliability of the service or the pleasant atmosphere (Jang & Namkung, 2009). On the other hand, negative emotions like anger and frustration could be triggered by a rude employee, waiting log time, failure in core service product features or dirty space (Bougie, Pieters & Zeelenberg, 2003; Voorhees et al., 2009). Therefore it is expected that all service quality attributes will have a positive influence on positive emotions and a negative influence on negative emotions:

Hypothesis 24a: Service delivery is positively associated with positive emotions.

Hypothesis 25a: Service product is positively associated with positive emotions.

Hypothesis 26a: Service environment is positively associated with positive emotions.

<u>Hypothesis 27a:</u> Service delivery is negatively associated with negative emotions.

<u>Hypothesis 28a:</u> Service product is negatively associated with negative emotions.

<u>Hypothesis 29a:</u> Service environment is negatively associated with negative emotions.

Those relationships are expected to differ according to the service type. As there are no previous researches that explore these relationships across different services, the nature of the following hypotheses is exploratory and therefore the strength of the relationships cannot be theoretically based. However, it would be expected that the higher personal participation and contact with the service provider, the higher the influence that service quality would have on customers' emotions (Mattila & Enz, 2002). The rationale for this argument lies on the fact that these types of services (e.g. individual, experience and group 1) have more opportunities to interact with the customer and thus more opportunities to influence their emotional state. In addition, in these services customers are able to participate actively during the delivery process which means that customers' emotional states can be affected not only after the consumption but also during the consumption (Bloemer & Ruyter, 1999). Moreover, it would be expected that the core product service would influence positive emotions mainly for hedonic services, whereas for utilitarian services the core product service would influence more the negative emotions. This would happen because it is easier in hedonic services to trigger those feelings, where the feelings of joy and pleasure are more important. On the contrary, in utilitarian services where more practical aspects are concerned, negative emotions would be easier triggered by a service failure. To sum up, the following hypotheses are proposed:

<u>Hypothesis 24b:</u> The relationship between service delivery and positive emotions will vary across service types.

<u>Hypothesis 25b:</u> The relationship between service product and positive emotions will vary across service types.

<u>Hypothesis 26b:</u> The relationship between service environment and positive emotions will vary across service types.

Hypothesis 27b: **The relationship between service delivery and negative emotions will vary across service types.**

Hypothesis 28b: **The relationship between service product and negative emotions will vary across service types.**

Hypothesis 29b: **The relationship between service environment and negative emotions will vary across service types.**

Price and Reward Schemes

Price is one of the main services tool that determines whether the customer is going to continue purchasing or not from the same service provider. Thus, its influence on positive and negative emotions is very important for companies to determine their pricing strategy and allocate their resources accordingly. As Roos (1999) is suggesting when there is a customer who is happy or angry, the price might be one of the reasons for this emotional state. The influence of price on emotions has not been acknowledged in marketing literature for many years since the last decade when few researchers started investigating this relationship (O'Neil & Lambert, 2001; Suri, Manchanda & Kohli, 2002; Peine, Heitmann & Herrmann, 2009; Zielke, 2011).

First, O'Neil and Lambert (2001) investigated this relationship but from a different point of view. They examined how emotions can influence customers' perceptions on price information and found that emotions like surprise and enjoyment can positively influence customers' reaction to prices (O'Neil & Lambert, 2001). Then, Suri, Manchanda and Kohli (2002) examined how fixed and discounted prices influence customers' emotional responses. They found that lower fixed prices have a higher effect on customers' emotions than occasional discounted prices (Suri, Manchanda & Kohli, 2002). However, Peine, Heitmann and Herrmann (2009) criticized their research stating that they "did not establish the criterion validity of their affective constructs (e.g., happiness) in predicting consumer behaviour" (p. 40). More recently, Peine, Heitmann and Herrmann (2009) examined customers' emotional reactions to price information. They developed a price affect conceptual framework that took into

account both positive and negative sides of emotions (Peine, Heitmann & Herrmann, 2009). Their findings indicate that under higher prices the negative emotions were increased whereas the positive emotions were decreased (Peine, Heitmann & Herrmann, 2009). In line with these results, Zielke (2011) showed that the price-level as perceived by customers can have a positive influence on positive emotions and negative influence on negative emotions.

Certain events can be perceived either as beneficial, producing positive emotions, or as harmful, producing negative emotions (Lazarus, 1991; Peine, Heitmann & Herrmann, 2009). Roseman, Spindel, and Jose (1990) argue that these events can be either consistent or inconsistent in relation to customers' motives and goals. In the case of motive-consistent event (e.g. price is as expected or better) positive emotions will be increased. Likewise, in case of motive-inconsistent events (e.g. price is worse than expected) negative emotions will be increased (Roseman, Spindel & Jose, 1990). Therefore it is hypothesized that:

<u>Hypothesis 30a:</u> The better the price expectations the higher the positive emotions.

<u>Hypothesis 31a:</u> The worse the price expectations the higher the negative emotions.

Price incentives, rewards and loyalty programs can also influence the emotional state of the customer (Melancon, Noble & Noble, 2011; Henderson, Beck & Palmatier, 2011; Honea & Dahl, 2005). Most of the rewards schemes are designed in order to promote positive feelings toward the service provider. Especially, if the reward schemes apart from economic rewards include interactive rewards as well, then emotions of affection is more possible to be raised (Melancon, Noble & Noble, 2011; Henderson, Beck & Palmatier, 2011). In an extensive review of the literature which summarizes the most important research in loyalty programs, Henderson, Beck and Palmatier (2011) concluded that reward programs can influence emotional attachments especially feelings of connection and affection. However, there is no indication of rewards schemes influencing negative emotions directly (Henderson, Beck &

Palmatier, 2011). The only connection that Henderson, Beck and Palmatier (2011) found was merely through perceived fairness which in turn can affect negative emotions. In this study though, this is not the case, thus it is not expected that reward schemes are going to influence significantly negative emotions. Based on those arguments it is expected that:

Hypothesis 32a: Reward schemes are positively associated with positive emotions.

Hypothesis 33a: Reward schemes are not associated with negative emotions.

The strength of the aforementioned relationship (except H8d) is expected to be different according to the service type. As it has been reported in previous sections, price, incentives and rewards are mainly focusing on utilitarian aspects of the consumption, therefore it is expected that in those services the above relationships will be stronger (Chiu et al., 2005). Additionally, for search and more standardized services where the customer can collect price information and predict the outcome of the result, the relationship between price/rewards and emotions is expected to be stronger (Hsieh, Chiu & Chiang, 2005). In these services, customers can also retrieve accurate information about the competitive offering, therefore their expectations are higher and their influence on the emotional state might be more intensified. Thus, it is expected to have variations across service types:

Hypothesis 30b: The relationship between price and positive emotions will vary across service types.

Hypothesis 31b: The relationship between price and negative emotions will vary across service types.

Hypothesis 32b: The relationship between rewards and positive emotions will vary across service types.

Repurchase Intention

Based on the psychological literature regarding affect-judgement theories, strong emotions such as anger and affection can motivate cognitive processes directly, whereas other infusion of attitudes, such as moods (good/bad mood), cannot motivate directly (Forgas, 1995). This strong influence of emotions is also supported in the marketing literature (Jones 2007). Previous researches in the field have examined the relationship between positive and negative emotions with intentions in the following forms of intention; behavioural intentions (Jang & Namkung, 2009), shopping/purchase intentions (Zielke, 2011; Peine, Heitmann & Herrmann, 2009) and repurchase intentions (Gountas & Gountas, 2007). All these recent researches indicate the growing interest of the field in capturing both sides of emotions, positive and negative, in trying to explain customers' intentions.

The results of these researches are somewhat conflicting. Jones et al. (2007) unexpectedly found that positive emotions are not significantly related to repurchase intentions, whereas negative emotions are. Similar results were also found by Zielke (2011). Another unexpected empirical result came from Jang and Namkung (2009) who found the opposite; that negative emotions are not significantly related to behavioural intentions, whereas positive emotions are. All of these studies did not expect those results and tried to explain them, basing their arguments on the nature of their sample or measurement. However, this study will try to test these relationships and provide evidence that strong emotions can influence intentions. Therefore, it is hypothesised that higher positive emotions will increase repurchase intentions and higher negative emotions will decrease repurchase intentions:

Hypothesis 34a: **Positive emotions are positively associated with repurchase intentions.**

Hypothesis 35a: **Negative emotions are negatively associated with repurchase intentions.**

The strength of those relationships is expected to differ across services. Firstly, on the hedonic-utilitarian dichotomy, it is logically expected that positive emotions will be stronger for hedonic services whereas negative emotions will be stronger for utilitarian services. In regards to positive emotions, Ng, Russell-Bennett and Dagger (2007) imply that emotional benefits are more effective on hedonic services, as the nature of these services is based on positive emotions. In regards to negative emotions on the other hand, their effect on repurchase intention is expected to be higher for utilitarian services, as in hedonic services a certain affective level already occurs because of the nature of the service, which can suppress the negative effect.

For collective and individual services, it is expected that positive emotions might not differ significantly between them, but it is expected that negative emotions will do. Negative emotions can be stronger in some cases than positive emotions based on the prospect theory (Kahneman & Tversky, 1979; Jones et al., 2007). In particular, if the service is consumed individually it is expected that negative emotions might affect more customers' intentions. In individual services the negative feeling that the customer is experiencing cannot be shared at the moment with anybody else, it can only be forwarded towards the service provider. On the other hand as collective services are consumed with other customers who share a common goal (Bagozzi, 2000), a negative feeling can be shared among the group and feelings of comfort may 'ease down' the negative effect on customers' perception.

Furthermore, both positive and negative emotions in relation to repurchase intentions are expected to have higher impact for experience and high contact services. As it has been mentioned in previous sections, in these services it is more likely to have personal interactions (Kinard & Capella, 2006; Gwinner, Gremler, and Bitner, 1998) which increase the probabilities of positive or negative emotions to develop and influence customers' intentions. Therefore it is proposed that there are going to be differences across services:

<u>Hypothesis 34b:</u> The relationship between positive emotions and repurchase intentions will vary across service types.

<u>Hypothesis 35b:</u> The relationship between negative emotions and repurchase intentions will vary across service types.

HABIT BONDS

In social psychology habit is perceived as a psychological process rather than a repeated behaviour (Verplanken & Orbell, 2003; Limayem, Hirt & Cheung, 2007; Verplanken, Aarts & Knippenberg, 1997; Verplanken, 2006). Habit, in that sense, can be defined as an automatic response to "certain cues, and not frequency of behavior as such, that determines the occurrence of future behaviour" (Verplanken & Orbell, 2003, p. 1314). In other words, habit is a mental process which lies between a certain goal and a behavioural intention, without the need for any conscious decision-making (Ji & Wood, 2007; Verplanken & Orbell, 2003; Limayem, Hirt & Cheung, 2007). Accordingly, as it has been mentioned on the conceptual model description, habit reflects an automatic response disposition rather than a past behavioural frequency (Verplanken & Orbell, 2003; Neal et al., 2006; Ajzen, 2012).

The importance of this bond is acknowledged in services marketing literature. Especially in studies that examine repurchase service intentions, it is crucial to examine the influence of habit, but more importantly to examine how different service performances or cues can – if they do – trigger habits. Although in consumer behaviour and relationship marketing the link between habit and intention has been extensively examined (e.g. Papassapa, Miller & Groth, 2009), the link between service actions and habit has not been empirically examined yet in services marketing; therefore, the nature of some of the following hypotheses is exploratory. Ji and Wood (2007) highlight the importance of finding and measuring the performance cues that could trigger habit because "past behavior frequency by itself does not adequately capture the cuing mechanism that promotes habit performance" (p. 274). Indications from social psychology, consumer behaviour (Belk, 1975) and the preliminary research of this study, propose that habit could be connected to service quality and location.

Service Quality – Delivery, Product, and Environment

East et al. (1994) suggested that consumers can create habits especially about what they buy and where they buy it. As the customer is satisfied and used to a specific product from a specific service provider, then s/he might develop a habitual attitude towards that specific product. The features or even colour and style of the product can trigger the psychological process of automatic and unconscious customer responses (Babin, Hardesty & Suter, 2003; Ji & Wood, 2007). In addition, relevant environment is another important factor that can automatically trigger cues which are going to initiate habit (Limayem, Hirt & Cheung, 2007). Based on this, it is expected that the service product and service environment will be positively related to habit bonds. However, there is no indication that service delivery can initiate the habit mechanism. This is reasonable, as delivery applies more to the employee – customer relationship, and it is characterised by high levels of variability (Lovelock, 1983). High levels of variability means that delivery might be different each time, and this, consequently, is something that cannot create a pattern which could trigger automatic responses. Therefore, it is not expected to have any links between service delivery and habits.

Hypothesis 36a: Service product is positively associated with habit bonds.

Hypothesis 37a: Service environment is positively associated with habit bonds.

Ji and Wood (2007) support that the presence of other people in the environment where the service is operating, can empower the strength of the environment cue. In collective services, other customers are also a part of the environment, thus it is expected that for collective services the relationship between service environment and habit will be stronger than in individual services. This is also expected for hedonic services where the environment is important for customers' satisfaction. On the contrary, in individual and utilitarian services it is expected that service product in relation to habit will be more important than in collective and hedonic services. When the service is consumed individually without other customer involved in the purchase decision making, the customer is more focused on the product itself. Consequently

cues coming from the features of the product can have a stronger influence on habit bonds.

Hypothesis 36b: The relationship between service product and habit bonds will vary across service types.

Hypothesis 37b: The relationship between service environment and habit bonds will vary across service types.

Location

Habitual attitudes can also be activated by the place where the service provider is located (East et al., 1994). This is also supported by Li and Wood (2007) who suggest that physical location can be one of the cues that can trigger habit. When the service is well located then the customer has the opportunity to visit this provider more frequently. This routine can provide an automatic cue that can lead to habit bonds. Therefore the relationship between location and habit bonds is expected to be positive.

Again, the strength of the relationship in this case will depend on the type of service. In a recent study, Wu (2011) supports that in standardised services with low contact levels as well as in search services, location is one of the most important factors that could lead to habitual actions compared to the rest of the services. This is explained on the rationale that these providers offer more easily available services, which makes locational access easier and more frequent (Wu, 2011). Easier access and availability can enhance the psychological process of automatic response, as no barriers and conscious obstructs can disturb this process. Therefore it is expected that the strength of the relationship for these services between location and habit will be the strongest compared to all other typologies. This leads to the following:

Hypothesis 38a: Location is positively associated with habit bonds.

Hypothesis 38b: The strength of the relationship between location and habit bonds depends on the type of service.

Repurchase Intention

Li and Wood (2007) found that the relationship between habit and intention is very strong and positive. On the other hand, Limayem, Hirt and Cheung (2007) support that when habits are strong their relationship with intention is not so strong, as habit at that point goes beyond intention. Therefore, they propose that habits can act as moderator between intention and behaviour. However, in their research Limayem, Hirt and Cheung (2007) link habit to the frequency of past behaviour rather than the psychological triggers which can initiate an automatic response. Since in this study habit is perceived as a psychological process rather than past frequency, it is expected that the relationship between habit and intention will be positive and the strength will vary across different service types.

Li and Wood (2007) imply that the relationship between habit and intention would be stronger for services that are linked to hedonic values, for example driving to their favourite restaurant. The fact that this is their favourite restaurant can create a powerful association in customers' mind that driving to reach the location of the restaurant is a pleasant process, which can be activated automatically every time they drive to this place. This association makes the relationship stronger for hedonic services.

Additionally, it is expected that search and more standardised services are going to provide stronger links between habit and intentions, compared to credence and more customised services. Standardised and search services provide a predicted and expected outcome for the customer, which tends to remain the same and this consistency can lead to stronger habits (Limayem, Hirt & Cheung, 2007). On the other hand in high contact and high customised services, as well as in credence and experience services, it is expected that the link between habit and intention will be less powerful. These services have higher levels of variation during consumption, which means that the outcome of the consumption might be totally different each time. Variation and changes are not helping to enhance habits, as they do not lead to a certain pattern of an unconscious repeated response (Limayem, Hirt & Cheung, 2007). Thus, the following hypotheses are proposed:

<u>Hypothesis 39a</u>: Habit bonds are positively associated with repurchase intentions.

<u>Hypothesis 39b</u>: The relationship strength between habit bonds and repurchase intentions will vary across service typologies.

NON-HYPOTHESISED RELATIONSHIPS (ACTIONS –BONDS)

As it has been mentioned, not all possible combinations of relationships have been hypothesised in this model. The main reasons for that are: 1) no theoretical evidence indicates that there are any relationships between those variables, 2) no indication of such relationships could be interpreted through the qualitative study of this thesis and 3) no reasoning could explain this kind of relationships. However, as this is a new conceptual idea and a main part of this thesis has an exploratory nature, it was important to take into consideration these relationships when analysing the results since they act as control variables. The next tables present the relationships that have not been hypothesised, followed by a short justification:

Table 8: Price and Rewards non-hypothesised relationships

Service Actions	Relational Bonds
Price and Reward Schemes	Habit bonds
	Social Bonds
	Confidence Bonds
	Convenience Bonds

All of the illustrated bonds in table 8 (habit, social, confidence and convenience) have something in common; they need time to be built. Therefore, it is expected that in the early stages of relationship development they might either be low or they might not even exist. On the other hand, as it has been already explained, price and incentives can influence customers' attitudes on the lower levels of relationship development. This occurs at the beginning of the relationship. Based on this rationale, and the lack of

any theoretical background which can link these variables, these relationships have not been hypothesised.

Table 9: Service Quality attributes non-hypothesised relations

Service Actions	Relational Bonds
Service Quality attributes	Economic bonds

Service quality attributes were not hypothesised to be related to economic bonds. Based on previous research, there are strong indications that economic bonds can be influenced by price and reward schemes, which is the most obvious link among all service actions. However, there was no indication that economic bonds could be linked to service quality attributes such as delivery, product and environment. This is reasonable as these attributes are not related to monetary aspects of the service. As a result, it is not reasonable to link constructs with no monetary aspects to bonds that needs monetary cues to be triggered.

Table 10: Location non-hypothesised relations

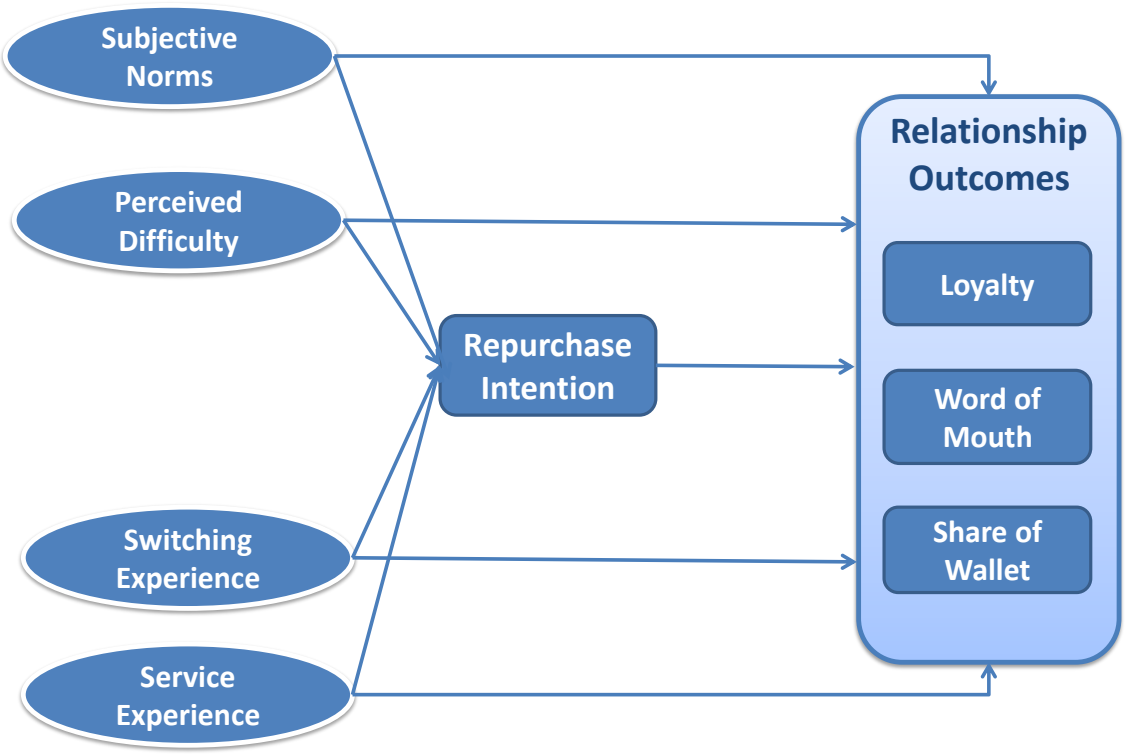
Service Actions	Relational Bonds
Location	Economic bonds
	Social Bonds
	Confidence Bonds
	Emotional Bonds

Although there are no theoretical arguments assuming that service actions (delivery, product, environment, price and reward schemes) are highly independent from each other, location is somewhat uncorrelated (Yoo, Park & MacInnis, 1998). Therefore, location is hypothesised only with those relational bonds (switching costs, habit and convenience) that had a theoretical base and a practical reason to be examined. However, relational bonds like economic, social, confidence and emotional bonds are not hypothesised in relation to location, as there was no indication of such a relationship neither through the preliminary qualitative study nor the relevant literature.

RELATIONSHIP OUTCOMES

The following sections will provide the theoretical base for the explanation of the hypotheses depicted in the following figure 18.

Figure 18: Hypotheses between Repurchase Intentions, Subjective Norms, Perceived Difficulty, Prior Experience and Relationship Outcomes.



This research is focused on both attitudinal and behavioural outcomes of a relationship that can affect the overall profitability of the company. The key relationship outcomes that have already been reviewed in customer relationship management literature and fit in the services marketing context are loyalty, word of mouth, and share of wallet. The attitudinal relationship outcomes are mainly represented by customer loyalty which in this context is focuses on the positive feelings and affect customers have towards the continuance of a relationship with a service provider (Teerling et al., 2004). The link between customer loyalty and company's profitability has been extensively reviewed

both empirically and theoretically in the literature (e.g. Oliver, 1999; Berry, 1995) and in some cases loyalty has been argued to be the most crucial driver of long-term profitability for a company (Eisingerich & Bell, 2007). Thus it has been established that loyalty is positively associated with profitability either through reduced cost effects or increased returns per customer (Hennig-Thurau, Gwinner & Gremler, 2002). As it is widely accepted the last two decades, retention strategies is much more economical than acquisition strategies, therefore cost can be reduced through retaining loyal customers. On the other hand, customer loyalty can also increase profits as there are many more opportunities for cross-selling and up-selling strategies among the loyal customers.

Word of mouth is another powerful relationship outcome that could increase profitability. It is defined as an informal interaction between a consumer and other potential consumers, regarding the evaluation of the service/product or general impressions of consumption experience (Hennig-Thurau, Gwinner & Gremler, 2002). Thus, word of mouth can initiate future consumption of potential customers, especially for services that are characterised by high risk (Sheth, Mittal & Newman, 1999). This can also reduce cost and increase revenues as the attraction of new customers is costless coming from the existing customers, and these new customers can increase volume of sales.

The last relationship outcome, share of wallet, is more self-explanatory in relation to company's profitability. Share of wallet is a relatively new conceptualization in the marketing literature that attracted a lot of attention during the last decade (Zeithaml, 2000). Share of wallet refers to the "consumer's brand-level spending in a given product category, and hence, it is one way to measure behavioral loyalty" (Wirtz, Mattila & Lwin, 2007, p. 328). Garland (2004) supports that share of wallet is the most effective measure in terms of consumers' contribution to company's profitability. Additionally, share of wallet is one of the few relationship outcome measures that capture the 'competitive aspect' (Reinartz, Thomas & Kumar, 2005). Thus, it has been both empirically and theoretically established in the literature, that share of wallet is one important determinant of profitability (e.g. Du, Kamakura & Mela, 2007; Reinartz,

Thomas & Kumar, 2005; Garland, 2004). Therefore, loyalty, word of mouth and share of wallet can affect the organisation's profitability and are included in the present conceptual model as the most effective measurements for customers' relationship outcomes. The following sections provide the proposed relationships between those outcomes and subjective norms, perceived difficulty, prior experience and repurchase intentions.

SUBJECTIVE NORMS

As it has been already outlined in the conceptual model description subjective norms is one of the components of the Theory of Planned Behaviour which together with attitudes and perceived control can influence intentions. Subjective norms reflect an individual's social perceived pressure to perform or not a specific behaviour (Ajzen & Fishbein 1980; Bansal, Taylor & James, 2005; Sandberg & Conner, 2008). People that are important to an individual can create a desire to this individual to conform or not with what it is expected from him/her to do. In services marketing, subjective norms reflect the social influence (family members, friends or peers) on a customer to conform or not and perform or not the purchase.

Subjective norms were the last added variable in Theory of Reasoned Actions (Fishbein & Ajzen, 1975). In a summary of previous meta-analysis, Ajzen and Fishbein (2005) reported that the correlations between subjective norms and intentions account in a range of .32 to .42. However, it has been widely argued in the literature that it seems to be the weakest variable in comparison to attitudes and perceived control (Armitage & Conner, 2001). In an extensive meta-analysis, Armitage and Conner (2001) propose that the weakness of subjective norms might be caused by its measurement: most of the researchers are measuring subjective norms as a single item rather than measuring it with multiple items that could provide more reliable results. Taking this into account, Armitage and Conner (2001) found that in the studies where subjective norms variable was measured by multi-items scales, its link to intention was much stronger, yet again the weakest of the three (attitudes, norms and control).

Armitage and Conner (2001) suggested that further investigation is needed and even re-conceptualization of the links of subjective norms in the model. In the marketing literature, the results are also mixed, yet the majority of the research suggest that subjective norms are "an independent and important variable in explaining consumer intention and behaviour" (Olsen, 2007).

Thus, in the present study, subjective norms are expected to influence repurchase intentions, but also the relationship outcomes to a small extent. Based on the qualitative research of this study and current marketing literature (e.g. Olsen, 2007; Choo, Chung & Pysarchik, 2004; Bagozzi et al., 2000), there are strong indications that subjective norms are related to certain relationship outcomes. Olsen (2007) was the first to examine the direct relationship of social norms on repurchase loyalty and they found that this relationship is very strong (β=.42). In this sense, customers might remain loyal to a service provider because they expect "reciprocal benefits when they act according to social norms" (Sheth & Parvatiyar, 1995, p. 260). Additionally, Sheth and Parvatiyar (1995) suggest that subjective norms can be passed on directly to word of mouth; especially when norms are strong, then word of mouth can be highly influenced. Therefore, subjective norms are expected to influence both loyalty and word of mouth which are the 'softer' relationship outcomes.

However, there is no empirical work in the literature that links subjective norms directly to share of wallet. Although in social psychology literature empirical studies show that subjective norms under very specific conditions can affect directly general behaviour (e.g. Sapp, Harrod & Zhao, 1994; Trafimow & Fishbein, 1994), in the context of services marketing, this relationship has not been investigated yet. Following the reasoning of social psychology, in the present study it would be expected that a relationship between subjective norms and behaviours (such as share of wallet) exists, under certain service types. For example, it would be expected (as it has been strongly indicated by the interviews) that in credence services customers are strongly influenced and directed by social norms, in that they cannot evaluate the outcome of the service and they tend to perform actions that would be most acceptable by the people significant to them. As the nature of this relationship is exploratory, the

direction and strength of the relationship are not indicated. Therefore, the following hypotheses are formulated:

Hypothesis 40a: Subjective norms are positively associated with repurchase intentions.

Hypothesis 41a: Subjective norms are positively associated with loyalty.

Hypothesis 42a: Subjective norms are positively associated with word of mouth.

Hypothesis 43: The relationship between subjective norms and share of wallet depends on the service types.

Generally subjective norms in relation to intentions, loyalty and word of mouth are expected to vary across service types. For example in collective services, it would be expected that the impact of subjective norms will be higher in intentions, loyalty and word of mouth rather than in individual services. The only indication of this variation lies in Bagozzi et al (2000) research, who found that customers' decisions were more influenced by subjective norms when the service was consumed with other customers. Again, as there is no prior research done between those variables across different types of services, the proposed hypothesis does not indicate the strength of the relationship and they are exploratory in nature.

Hypothesis 40b: The relationship between subjective norms and repurchase intentions will vary across service types.

Hypothesis 41b: The relationship between subjective norms and loyalty will vary across service types.

Hypothesis 42b: The relationship between subjective norms and word of mouth will vary across service types.

PERCEIVED DIFFICULTY

With the addition of perceived behavioural control, the Theory of Planned Behaviour was introduced and it extended the Theory of Reasoned Action. As it has been reported in the conceptual model section, perceived behavioural control refers to an individual's (in this instance a customer) perception of how difficult or easy would be for him/her to perform certain behaviour (in this instance to repurchase). Ajzen (1991) emphasises that perceived behavioural control differs from 'locus of control' in the sense that perceived control can vary according to the situation, whereas locus of control remains stable as it refers to more generalised expectancies. The most relevant concept to perceived control is self-efficacy (Bandura, 1977 and 1982). Ajzen (1991) took self-efficacy concept and by placing it in a broader framework of attitudes-behaviours relations, he named it perceived behavioural control.

Since the first conceptualisation of perceived behavioural control a significant amount of research have been done, trying to prove evidence that there are some distinctions between the concepts of self-efficacy and perceived control (e.g. White, Terry & Hogg, 1994; Dzewaltowski, Noble & Shaw, 1990; Terry & O'Leary, 1995; Manstead & Van Eekelen, 1998; Armitage & Conner, 2001). Sparks, Guthrie and Shepherd (1997) based on an extensive empirical research including two studies, proposed a distinction between 'perceived control' and 'perceived difficulty'. They found that 'perceived difficulty' (measured in terms of easy-difficult scale) can better explain and predict both intentions and behaviour than 'perceived control' (measured in terms of complete control – no control). Based on all the meta-analytic research done in the area, recently Ajzen (2011, p. 48) stated that:

> *Research has shown that a distinction can be drawn between perceived controllability and perceived difficulty of performing a behavior (self-efficacy) and that the latter may be a more important antecedent of intentions and actions.*

Based on this, in the current research it was decided to adapt 'perceived difficulty' over 'perceived control'. In line with this, Sparks, Guthrie and Shepherd (1997) add

that perceived difficulty describes better the original conceptualization of perceived behavioural control (see Ajzen, 1991, p. 188: "perceived behavioural control...refers to the perceived ease or difficulty of performing the behaviour") than perceived controllability does (Armitage & Conner, 2001).

Therefore, in the current study it is expected that perceived difficulty will influence both intentions and relationship outcomes as it has been outlined previously in the Theory of Planned Behaviour. The desire to perform a specific behaviour as well as the probability of performing this behaviour would be much higher if the customer perceives this behaviour as being easy. When an individual perceives a task to be easy, then that leaves more opportunities to the individual to engage into the action (Ajzen, 1991). On the contrary, when an individual perceives a task to be difficult to be performed, then the chances to perform the task are limited. Thus, it is expected that the higher perceived difficulty by the customer is, the lower the repurchase intentions and the lower the loyalty, word of mouth and share of wallet will be. In marketing literature, there is very limited research that links perceived difficulty to these particular variables. To the researcher's knowledge the only study that links perceived difficulty to one of those variables is Olsen's (2007) research. Olsen (2007) examined the planned behaviour model in the context of repurchasing and he found that perceived difficulty is significantly related to repurchase loyalty. Therefore the following hypotheses are formulated.

Hypothesis 44a: Perceived difficulty is negatively associated with repurchase intentions.

Hypothesis 45a: Perceived difficulty is negatively associated with loyalty.

Hypothesis 46a: Perceived difficulty is negatively associated with word of mouth.

Hypothesis 47a: Perceived difficulty is negatively associated with share of wallet.

These relationships are expected to vary across services. Since there is no previous research (to researcher's knowledge) that investigates these relationships across service types, the nature of the following is exploratory. Indications in the literature that might

fit into the current context, relate perceived difficulty to some aspects of the service characteristics. For example, Bridges and Florsheim (2008) and Fiore, Jin and Kim (2005) suggest that in the online setting, perceived control is more relevant to utilitarian values of services rather than hedonic values. The main rationale behind this is that the level of control might influence repurchase behaviours in relation to more practical aspects of a service. More pleasurable aspects of a service though, might not be as affected because the arousal and enjoyment might overcome perceived control.

Additionally, for services that are more standardised and easier to evaluate, perceived control in relation to repurchase intentions would be expected to be more important. When a customer perceives a specific purchasing process to be difficult this could demotivate him or her to proceed to this purchase, especially when information about relevant services are easy to be found and the service is not customised. However, when it comes to the behaviour itself, that might not be true. For example, a customer might keep purchasing from the same provider even if perceived difficulty is high, because the service is highly customised to his/her needs or the service is very hard to evaluate. Thus, alternatives might not be an option in these cases. Based on these arguments the following hypotheses are proposed.

<u>Hypothesis 44b</u>: The relationship between perceived difficulty and repurchase intentions will vary across service types.

<u>Hypothesis 45b</u>: The relationship between perceived difficulty and loyalty will vary across service types.

<u>Hypothesis 46b</u>: The relationship between perceived difficulty and word of mouth will vary across service types.

<u>Hypothesis 47b</u>: The relationship between perceived difficulty and share of wallet will vary across service types.

PRIOR EXPERIENCE

As it has been described in the conceptual model section, there has been a lot of criticism regarding the absent of a construct that incorporates more explicitly the past experience in the Theory of Planned Behavior. Ajzen himself in one of his most recent articles (2011) suggests that additional variables that could provide past experience's impact on the model are needed. In the current model, prior experience is taken into consideration and it comprises of two constructs: switching experience and service experience, which are the most relevant to the service marketing context. Switching experience refers to the degree the customer has been switching between service providers in the past (Burnham, Frels & Mahajan, 2003). Service experience refers to experience that the customer had with a service provider in the past. Bolton, Lemon and Verchoef (2004) stress out that behavioural intentions and outcomes are primarily based on prior experience. Thus, both switching experience and service experience are hypothesised to influence intentions and relationship outcomes.

Switching Experience

High switching experience means that the customer has switched a lot in the past among several providers and that customer has been characterised in the marketing literature as a 'switcher' or 'variety seeker' (Ganesh, Arnold & Reynolds, 2000; Chiu et al., 2005; Peng &Wang, 2006; Chen & Hitt, 2002; Knox & David, 2001; Reinartz & Kumar, 2003). On the other hand, low switching experience means that the customer has not switched providers in the past and that customer has been characterised in marketing literature as a 'stayer' or 'loyal' (Ganesh, Arnold & Reynolds, 2000; Chiu et al., 2005; Peng &Wang, 2006; Chen & Hitt, 2002; Knox & David, 2001). The main body of research is focused on the relationship between switching costs and repurchase intentions rather than the switching experience and repurchase intentions (as it has been outlined in the Switching costs section previously). Past switching behaviour have been researched in relation to switching intentions (e.g. Bansal, Taylor & James, 2005), satisfaction (e.g. Ganesh, Arnold & Reynolds, 2000), and switching cots (e.g. Burnham, Frels & Mahajan, 2003).

In the present study it is expected that high levels of switching experience will affect negatively the repurchase intentions and behaviours. Burnham, Frels and Mahajan (2003) suggest that high levels of switching experience can reduce intentions to stay with a specific service provider as switchers are more familiar to the switching process. Additionally, switchers have less time to accumulate experiences with one service provider, because their time is divided among the different providers they are purchasing from (Burnham, Frels & Mahajan, 2003). At the same time, customer with high levels of switching spend relatively less money on a specific service provider, as they share their wallet with other service providers. Keaveney (1995) emphasises that switching behaviours are very damaging to the profitability of a service provider and their market share. This implies that share of wallet is decreasing the more switching experience a customer has. Finally, Wangenheim (2005) and Matos and Rossi (2008) suggest that when customers switch providers, it is more likely that s/he will be engaged into negative word of mouth in order to diminish their cognitive dissonance. In this way, switchers provide an excuse for their switching behaviour and convince themselves and other about their actions (Matos & Rossi, 2008). Thus, it is expected that the higher the switching experience the more negative the word of mouth.

Hypothesis 48a: Switching experience is negatively associated with repurchase intentions.

Hypothesis 49a: Switching experience is negatively associated with loyalty.

Hypothesis 50a: Switching experience is negatively associated with word of mouth.

Hypothesis 51a: Switching experience is negatively associated with share of wallet.

Service Experience

The conceptualization of service experience in this study is based on a recent conceptualization of 'brand experience' by Brakus, Schmitt and Zarantonello (2009). Thus, service experience in the current context reflects the subjective customer's responses on past service experiences, based on four dimensions: sensory, affective,

intellectual and behavioural (Brakus, Schmitt & Zarantonello, 2009). In an extensive research, Brakus, Schmitt and Zarantonello (2009) conducted a scale development where they found that these four dimensions capture the entire customer experience. Based on this experience, customers are going to decide whether they should purchase or not from the same service provider again or even pay more and refer that service to others (Briggs & Grisaffe, 2010). Therefore, it will be expected that service experience is going to influence positively both repurchase intentions and behaviours.

As this is a relatively new conceptualization, there is not a great amount of literature that explores the relationships between service experience and intentions or behaviours. Brakus, Schmitt and Zarantonello (2009) in the same study found that brand experience have a direct influence on loyalty. If an experience with a specific service is pleasurable and reflects positive feelings that appeal to customer's senses and at the same time it does not involve negative bodily and intellectual effort, then this customer will want to repeat this experience (Brakus, Schmitt & Zarantonello, 2009). Furthermore, it would be more likely that this customer recommends this service to others and even resists to any other alternatives (Mittal & Kamakura, 2001; Brakus, Schmitt & Zarantonello, 2009). Therefore, it is expected that the more pleasurable the past service experience is, the higher the repurchase intentions, loyalty, word of mouth and share of wallet will be.

Hypothesis 52a: Service experience is positively associated with repurchase intentions.

Hypothesis 53a: Service experience is positively associated with loyalty.

Hypothesis 54a: Service experience is positively associated with word of mouth.

Hypothesis 55a: Service experience is positively associated with share of wallet.

Service Types

Bolton, Lemon and Verchoef (2004) suggested that the prior experience is controlled by the nature of the service. In hedonic services, for example, customers are more actively involved and this can make the service experience more intense (Bolton, Lemon & Verchoef, 2004). This might have a stronger effect on loyalty when the service is hedonic in nature than in utilitarian services. On the other hand, switching experience is more related to the utilitarian values. Chiu et al. (2005) found that switchers in relation to 'stayers' are significantly more influenced by utilitarian values than hedonic values when it comes to customer loyalty. Additionally, switching experience is expected to be stronger for search and standardised services in relation to intentions and behaviours, since customers in these services can more easily acquire information about the product and the risk of switching is lower.

Service experience, on the contrary, would be expected to be stronger for more customised and experience services. Again, in these services the participation of the customer in the service production is relatively higher than in the other services, which makes the experience more personal and stronger in customers' senses. As the research among these variables is scarce in the literature, the nature of these hypotheses is exploratory, but some variations are expected to be found across service types.

Hypothesis 48b: The relationship between switching experience and repurchase intentions will vary across service types.

Hypothesis 49b: The relationship between switching experience and loyalty will vary across service types.

Hypothesis 50b: The relationship between switching experience and word of mouth will vary across service types.

Hypothesis 51b: The relationship between switching experience and share of wallet will vary across service types.

Hypothesis 52b: The relationship between service experience and repurchase intentions will vary across service types.

<u>Hypothesis 53b</u>: The relationship between service experience and loyalty will vary across service types.

<u>Hypothesis 54b</u>: The relationship between service experience and word of mouth will vary across service types.

<u>Hypothesis 55b</u>: The relationship between service experience and share of wallet will vary across service types.

REPURCHASE INTENTIONS

In the conceptual model section, it has been explained that intentions have been extensively reviewed, especially in social psychology literature, and have been proven to be the best predictor of behaviour. Intentions refer to a "person's motivation to perform a behaviour ... [which] encompass both the direction and the intensity of the decision" (Sheeran, 2002, p. 2). In services marketing context, repurchase intentions refer to the likelihood that a customer is going to purchase again from the same service provider in the future (Jones, Mothersbaugh & Beatty, 2000). There is a large amount of research in relation to repurchase intentions, as it is one of the most critical variables that determines or even predict customer relationship outcomes. However the vast majority of this body of research is focused on the determinants of intentions (e.g. satisfaction, Yi & La, 2004; brand preference, Hellier et al., 2003) rather than the intention-behaviour relationship.

In most cases intentions are used as a proxy of relational behaviours and therefore the link between intention-relationship outcomes is not extensively investigated. However, intentions do not translate to loyalty in all cases (Evanschitsky & Wunderlich, 2006). Thus, it is important to examine the link between intentions and loyalty and observe whether there are any differences across service types. Based on expectancy-value theory by Jacoby and Chestnut (1978) and four-stage loyalty by Oliver (1999), intention to repurchase is the strongest predictor for action and 'true' loyalty. As it has been described in literature review chapter, customer loyalty refers to "a deeply held

commitment to rebuy" from the same provider again and again, resisting to any competitive offering (Oliver, 1999, p. 34). This means that customer loyalty is being built over time and the highest the intention of the customer to repurchase from the same provider is, the highest the loyalty of the customer will be.

Additionally, based on previous research, when a customer is experiencing high levels of intention to repurchase, s/he will be keener to recommend or talk positively about the service to other potential customers (Mittal, Pankaj & Tsiros, 1999; Bloemer, Ruyter & Wetzels, 1999; Molinari, Abratt & Dion, 2008). Except for increased positive word of mouth, when a customer is very satisfied and intends to buy more from a service provider, consequently share of wallet is increasing too (Cooil et al., 2007; Keiningham, Perkins-Munn & Evans, 2003; Liu, 2007). Therefore the following hypotheses are proposed:

Hypothesis 56a: Repurchase intentions are positively associated with loyalty.

Hypothesis 57a: Repurchase intentions are positively associated with word of mouth.

Hypothesis 58a: Repurchase intentions are positively associated share of wallet.

However, these relationships are expected to vary based on the service type. Overby and Lee (2006) found that future intentions were found to be stronger in relation to utilitarian values than hedonic values in the online shopping context. However, other researchers (e.g., Chiu et al., 2004; Batra & Ahtola, 1991; Babin, Darden & Griffin, 1994; Babin & Attaway, 2000) found that there are marginal differences between utilitarian and hedonic services in relation to intentions in the in-store context. On the other hand, Bolton, Lemon and Verchoef (2004) suggest that hedonic services are promoting more affective feeling during consumption than utilitarian services do and, therefore, deep commitment and loyalty should be stronger in this kind of services.

Based on this rationale, in the current research it is expected that the relationship between intentions and loyalty will be stronger in hedonic services rather than

utilitarian. This would be expected also for the behavioural relationship outcomes; word of mouth and share of wallet. In hedonic services, for example, impulsive shopping is more frequent, which can promote easier cross-selling as well as up-selling and, thus, increase share of wallet (Khan & Dhar, 2010). Additionally, customers tend to talk more for experiences that makes them excited, rather than utility related experiences. In some cases, customers might even encourage relatives or friends to purchase that service themselves, as sharing exciting aspects of shopping enhance their shopping experience (Jones, Reynolds & Arnold, 2006).

Variations are also expected on collective and individual services. Although there is no research exclusively on this dichotomy, it would be expected that the relationship between intentions and relationship outcomes would be stronger, when the service is consumed along with other customers. The rationale behind this lies on the sense of community that the customer is experiencing in collective consumption (Obst & White, 2007). Therefore, members of a group that share the same interests and goals might be very influential to each other, which can make customers more loyal, and resisting to competitive offerings by increasing share of wallet (Rosenbaum, Ostrom & Kuntze, 2005).

Furthermore, services that are more customised and their evaluation is based on experience, are expected to be stronger regarding the link intentions-relationship outcomes. As it has been mentioned above, in this type of services personal contact is higher and customer's involvement in the production process is high, which leads to more intense feelings of loyalty in the relationship. Especially in experience, credence and highly customised service, customers are more dependent upon the service provider who will provide the information they need in order to evaluate the outcome (Hsieh & Hiang, 2004). This dependency may increase their share of wallet or even word of mouth, as they have more information to share. Based on these arguments, it is expected to find some variations between intentions and relationship outcomes based on the service type.

Hypothesis 56b: The relationship between repurchase intentions and loyalty will vary across service types.

Hypothesis 57b: The relationship between repurchase intentions and word of mouth will vary across service types.

Hypothesis 58b: The relationship between repurchase intentions and share of wallet will vary across service types.

SUMMARY

This chapter presented how the researcher came to the formulation of the proposed conceptual model, based on a combination of qualitative findings with the literature. The relationships in the conceptual model are explained and the hypotheses were presented by explaining the variables in the model and their interrelationships. The following section presents the methodological procedures followed, both in the preliminary qualitative and quantitative research.

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CHAPTER 4: METHODOLOGY

INTRODUCTION

The proposed conceptual model described in chapter 3 derives from a synthesis of existing literature and a preliminary qualitative research. After the analysis of the qualitative data and further review of the literature in the direction of the findings, the conceptual model was formulated. This model was subsequently tested based on a quantitative study. This chapter includes the methodological approaches and tools used in both empirical studies, as well as the results from the qualitative study. A data overview is presented in this chapter with the statistical procedures followed, in order to test the hypotheses (outlined in chapter 3). These procedures include data screening and preparation, statistical validation of the measurement model using AMOS, SPSS and Excel.

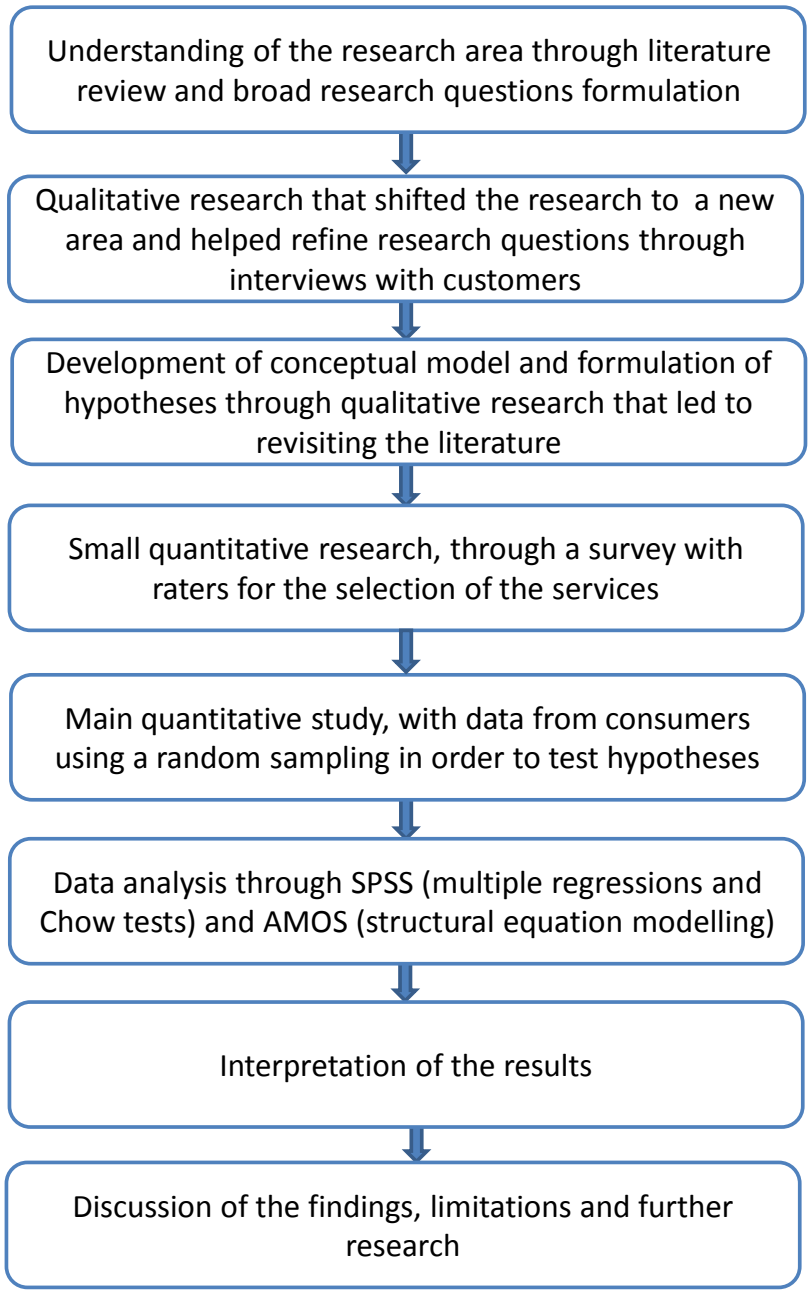
METHODOLOGY

In order to address the research questions of this study both deductive and inductive reasoning were utilized. In the deductive approach, conceptual and theoretical concepts derived from the relevant literature assist the researcher develop a framework which subsequently is being empirically tested (Collis & Hussey, 2009; Graham & Thomas, 2008; Saunders, Lewis & Thornhill, 2009). In the inductive approach on the other hand, empirical data lead the researcher to the development of a theoretical framework (Collis & Hussey, 2009; Graham & Thomas, 2008; Saunders, Lewis & Thornhill, 2009).

The methodological process that was followed for this study can be described in a stepwise manner. Initially, a review of the literature (presented in chapter 2) in customer relationships and customer loyalty provided a general understanding and

formulation of some broad research questions. Since the literature provided several theoretical and conceptual frameworks, which were different from each other but all aiming to explain the same phenomenon, the next step was to undertake a qualitative research in the form of interviews. The main purpose of the qualitative research was to understand and develop a more refined conceptual model providing a better explanation of customer relationship development.

Figure 19: The research process of the study



The data from the qualitative research (presented in the present chapter) led the researcher to review the literature again but mainly in the area of social psychology and economics. Then, a combination of the qualitative data and the new literature (incorporated in chapter 3) guided to the development of the conceptual model and the formulation of the hypotheses (presented in chapter 3). Prior to testing these hypotheses, a small quantitative study took place, where raters through a survey accessed the services selected for this study. The conceptual model was then tested through a survey and data were collected from customers (presented in chapter 4). These data are analysed (chapter 5) and the results are interpreted and discussed on the grounds of relevant theoretical findings (chapter 6). Finally, both managerial and theoretical implications of the study are pointed out taking into account the limitations of the research and any future research this study can lead to (chapter 6). The summary of this procedure is also presented in figure 19.

QUALITATIVE STUDY

PHILOSOPHICAL RATIONALE

At a very early stage, when the researcher embarked on this project and started reviewing the literature, it became apparent that the phenomenon is much more complex than it is described and thus, required some initial qualitative data in order to answer some key questions. This initial preliminary data collection involved in-depth interviews with customers in the service context. Before the interviews were conducted, there was not a predetermined set of hypotheses or a conceptual model. The main aim of this first study was to understand better and explore the paths of loyalty that best describe customers' experiences in the services context. Based on the results of the qualitative study and incorporating further literature review, the conceptual model and the hypotheses were formulated and subsequently tested through a quantitative research. This strategy, combining qualitative and quantitative research, is called triangulation. Triangulation is highly supported by many researchers as the best

way to provide more insightful and valid results, especially when interviews are mixed with surveys; *mixed methods approach* (Olsen, 2004, Bryman & Bell, 2003; Saunders, Lewis & Thornhill, 2009).

This approach is advantageous mainly in two ways. First, each method can be used at a different stage of the research to serve different purposes (Saunders, Lewis & Thornhill, 2009). In this case qualitative research was used in the exploratory stage of the study, whereas the quantitative research was used mainly for the descriptive and explanatory stage of the study. This provides more confidence to the researcher that the key issues are addressed (Tashakkori & Teddlie, 2003; Saunders, Lewis & Thornhill, 2009). Second, each methodology has an effect on the results based on its nature (Saunders, Lewis & Thornhill, 2009). When using different methodologies this 'method effect' can be cancelled or eliminated providing again the researcher with more confidence regarding the conclusions of the research (Smith, 1981; Bryman, 2007).

The data of this qualitative study were gathered through semi-structured in-depth interviews with sixty customers. The strength of this kind of non-standardised interviewing is its exploratory nature by emphasising the 'why', in addition to providing an understanding for the 'what' and 'how' (Saunders, Lewis & Thornhill, 2009). Therefore in the initial stages of this research the aim was to explore and understand *why customers keep purchasing from the same service provider* and *which are the relational bonds which make them develop their relationship with a service provider*. Thus, this form of research, qualitative research, was the most appropriate one.

As Robson (2005) states, in-depth interviewing is particularly important in the exploratory stage of a study when the researcher has to gain a better understanding and gather insightful information. This is also the main advantage of in-depth interviews, as they provide detailed and deep knowledge for a certain topic especially when this topic is complex and personal experiences have to be studied (Goode & Hatt, 1952). On the other hand, the main disadvantage of this type of research is the lack of

generalisation as the sample size is relatively small (Maxwell, 2005). Nevertheless, Maxwell (2005) supports that drawing conclusion for the specific setting or group that has been studied provides 'internal' generalization, which is the key objective of qualitative research.

QUALITATIVE RESEARCH APPROACH

Within marketing, relationship marketing is one of the most complex areas as many psychological and sociological aspects are incorporated. Therefore, the need to understand true stories from the customers can help explain and build more effectively theoretical concepts and processes. It was realised at the initial stages of this study, following a general review of the relevant literature, that there is a need to understand and incorporate the 'true customers' stories' into this study. Therefore, a qualitative approach was employed as a preliminary step of this research.

The approach of the qualitative research that was adapted, was the multi-grounded theory which is proposed by Goldkuhl and Cronholm (2010). This approach tries to combine aspects from both inductivism and deductivism, adding theoretical and internal grounding apart from empirical grounding (Goldkuhl & Cronholm, 2010). Multi-grounded theory is grounded in (Goldkuhl & Cronholm, 2010, p. 192):

> "• empirical data (preferably mainly through an inductive approach) - empirical grounding;
>
> • pre-existing theories (well selected for the theorized phenomena) - theoretical grounding; and
>
> • an explicit congruence within the theory itself (between elements in the theory) - internal grounding."

The first step of this approach, 'empirical grounding', refers to the inductive approach and includes the coding principles of grounded theory: open coding, axial coding and

selective coding (Glaser & Strauss, 1967). However, Goldkuhl and Cronholm (2010) emphasize that in this process the 'conceptual refinement' is an important step which involves a critical reflection on the empirical data while coding. The next step of multi-grounded theory is the theoretical grounding through theoretical matching. Theoretical matching "means that the evolving theory is confronted with other existing theories" (Goldkuhl & Cronholm, 2010, p.197). At this stage the categories emerged from the data are compared to existing theories that relate to the phenomenon under research. Goldkuhl and Cronholm (2010) suggest that the theories can be used in an abstract and very general level as a theoretical base. In this way theoretical matching can lead to revisions of the evolving theory through data in order to build a theoretically stronger proposition (Goldkuhl & Cronholm, 2010). As a result, this stage is more closely related to deductivism. The last step of multi-grounded theory include the 'internal grounding' which is a "systematic investigation of the conceptual structure of the evolving theory" with the help of graphic illustration of a conceptual model, and "the purpose is to arrive at a theory that is conceptually clear and sound" (Goldkuhl & Cronholm, 2010, p. 199). The main advantage of theoretical grounding is the evolvement of theories which take into account existing theories and build on them rather than 'reinventing the wheel' (Goldkuhl & Cronholm, 2010). This way, researchers can provide warrants of what is usable or not and critically improve existing knowledge and provide a finer ground for new theories (Goldkuhl & Cronholm, 2010; Glaser & Strauss, 1967; Glaser & Holton, 2004; Glaser, 2005).

Multi-grounded theory, therefore, was the most appropriate approach for the preliminary qualitative study as it uses both empirical data and existing theories in order to build a new conceptual framework. Prior to the qualitative empirical data collection there was not a specific theoretical framework defined and there were no predetermined categories and codes used for the interviews. The key themes and patterns were indentified through the data and then, through theoretical matching, a theory was identified and used (Theory of Planned Behaviour) as a theoretical platform in order to create a clear and measurable conceptual framework (Glaser & Strauss, 1967).

Therefore, using multi-grounded theory the conceptual model and hypotheses were developed through a combination of data and theoretical concepts derived from the literature. The procedure was adapted by the proposed steps from Glaser (2004, 2005) and Goldkuhl and Cronholm (2010) and can be summarised as such: 1) in-depth interviews with customers were conducted, 2) from the data the key concepts were pointed out, 2) then they were coded, 3) these codes were grouped in similar categories and 4) these categories[3] were subsequently linked to similar theoretical concepts from the literature in order to provide a feasible and testable conceptual model. This type of coding is called 'theoretical coding' and refers to the coding process where relevant theoretical concepts are incorporated into the analysis of the results in order to develop testable hypotheses (Glaser & Holton, 2004; Glaser, 2005).

This means that once the core category and its related categories emerged from the data, the literature was then used as another source of data and integrated into the conceptual model development (Glaser, 2004). Therefore, the literature review in chapter 2 provides the general area of Customer Relationship Management whereas the more relevant literature that assisted to support theoretically the conceptual model of this study and formulate hypotheses is incorporated in chapter 3.

SAMPLING AND DATA COLLECTION

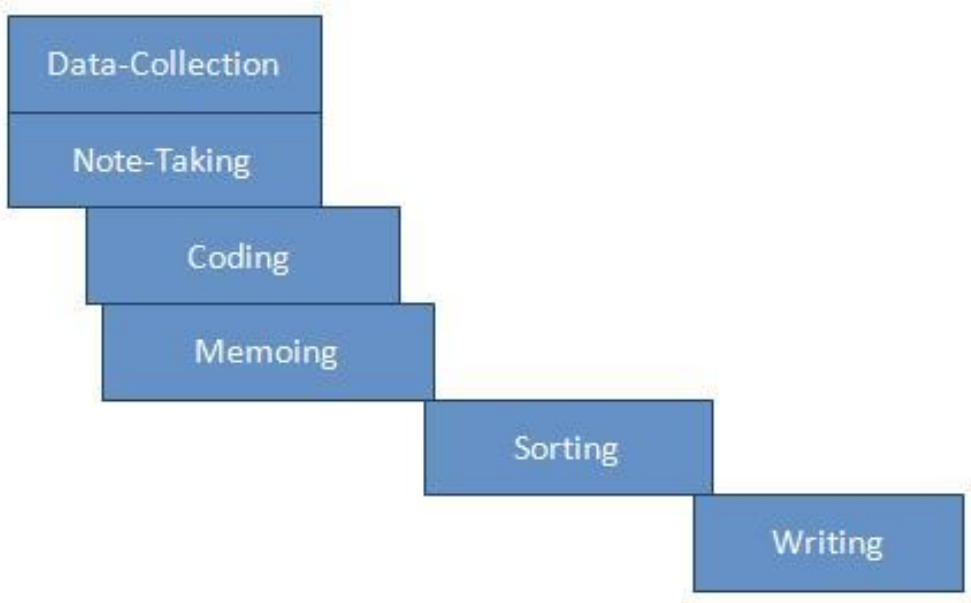
The sampling process utilised in the qualitative research is a theoretical sampling technique (Goldkuhl & Cronholm, 2010; Haig, 1995; Suddaby, 2006; Glaser & Strauss, 1967; Glaser, 2002; Goulding, 1999; Glaser & Holton, 2004; Glaser, 2005). In theoretical sampling, the researcher decides what data should be collected next and where to find them based on the initial data gathered and aiming to develop the emerging theory (Glaser, 1978). Thus, the emerging theory is controlling the process and the sample size of the data collection (Glaser, 1978). During data collection the researcher is analyzing and comparing constantly the older data with the newer data in

[3] In the present study only the categories that are related to the final conceptual model are presented.

order to determine the number of units that should be collected and decide when theoretical saturation is reached. This kind of analysis is called constant comparative analysis and assists the researcher to create codes and categories, as well as to identify the interrelationships among the categories emerged (Glaser & Holton, 2004).

This process is depicted at figure 20, which provides a summary of the steps followed: 1) from the first interview the researcher was making notes (as well as tape-recordings) on the key-words of the interview, 2) coding started soon after when there were enough interviews to compare and 3) memoing approximately at the same time, when the researcher started to keep notes about possible interrelationships of the categories emerged. 4) When theoretical saturation occurred the sorting of relationships through coding and memoing started and then 5) writing a draft of the relationships took place which was then incorporated with the literature in order to provide a good theoretically based conceptual model and hypotheses.

Figure 20: Qualitative analysis process



Based on Goulding (2005), in qualitative research the initial informants should be carefully selected in order to provide in-depth information that can lead to some general concepts which in turn will lead the researcher to identify the next sample units. The final sample size is determined upon theoretical saturation, which arises when there are not any new concepts emerging from the data and the constant

comparative analysis provides the same results (Denscombe 2003; Locke 2001). The criteria for selecting the sample units are also driven from the emerging data (Goulding, 2005; Glaser & Holton, 2004).

Thus, for this preliminary study, the researcher selected informants that could be able to provide honest and insightful information regarding their experiences with different providers in the same service industry. Furthermore, the informants had to provide some sensitive information (such as the height of their salary in order to compare share of wallet, or information about close relationships with any of the employees or the owners of the service provider) and therefore, another criterion for selecting the participants was to ensure that informants are feeling comfortable discussing this kind of information with the researcher. The final criterion for selecting the participants was to ensure that the respondents could be contacted three months after their initial interview in order to conduct follow up interviews and report any changes in their attitudes or behaviour. Therefore, all of the respondents were London residents and have been living in London for at least 12 years, with the majority of them been born in UK, which helped the research to avoid any effects of multi-cultural influences on the sample. Consequently, the participants were selected on the basis of a convenient sample.

The data which emerged from the interviews were analysed based on the established guidelines provided by the most recognized researchers in the area of qualitative research, such as Glaser and Holton (2004), Suddaby (2006) Glaser (2002) and (2005), Goulding (1999) and (2005). As outlined above, the analysis started from the beginning of the data collection, and the data collection stopped until theoretical saturation was achieved. Apart from the aforementioned indication of theoretical saturation (no new concepts emerging), the researcher made sure that all categories were saturated and repeated data indicated the same relationships between the categories, as suggested by Glaser and Strauss (1967). Following these principles during the interviewing process, the researcher ended up with sixty interviews. No further interviews were necessary as the analysis reached a saturation point, without

offering any new insights, which indicated that the core category was established as well as its interrelationships.

At the very early stages of the interviewing it became apparent that the paths of customer relationships are highly dependent on the nature of the service. At this point it was decided to increase the sample size by including different services that represented different typologies of services. Therefore, the interviewing process continued until theoretical saturation was reached for all different services and across all different services in order to determine the main variations across them.

In the final sample size (60 interviews), six services were represented and a between-subject approach was adapted, where each respondent was interviewed only once for one service. A within-subject approach would require interviewing the same respondent six times for all six services. The reasons for adopting a between-subject design were both practical and conceptual. As the number of services was six, it would be exhausting for the interviewee to go through six interviews (as the average time was around 75 minutes) being asked similar questions about different services. This could have driven the conditions of the responses of one service to interfere in the conditions of the responses of another service in the case of within-subject approach. Additionally, interviewing a participant six times might cause a lack of motivation and willingness to provide in-depth information especially towards the last service interviews, which could act against the quality of data collected for those interviews. Some of the disadvantages of adopting a between-subject design were the increased required sample size, and the control of getting the same number of participants for all services. Thus, sixty respondents participated which were randomly assigned to one of the six services.

The services for this preliminary study were selected under certain criteria: 1) to be commonly used services which operate in a competitive market and 2) to fit in the theoretical services typologies which are more frequently used in marketing research. Therefore, one of the key tasks of the this study was to identify a variety of services with different dominant values at search, experience and credence characteristics,

hedonic vs utilitarian continuum, customization and contact level which are the traditional service typologies used in services marketing literature. After a relevant literature review (a sample of the service used in the literature is shown in Table 11) and the advice of three well-established academics in services marketing field the following services were selected for the interviewing process*: cafe/bars, restaurants, hair salons, movie theatres, mobile providers and dentists*. These services were selected to represent different service categories: movie theatres (search, hedonic, group 3), cafe/bars (experience, hedonic, group 2), restaurants (experience, hedonic, group 1), mobile providers (search, utilitarian, group 2), hair saloons (experience, hedonic, group 1) and dentists (credence, utilitarian, group 1). However, through the interviews another dichotomy of services seemed to be important for most of the respondents while they were explaining the reasons of repurchasing from the same provider. Specifically, the communality character of a service was found to be an important determinant of the relationship foundation and prospects. Whether the customer is experiencing the service alone (individual service) or together with other customer/s (collective service) was found to alter the factors that influence the relationship and specifically the important role of normative influences from social agents. Therefore, at the initial stages of the analysis, the dichotomy of collective vs individual services was also taken into consideration.

Table 11: Examples of Services/Goods used in different typologies

Service/Goods Type	Example of Services/Goods	Studies
Search	Movie Theatres	Krishnan & Hartline (2001)
	Ticket Services, Book Services	Hsieh , Chiu & Chiang (2005)
	Photograph developing shops	Hsieh & Hiang (2004)
	A Subscription to a Magazine Portfolio, Renting a Garage	Galetzka, Verhoeven & Pruyn (2006)
	Books, CD, Cell Phones	Ekelund, Mixon & Ressler (1995)
	E-retailers	Wu (2011)
	Clothing, Jewellery, Furtniture, Houses, Automobiles	Zeithaml, Bitner & Gremler (2009)

Experience	Hair Salons	Krishnan & Hartline (2001)
	Hotels, Information services	Hsieh , Chiu & Chiang (2005)
	Banks	Hsieh & Hiang (2004)
	Hairdresser, Amusement Park	Galetzka, Verhoeven & Pruyn (2006)
	Cruises, Moving & Storage, Auto Insurance	Ekelund, Mixon & Ressler (1995)
	Hairdresser, Beauty Salons	Wu (2011)
	Restaurant, Vacation, Haircuts, Child care	Zeithaml, Bitner & Gremler (2009)
Credence	Pest control	Krishnan & Hartline (2001)
	Health Foods, Legal Services, Real Estate Agencies, Insurance	Hsieh , Chiu & Chiang (2005)
	Hospitals	Hsieh & Hiang (2004)
	Hiring the services of a Firm Specialized in Soil, Donating Money to a Charity	Galetzka, Verhoeven & Pruyn (2006)
	Psychics, Cosmetic Surgery, Therapy	Ekelund, Mixon & Ressler (1995)
	Financial Services	Wu (2011)
	Television Repair, Legal Services, Dentist, Auto Repair, Medical Diagnosis	Zeithaml, Bitner & Gremler (2009)
Hedonic	Travel	Hill et al. (2004)
	Spectator Sport, Movie Theatre, Concerts, Theme parks, Art Museum, Restaurants	Ng, Russell-Bennett & Dagger (2007)
	Hair salon, live music concert	Hellén & Sääksjärvi (2011)
	Restaurant	Wirtz & Lee (2003)
Utilitarian	Bank	Hill et al. (2004)
	Education Conferences, Computer, Public Transport, Libraries, Bank, Telecommunications	Ng, Russell-Bennett & Dagger (2007)
	Shoe repair, Dental services	Hellén & Sääksjärvi (2011)
	Bank	Wirtz & Lee (2003)

Group 1: **High Customised/ High Contact**	Restaurants, Hotels, Medical Clinic, Hospital, Beauticians, Real Estate Agencies, Legal Services, Interior Decorating, Dental Services	Bowen (1990)
	Financial Consulting, Medical Care, Travel Agency, Hair Care Services	Gwinner, Gremler & Bitner (1998)
	Full-service Restaurant, Hairdresser/Barber, Physician/Dentist, Travel Agency	Paul et al. (2009)
	Legal, Hospital, University	Cunningham, Young & Gerlach (2009)
	Banking Service	Fernandes & Proença (2008)
	Dentist, Doctor, Hairdresser, Solicitor, Childcare Provider	Colgate et al. (2007)
Group 2: **Moderate Customised/ Moderate Contact**	Photofinishing, Appliance Repair, Shoe Repair, Laundry and Dry Cleaning Services	Bowen (1990)
	Shoe Repair, Retail Banking, Pest Control, Pool Maintenance	Gwinner, Gremler & Bitner (1998)
	Bank, Car Repair Shop, Shoe Repair Shop, Veterinarian	Paul et al. (2009)
	Appliance, Repair plumbing, Banking, Airline, Restaurant	Cunningham, Young & Gerlach (2009)
	Mobile Provider	Fernandes & Proença (2008)
	Auto Mechanic, Fitness Centre, Travel Agent, Universities, Banking	Colgate et al. (2007)
Group 3: Standardised/ Moderate Contact	Budget Hotel, Movie Theatres, Theme Amusement Parks, Spectator Sports, Budget Airlines, Exercise Clinics.	Bowen (1990)
	Airlines, Movie Theatres, Cafeterias, Grocery Stores	Gwinner, Gremler & Bitner (1998)
	Bank, Car Repair Shop, Shoe Repair Shop, Veterinarian	Paul et al. (2009)
	Dry Cleaning, Movie theatre, Sports events, Fast Food	Cunningham, Young & Gerlach (2009)
	Bookstore	Fernandes & Proença (2008)
	Electricity, Telephone, Internet Service Provider, Insurance	Colgate et al. (2007)

The interviews took the form of a semi-structure in-depth interview and conducted face-to-face in a physical location. The reason for using semi-structured interviews was to keep a similar structure for each service and at the same time maintaining the freedom to get the variations of services through in-depth discussion of particular areas of interest in each service. Also as Goulding (1999) states semi-structure interviews allows the researcher to create and further develop the themes and categories that are most important in each case. However, prior to the sixty semi-structured interviews, five pilot unstructured interviews took place which helped produce the provisional guide for the interviews and led the researcher to the decision of including different service types in the study. As a result, a general guide for the interviews (please see Appendix 2) was produced in order to 1) help the researcher ask some key questions across services for comparability reasons, 2) allow the researcher the flexibility of the questions' sequence and 3) allow the depth of exploration based on the key aspects of each service type (Duffy, Ferguson & Watson, 2002; Shannak & Aldhmour, 2009).

The researcher personally conducted the in-depth interviews as well as the follow up interviews. The in-depth interviews lasted from 63 minutes to 98 minutes and they were tape recorded with the consent of the interviewee. Because of the sample size, the length of the interviews and the commitments of the interviewees, the first phase of the interviewing process lasted three months. The follow up interviews took place three months after the first interview with the same participants. The main reason of conducting the follow up interviews was to track and report any changes in respondents' attitudes and behaviours towards the service providers that were interviewed. The follow-up interviews lasted from 5 minutes to 12 minutes and they were conducted either through telephone or physical location. Most of the respondents in the follow-up interviews reported that they are using exactly the same services, in the same preference order and there were not any significant changes in their perceptions, attitudes or behaviours towards the service providers. Thus, the whole interviewing process lasted in total six months.

To avoid post-rationalisation bias, interviews were conducted without setting a priori themes or categories for classifying data. The themes and categories emerged from the

data during the interviewing process. There was a general schedule of the interviews for reasons of comparisons but additional questions were asked in many instances in order to search for and follow the respondents' story or to get in-depth information about respondents' experiences. Care was taken not to impose into the questions any of the elements identified in the literature and let consumers identify themselves, the main elements important to them about the patronised services. Care was also taken to encourage interviewees engage in the interview in order to facilitate them when needed but without any personal involvement.

There was a brief introduction at the beginning of each interview about its academic purpose, explaining the ethical and legal rules by ensuring the anonymity of the respondents, the confidentiality of their responses and the use of these interviews only for academic purposes. After the agreement of the respondent the interview was then tape-recorded and the conversation would start by asking the respondents to name in order to preference order the service providers that they visit/use. Then, they would start talking about their experiences with these service providers and the discussion would emerge naturally from their experiences. The sequence of the questions might not be the same in every interview since it would depend on their personal experience. However, the researcher would take care to ask as timely as possible the key questions that were emerging from previous interviews. The respondents were also encouraged to share as many experiences as possible, either they were positive or negative, with as many providers as they could think of in the specific service industry they were being interviewed for. The interview would end up by thanking the respondents for their time and information, and scheduling the next follow-up interview.

DATA ANALYSIS AND CODING

Data analysis in qualitative research is an evolving process (Charmaz, 2000). Concepts, themes and categories emerged from the data and they were re-evaluated throughout the whole interviewing process to ensure theoretical saturation (Strauss & Corbin, 1998). All the established guidelines in qualitative research by Glaser and

Strauss (1967), Strauss and Corbin (1998), Glaser and Holton (2004), Suddaby (2006) Glaser (2002) and (2005), Goulding (1999) and (2005) were followed in order to code and analyse the data. The method used for data analysis was the 'constant comparison method' which is suggested as the most appropriate method for qualitative research approach (Glaser & Strauss, 1967; Strauss & Corbin, 1998). During constant comparative method the data produced first the 'substantive categories' (presented in the chapter) and then with the help of the literature the theoretical hypotheses (presented in chapter 3). Substantive codes and categories is the interpretation of the empirical data of the research (Glaser & Holton, 2004). Theoretical categories, on the other hand, "conceptualize how the substantive codes may relate to each other as hypotheses to be integrated into the theory" (Glaser & Holton, 2004, p. 12).

The data analysis process followed the suggested steps by Glaser and Holton (2004), Glaser and Strauss (1967), Strauss and Corbin (1998), Goulding (1999). In the beginning of the data analysis, open coding helped the researcher identify possible concepts emerging from the data and label them. In this phase there were a lot of categories that emerged from the data. At this point the researcher had the first indications of where the data lead the research and then the researcher decided to focus on the categories that work the best. This occurred while the researcher was line-by-line coding the interviews. At the same time, constant comparative method enabled the researcher to compare incidents and generate concepts, which is turn were compared to new incidents and other concepts. In this way, the connections between the concepts started to become clear to the researcher. This procedure is called axial coding, and assisted the researcher to generate the main inter-relationships between the categories and identify the core variable/phenomenon of the research. This final level of coding is called selective coding. While coding, the researcher was also writing memos, which are notes of the codes in order to keep track of the evolving relationships through the coding procedure. In summary, the main process used was to read and re-read the transcripts and create codes and categories from which the core categories were selected and interrelationships were drawn.

As mentioned above, to avoid post-rationalisation bias, interviews were conducted without setting a priori themes or categories for classifying data. All interviews were tape recorded and then transcribed. During the interview the researcher was keeping notes in order to help the transcription process and coding process. Reading the notes and the transcriptions, the researcher started the coding procedure. Therefore, a codebook was created with codes mainly emerging from the interviews and then some of them being conceptualised on the basis of existing theoretical concepts (presented in chapter 3).

A codebook refers to a document that organises the main codes of the research based on specific rules, while acting as a guide for researchers to identify the categories and connections of the codes through examples from the interviews (Bryman & Bell, 2003). The unit of analysis in order to create the codebook was a story, an incident, a paragraph, a sentence, a word, a meaning or a combination of the above (Bryman & Bell, 2003; Glaser, 1967). Based on the initial open coding the concepts and themes emerged from the data, for example 'relational bonds', 'perceived service actions', 'social influence', 'repurchase behaviours', 'prior experience', 'customer loyalty' etc. Those concepts were used as units of analysis or codes and through axial coding these categories were inter-related and their connections were analysed.

Based on Glaser's (1967) guidelines, the codebook was constantly evolving throughout the interviewing process with the final version including the code label, the brief description, keywords and examples from the interviews. This codebook helped the researcher to increase reliability and avoid replicability (Bryman & Bell, 2003). The codebook also helped the researcher keep focused on the main finding of the research and group together the keywords that would describe the same concept. An example of the codebook is illustrated in table 12.

Table 12: Examples of Services/Goods used in different typologies

Code (this is the label of the main construct)	**Brief definition** (a brief description of the construct)	**Key words** (words that belong into this group)	**Phrase from interviews** (phrases, sentences and part from the different interviews that describe or provide an example of the construct)
Economic bonds	The financial ties that make a customer to repeatedly purchasing from the same provider over time	'bargain' 'budget' 'cash' 'cheap' 'cut' 'deal' 'discounts' 'economic' 'expensive' 'finances' 'financial' 'free' 'low' 'money' 'offers' 'pocket' 'price' 'profit' 'sales' 'waste'	*"she [hairdresser always give me **discounts**...actually this is the main reason that I go there"* *"basically it is much **cheaper** than the other movie theatres...and not only the tickets, but the pop corns the drinks ...everything"* *"they [mobile provider] provide the **lower prices** in the market...my **budget** doesn't allow me to have a better **deal** than this one..."* *"except the fact that I know every person that is working there [bar] by now...every time that we go there I know that there is going to be a **cut** in the **price** or they are going to send us some drinks for **free**"*

The categories in the codebook were constantly being compared to new interviews and new data were being incorporated into the appropriate codes. This process embraced reviewing repeatedly the transcriptions in order to make sure that all important information is written down in the codebook based on the constant comparison methodology guidelines by Glaser and Strauss (1967). As mentioned before this procedure was repeated right after every interview, until the point of theoretical saturation. Finally, and when the codes seemed to be adequately robust for each service, the interviewing stopped and the coding was finalised. At this point the last

interviews in each service were unable to add any new insights that could create any new concepts or enrich the existing ones.

VALIDITY AND RELIABILITY OF THE QUALITATIVE STUDY

There is an ongoing debate and criticism regarding the reliability and validity of the qualitative research (Zhang & Wildemuth, 2009; Lincoln & Guba, 1985). However, many well-established academics in the area such as Lincoln and Guba (1985), Kassarjian (1977) and Maxwell (1996) have proposed certain criteria in order for researchers to evaluate the reliability and validity of their qualitative work, and these criteria are discussed here.

Firstly, during the data analysis and coding process the researcher was looking constantly for inconsistent information or unusual incidents. For example, some respondents would not agree that the differential treatment would be a bond that could make them repurchase, but some of them would include this meaning in the economic bonds or social bonds. Therefore, investigating further this construct it was decided that differential treatment or privileged treatment does not constitute on itself a bond that could lead to repurchase behaviour.

Another criterion for validity is the respondent validation, which refers to participants' feedback on the emerging results. The follow up interviews also played an important role in improving respondents' validity, as they had to answer the same questions and report any changes. As mentioned before, three months after the initial interview all sixty respondents had been contacted by the researcher. In these follow up interviews most of the respondents reported the same preferences and attitudes without any major changes (apart from two respondents who stopped visiting their favourite cafe/bar and favourite movie theatre, the first because the cafe/bar closed and the second because he relocated).

Thirdly, the researcher made use of the triangulation approach within the interviewing process (Bryman & Bell, 2003). This triangulation does not refer to the two different studies (qualitative and quantitative), but within the interviews. Generally, the participants were interviewed about different services within the same industry and across different industries. Thus, in order to cross check the quality of the information, the researcher included some quantitative questions which were based on the words described firstly by the respondent. For example, while the respondent would describe his/her feelings towards a service provider the interviewer would make notes of the key words and ask the respondent to rate these feelings.

Additionally, the use of codebook helped the researcher to increase the reliability of the results. More specifically, using the codebook helped to reach theoretical saturation for each of the codes created. The coding procedure followed in this preliminary study, starting with open coding, then axial coding and finally selective coding, required checking and revising each code after every interview but also during the analysis. This procedure increased the reliability of the study, of the categories created and of the interpretation process (Kassarjian, 1977; Maxwell, 1996).

Interviewee and interviewer bias is another issue that may arise in qualitative research. Personal involvement and interpretation both from the interviewer and the interviewee may increase the possibility of bias or human error (Clark et al, 2005). In order to avoid these quality issues the researcher tried to carefully plan the interviews and follow all the proposed remedies (interview design and triangulation). Apart from the aforementioned remedies the interviewer kept an open mind regarding the interviewees' views, the questions were asked in a way that they would not lead the respondents to any specific answers, and the interviews were conducted in relaxed environment trying to avoid any pressure from time. However, there are some limitations outside the control of the researcher that needs to be addressed.

Firstly, although there was a between-subject design approach regarding the sample, perceived similarities or dissimilarities between respondents and the interviewer might occur. Secondly, the results of the qualitative study are subject to selective interviewee

recall based on respondents' experience and possible memory effects (Hastie & Park, 1986; Patton, 2002). Many people while describing their experiences "will be more or less familiar with their experiences and more or less skilled at reporting it" (Froese, Gould & Seth, 2011, p. 47). Based on Hastie and Park (1986, p. 260) "the selective influence of the judgment during the retrieval phase of a memory task biases recall in a fashion that produces a correlation between the judgment and the memory responses". This means that there might be a memory bias and some respondents might recall more recent incidents than others. Generally, it can be claimed that this effect can be cancelled out to an extent, as some of the respondents might recall a recent experience while others might recall long-term experiences. However, Froese, Gould and Seth (2011) propose that recall issues can be minimised during the interview by skilled interviewers. To minimise the effect of this bias all the respondents were asked to describe several experiences from the same but also across different providers, asking them to include both positive and negative experiences from the beginning of the relationship until the end. The effect of this bias was also minimised by asking the respondents again after three months of their preferences and experiences with their service providers. As reported above there were no any major changes in the respondents' perceptions towards their service provider, indicating that there was no any major effect of consumption within the three months period.

Although all the aforementioned guidelines were carefully planned and implemented during the interviews and data analysis, based on the nature of the qualitative research as well as the sample size of the research, it will not be suitable to make any generalisations to larger populations (Saunders et al., 2000).The following section is going to present the results of this preliminary qualitative research that led to the adaption of Theory of Planned Behaviour as a theoretical platform forthe proposed conceptual model, which was then tested by a quantitative research (the primary research of the thesis).

RESULTS AND DISCUSSION

In this section the results of the analysis are being presented. As it has been described above, after the open coding where the main codes were identified, the axial coding helped the researcher link the concepts and create categories which are being presented below. The results in this section come solely from the interviews without any literature incorporated. After the initial analysis of the qualitative results, the researcher went back to the literature in order to find similar theories, concepts and constructs that relate to the findings of the qualitative research and could provide the theoretical base for a conceptual model that could be testable through hypotheses. The incorporation of the literature to the qualitative results is being presented in chapter 3, where hypotheses are being formulated and then tested through the primary quantitative research of this thesis (presented in chapter 4, 5 and 6). Thus, the following subsections present the summaries of the major themes which emerged from the connections and inter-relations between the categories as they were formulated by the data. Some matrices are going to accompany the analysis in order to provide the main differences across the services.

1. General Characteristics and Relationship Outcomes

This section of analysis provides the basic information about respondents' behaviour towards the service provider/s they have visited or used. This information is not representative of each service and is not mentioned for generalisation reasons. They are reported to provide the context and general relationship outcomes across services based on the informants responses. At the beginning of each interview informants were asked to report all the service providers they currently visit or use. In some cases, for example in mobile providers and dentists interviews most of the respondents reported only one service provider whereas in cafe/bars or restaurants interviews some of the respondents reported even 5 service providers they were visiting at the same period of time.

Thus, the respondents were asked about all the service providers they visit/use at the same time, from their most favourite to their least favourite. The main reason for asking respondents about all the service providers they visit/use, was to capture and understand the differences across the services and whether there were any 'switchers' among the respondents. Then, the interviewer asked which are the main reasons for switching across different service providers, or how the switching experience can influence their perceptions and attitudes (section 4 provides the information regarding the switching experience and its influence which was then included in the conceptual model). However, the main part of the interview focused on the particular service provider they were repeatedly purchasing from and whom they think it is the most important to them. These conditions helped the participants better assess and evaluate the most important relational bonds which drive their repurchase motives (please see section 2) towards the selected service provider and possibly compare these bonds to other service providers in the same industry (Pieters, Baumgartner & Allen, 1995).

On average, most of the respondents have been visiting the service provider that they have been interviewed for, on an average of 4 to 5 years. As the nature of the services is different, the duration of the relationship is highly depending on the type of the service. For example, the average duration for bars is around 2.5 years, for restaurants 3.5 years, for hair salons 4.5 years, for mobile providers and movie theatres around 5.8 years and for dentists approximately 6.3 years.

The nature of the service is also important regarding the frequency of the use or the visits. For example, as it was expected most of the respondents do not visit very frequently or contact their mobile providers, as they can handle their own accounts online. On the other hand, most of the respondents would visit their favourite cafe/bar approximately 3 times per month, their favourite restaurant around 2 to 3 times per three months, their favourite movie theatre once or twice per month, their hairdresser once per month and their dentist around twice per year. This is rational as each service covers different needs and thus the frequency of visits or use differs a lot across the services.

Another general question was about the approximate amount of money that each of the respondents spends on each visit to/use of the service. For example, the average amount that most of the participants spend on cafe/bars on each visit is around £16.5, on restaurants around £18, on dentists around £60 per visit, on mobile providers around £80 per month, on movie theatres approximately £11 per visit and on hair salons around £35 per visit. The following two sections provide the results of the relational bonds as well as the service actions which make respondents willing to repurchase from the same service provider. Section two, describes the relational bonds that customers have developed through feelings, dispositions, emotions or psychological processes. Section three, describes how important the perceived service actions are, which are initiated from the company to respondents' repurchase decisions.

2. Relational Bonds and Repurchase across Services

In this part the respondents' views and experiences are discussed in terms of the reasons why they keep purchasing from the same service provider/s. They provide insights as to what kind of feelings, emotions, attitudes motivate them to repurchase from a certain provider or from a provider that they prefer amongst other service providers. Then, the results are being categorised across the different types of services, illustrating the main reasons of repurchasing, as shown in table 13.

Generally, based on the results from the interviews across all services, there were seven broad relational bonds categories, in relation to repeated purchase behaviour, and these are: convenience, emotional (e.g. affection, likeness etc.), economic, switching cost, social, habit/automaticity and confidence/safety bonds. These bonds, according to the respondents, act as ties that drive their repurchase intentions. In some cases, there was only one bond which was clearly predominant, whereas in other cases a combination of these bonds acted as glue for the service relationship. A couple of respondents also mentioned that those bonds have changed in strength over time, for example one of them said 'actually now I go to him [dentist] because I am pretty

confident that he is going to do a good job...but initially I just went there because he was around the corner'.

As it is illustrated in table 13, there were some differences as to which relational bonds were mentioned most frequently based on the nature of the service. For example, in search services such as mobile providers and movie theatres, more cognitive based relational bonds were seem to be more important, such as convenience, switching cost, economic bonds etc. Many respondents mentioned, for example, that the reason why they kept visiting the same movie theatre was the convenience in terms of parking, location and ease of booking. Additionally, for mobile providers switching costs and economic bonds were the most frequent reasons of remaining with the same mobile provider, for example, one respondent said 'it is the cheapest plan and it has reasonably good signal coverage so...', another one mentioned 'it would be too [emphasis] much of a hassle to start looking for other packages, and the rates and the additional services...I don't really want to lose any time or put any effort to find something else...either ways there are not a lot of differences between all these providers, it would be just waste of time'.

Table 13: Qualitative Analysis – Service types and Relational Bonds

Service Type	Relational Bonds
Search	Convenience, switching cost, economic, confidence, habit
Experience	Social, emotional, convenience, economic, switching cost
Credence	Confidence, social, habit
Hedonic	Emotional, social, habit, convenience
Utilitarian	Confidence, convenience, economic, habit, switching cost
Customised/ high contact	Social, emotional, confidence, convenience
Semi	Convenience, habit, switching cost
Standardised/ low contact	Convenience, economic
Collective	Social, emotional, habit
Individual	Confidence, economic, convenience, emotional

On the other hand, it was noted that for experience services such as restaurants, cafe/bars or hair salons, the relational bonds which were most frequently mentioned

were more affective based. However, cognitive based bonds were also an important part of the relationship development. Most of the respondents referred to social reasons which make them re-visiting the same restaurant, bar and hair salon. For example, many respondents mentioned that they have developed a friendship with their hairdresser; others said that they feel very welcomed and familiar with some employees of the bar or the restaurant and sometimes they even enjoy the fact that they are recognised by certain employees. Another important relational bond in experience services was the positive emotions during the consumption, for example 'I feel so good when I go there [cafe/bar]...it is my favourite place, I have so much fun every time'. However, among the relational bonds in experience services respondents also mentioned convenience, economic and switching costs as additional reasons for repurchasing from the same service provider.

In credence services, confidence was the major bond that most of the respondents reported, as it was expected. The nature of credence services is such that impedes the customer evaluate the result. Therefore, confidence on the service provider is the key factor of the repurchasing behaviour. In many occasions the respondents mentioned that they feel less stressed and anxious when they are confident that their dentist is going to do a good job. Additionally, the fact that many of them have developed a close relationship with their dentist (some of them have the same dentist since their childhood) and consequently they feel very comfortable with him/her, also counts as an important factor to keep visiting him/her.

Regarding the hedonic and utilitarian dichotomy, most of the respondents reported affective reasons of revisiting hedonic services and cognitive reasons of revisiting utilitarian services. This is rational, as the main elements of hedonic services are affective based whereas the main elements of utilitarian services are cognitive based. For example, the initial response of most of the respondents in the question why you keep visiting this cafe/bar or restaurant was 'because I really like it'. On the other hand, for utilitarian service, such as mobile providers or dentists, the majority of the respondents mentioned confidence, convenience and economic reasons for revisiting the same service provider. In both cases though, many respondents also reported

automaticity/habit as another reason for repurchase; for example, they are used to this service or it comes natural to them to think this service as their first choice.

Similar results were also found for collective versus individual services; for example, social and emotional bonds were the predominant in collective services, whereas confidence and economic bonds were the predominant in individual services. Most of the respondents emphasised on the social aspects of the relationship, especially when the service was consumed collectively with other customers. For example, one of the respondents mentioned 'you know [thinking] when there are so [emphasis] many customers around and the owner [cafe/bar] calls you by your first name...you feel nice [thinking] recognised...'. For individual services, the fact that respondents consume the service by themselves, make them feel responsible for their purchase and thus, feelings of assurance, as well as economic issues, are perceived as more important on their repurchase decision.

Finally, many differences were also found among the three groups of Bowen (1990). In more customised and high contact services, such as hair salons or dentists, emotional, social and confidence bonds were the most frequently mentioned ones by the respondents as the main reasons of repurchasing from the same provider. For example, one respondent said 'I really like every time that I go there...everyone in the salon is so nice and they make me feel great...even with dozens of foils on my head [laugh]'. In services that are semi-customised with moderate contact levels, such as mobile providers and cafe/bars, bonds like convenience and habit were the most commonly mentioned ones. For example, a respondent mentioned 'it is actually the most convenient one [bar]...it is located at the city centre and it is convenient for all of my friends'. In standardised services with moderate levels of contact, such as movie theatres, the most commonly mentioned bonds were the convenience and economic bonds. Interestingly, most of the respondents mentioned that one additional reason for going to the movie theatre, apart from the price and convenience of booking the tickets (through mobile phones and websites), is the price of the pop corn and drinks in the particular movie theatre.

3. Services Actions and Customer Relationships across Services

This section discusses the respondents' views in terms of the most important perceived service actions that make them keep purchasing from the same service provider/s. Then, the results are being categorised across the different types of services and the more commonly reported reasons of repurchasing in each category are being illustrated in table 14.

Based on the informants' responses, there are six broad categories of service actions which are most frequently mentioned as the main reasons for making them feel more favourable towards repurchasing from the same provider. These service actions are: service environment, service product-related, service delivery or communication-related, price, location and rewards. Some of the concepts that respondents mentioned in the service environment category were: ambience, atmosphere, clean/neat, decor, smell etc. In the service product-related category some of the concepts mentioned are: reliable/good function, assortment/additional offering, customisation, equipment or ingredients, availability etc. Service delivery or communication-related category includes the way the service is delivered or communicated from the employees (e.g. expertise/information quality, pressure, understanding, quickness, enthusiasm /motivation). Price category includes the level of price as well as the value-quality ratio of the service. Location includes the geographic location of the service provider and rewards include the economic or social benefits/incentives that respondents earn from the service provider.

Based on the service type the respondents emphasised different service actions that make them feel more favourable for one service provider over the other. Table 14 shows the service actions which were more frequently mentioned across the services and represented each service type. In the parentheses there are some of the codes that were most frequently mentioned in each case. As it is shown in table 14 service product-related elements were very important in search type services. For example, for movie theatres the majority of the respondents mentioned that additional services, such

as parking, drinks and food, are really important in their decision to revisit that movie theatre; similarly, for mobile providers additional services, such as roaming, international calls and family plans, were mentioned as important attributes that affect their decision in renewing their contract. Location and price were also commonly mentioned reasons that affected respondets' decision to repurchase from the same service provider. For example, one respondent said 'Vodafone [a mobile provider] is everywhere...I have one store around the corner where I live and it's very handy', another mentioned 'when I go to watch a movie I don't like to travel...the closer the better', someone else said 'it is the most economic plan ever...generally I think that there is no other mobile provider with better deals'.

Table 14: Qualitative Analysis – Service types and Service Actions

Service Type	Service Actions
Search	Product (additional services and reliable), location, price, delivery (quickness, pressure)
Experience	Environment (atmosphere/ambience, clean/neat), product (customise, equipment), rewards, delivery (quickness), location
Credence	Delivery (expertise/information quality, understanding), product (reliable, equipment), environment (clean, neat)
Hedonic	Delivery (enthusiasm, understanding, quickness), environment (ambience), product (customize, additional offers, unique offerings), rewards, location
Utilitarian	Product (reliable, customised, equipment), delivery (expertise/information quality)
Customised/ high contact	Delivery (expertise, understanding), product (customisation, variety/assortment, reliable), price
Semi	Product (reliable), price, rewards, environment (atmosphere), location
Standardised/ low contact	Location, price, product (additional services)
Collective	Environment (ambience), location, product (assortment), rewards
Individual	Product (reliable, customisation, assortment, equipment), delivery(expertise, fairness, quickness), location, rewards

In experience type of services, on the other hand, the service environment was the most commonly mentioned service action. Many respondents mentioned the atmosphere or ambience as a very important factor that could affect their mood while

experiencing the service. For example, one respondent said ‘the people, the music, the paintings, the chairs...everything in this place is so bright, happy, fun...it really makes my [laugh] night’[bar], another one mentioned ‘I like this place [hair salon], it is always clean, it smells nice, it has nice pictures and it is very modern looking...make feel actually really nice’. Other actions that are really important in experience services are service product-related actions, like customisation and equipment used, rewards, delivery and location.

In credence services, service delivery actions were the most frequently mentioned ones. Especially, expertise and understanding were key actions; for example, most of the respondents mentioned that the knowledge and the degree of expertise of their dentist are crucial in making them feel more confident that the dentist is going to do a good job. Also, the understanding and empathy of the dentist to respondents’ questions or concerns are really important factors in making them feel safe with their dentist. As one of the respondents mentioned ‘I don’t really feel comfortable going to my dentist...because I know that if I have [emphasis] to go...it is going to hurt...but only the fact that he [dentist] is going to explain everything to me, even the most weird questions, it makes me feel more confident that he knows what he is doing’. Other service actions that were found to be important in credence services were service product-related (especially reliability, dependability and updated equipment) and service environment related factors (especially cleaness/neatness).

In hedonic services, positive service delivery aspects were the most repeatedly mentioned actions across the different hedonic services. In particular, the enthusiasm, motivation, understanding and fast delivery were mentioned by the majority of the respondents. For example, one of the respondents said ‘I really like that place [cafe/bar]...all the employees are so [emphasis] smiley and exciting...it is really fun to be around them’. Another important factor was service environment, especially ambience (e.g. ‘the atmosphere of that place [restaurant] is so nice...it actually makes you want to stay more [emphasis]’). Other frequently mentioned service actions were product-related (especially customisation, additional and unique offering), as well as rewards and location.

On the other hand, service product and service delivery were the most commonly mentioned reasons for making respondents repurchase in utilitarian services. Service product-related actions, such as reliability, customisation and great equipment, were reported as important factors; for example, one of the participants said 'actually they [mobile provider] provided me a customised plan...for example, they asked me my preferences and habits and then they offered me a plan made only for me...but the best thing is that if I want to change it, for example, have more talk time than messages, they can change it proportionally without any extra charge'. Service delivery-related actions, such as expertise, were also mentioned by many respondents as an important factor for repurchasing (e.g. 'he [dentist] is really good...he is also a Professor at the University which makes me trust him more that he knows what he is doing').

The same two aspects, service product and service delivery, are also important in individual services. In this service type though, location and rewards were also commonly mentioned factors across the different services. For example, a lot of respondents referred to the geographic location of the provider as an additional reason that keeps them re-visiting the same provider. Furthermore, in individual type of services rewards were mentioned several times during the interviews (e.g. 'I know that every time I go for a haircut, she is going to treat me with a mask, free of charge...', 'Every year they [mobile provider] provide me with a new mobile phone, free of charge, if I renew with them...and every year the value of the mobile is even higher...so why should I switch?'). On the other hand, service environment, location, service product and rewards were the most important factors in collective services. For example, many respondents stated that the service environment, especially the atmosphere, is vitally important when there are other customers in the same place (e.g. cafe/bar, restaurants, and movie theatres).

In highly customised services with high contact, service delivery and service product were the most frequently mentioned service actions by the respondents. For example, one of the respondents said 'They have everything there...meat, fish, and many many vegan choices', another one mentioned 'I trust her [hairdresser] judgement...every time

that I have made a big change, I really enjoyed it...she is really good at what she is doing and she listens to me but more importantly she understands me'. In semi-customised and moderate contact service types, the most frequently mentioned service actions were service product and price. For example, a respondent said 'I know that the service is going to be good...even when there is a problem with my mobile I am not worried at all...I know that with a phone call they are going to fix it...at least til now they never failed me'. Finally, in more standardised and moderate contact services, service actions like location, price and service product were found to be important. For example, as mentioned before, many respondents stated that geographic location for movie theatres really matters for revisiting; the price of the ticket as well as the price of the additional services (e.g. parking, pop corn and drinks) is also important factors for revisiting a movie theatre.

4. Previous Experience and Repurchase Intentions across Services

Based on participants' responses across all sectors, previous experience seemed to have an important role on respondents' repurchase behaviours. More specifically, switching experience and prior service experience were found to be important factors that could influence respondents' loyalty, word of mouth, and share of wallet with their service provider.

Switching experience was expressed by the respondents on how often they switch across service providers or how many service providers they use at the same time. Many participants reported that they use/visit more than one provider, in most of the service industries mentioned. For example, several respondents visit more than one cafe/bars, restaurants, hair salons, or movie theatres at the same period of time, or they have switched many mobile providers and dentists across a period of time. The fact that they have the option to experience different services and compare the pros and cons of each one and eventually choose their preferred one, makes them behave differently in comparison to using solely one service provider. As most of the respondents mentioned, when they use/visit more than one service at the same period

of time, the share of wallet is low as their money is shared across the different services. As one respondent mentioned ‘This place [cafe/bar] might be my favourite one now [emphasis] but I really like to try new places all the time...so if I find something better, I will stick with the better one...actually I have done that in the past a lot...I stick to one place for one or two years, and then while trying other bars I normally switch to another one’.

Additionally, the whole past service experience, including how respondents have felt during the consumption, how they have behaved and what is the general sense they have obtained about the service, is also an important factor in regards to their loyalty and word of mouth. As one respondent stated ‘I don’t know...it is the whole thing...the good sense that you get every time it makes you want to go back again and again...for example, in the beginning I was a bit reluctant...I was going to this restaurant but at the same time to many more and couldn’t really say back then that this was my favourite one...after a while, around three months of going there every couple of weeks, every time that a friend would ask me to go out for dinner, this place was my first choice...now if anybody asks me for a good restaurant I would definitely recommend this one...actually you should go too [laugh]’. Furthermore, most of the respondents towards the end of the interview tended to say that ‘it is the whole experience that you get out of it that makes you want to go again and again’.

5. Social Influence across Services

The results from the interviews indicated that there are two main social influences that comprise the subjective norms: 1) *Group Influence*, where family members, peers and social groups can directly and explicitly affect the repurchase attitude of the customer, and 2) embedded *Social Norms*, where customers are implicitly influenced, by their notion about what significant others are expecting from them, or what it is socially accepted. The main body of literature in social influence is focused merely on the indirect influence through intentions to behaviours, which leaves out the direct effect of social influence to behaviour (Ajzen, 1987; 1991). For example, one respondent said

‘I go there because my friends are going…I don’t really like this place and I wouldn’t go by myself but this is where they want to meet’.

Gilbert (1992) points out that “collective intentionality in the sense of "we intend" is a social fact that can be a basis for each individual group member's I-intention directed at a group end” (Bagozzi, 2000, p. 389). On the other hand, Tuomela (1995) and Bratman (1999) showed how the intention of the individual can influence the intention of the group, the “we-intention” - "a commitment of an individual to participate in joint action [that] involves an implicit or explicit agreement between the participants to engage in that joint action” (Tuomela, 1995, p. 2). This ‘we-intention’ was mentioned several times by the respondents and was translated by the respondents as a direct action.

Additionally, Terry, Hogg and White (1999) found that reference groups such as friends and peers can affect intentions, but solely for those consumers that are strongly identified with this group. On the other hand, Ajzen (1991) proposed that subjective norms influence the intentions of the customer. However, the result of our study indicates that social influences can affect not only the intentions but also other relationship outcomes such as word of mouth and customer loyalty. For example, one respondent said: ‘I first went to this dentist because of my mother and my father…and I am still going because they go…if they were to change a dentist I would follow them’. In general, the peers influence is found to be higher at communal services, such as bars, restaurants and movie theatres. On the other hand, family influence seems to be higher on individual services and, in particular, on those with high credence value. The main reason for that were the confidence and reliability issues, and as the evaluation of the quality of the service is very hard at credence services, even after the service consumption, customers’ choice of service provider is based on who they trust the most.

Obviously, the group influence is higher when the service is consumed collectively, compared to individual consumption. However, it was found that the influence of the social group on individuals’ intentions is dependent upon the level of associative and

dissociative intention of the customer. In other words, it is dependent on whether they are motivated to comply or not with each reference group. This is also in line with Theory of Planned behaviour, where Ajzen (1991) proposes that subjective norms are formed also by the motivations of customers to comply or not with the reference groups that influence them.

Dissociative reference groups "are those groups an individual wishes to *avoid* being associated with" (White and Dahl, 2006, p.404). In their research White and Dahl (2006) found that "dissociative reference groups can exert social influence over consumer judgment and choice" (p. 404). Therefore, in many instances respondents wouldn't choose to re-visit a place because of their negative or dissociative perception of a particular social group (e.g. 'I don't go to this restaurant anymore…I like the music and food but the people that go there are too old'). On the other hand, associative influence can also influence the relationship between social group influence and customer's attitude (e.g 'I don't like this bar at all…but I really like the people that go there…that's why I am going').

Most of the respondents stressed out the social influence especially at the stage of the initiation of a service relationship. But most of them also mentioned how this influence continued to have power over their intentions or behaviours until now. These effects vary again according to the nature of the group; either it is family, peers or social groups. For example, family influence keeps being high in individual services such as dentist and mobile providers.

The following tables highlight the differences of social influence in each service as they emerge from the interviews. Table 15 provides some indicative levels of the social influence in each service individually. These results are provisional and call for further detailed research in this particular area. Because of the large scale of the conceptual model, these details were not all included in the present conceptual model. They are just mentioned here as provisional results from the qualitative research. However, the main contribution of this part of the results to this thesis was to propose a direct link from subjective norms to relationship outcomes along with the link

between subjective norms and intentions (which is the common rule in theories like Theory of Planned Behaviour).

Overall, the table below shows that family influence is at its highest for restaurants, mobile providers and dentists. The repurchase influence from peers, on the other hand, was found to be higher in hedonic and collective services such as cafe/bars, restaurant and movie theatres. Similarly, social identity groups, which respondents wanted to be associated with, could influence respondents' repurchase intentions again, especially in the case of hedonic, collective and experience services. Finally, in the case of social norms collective and hedonic services were also found to have the highest level of impact on respondents' repurchase decisions.

Table 15: Social influence across different types of services

	Group Influence					
	Services					
Repurchase Influence	**Bar**	**Restaurant**	**Movie Theatre**	**Hair Saloon**	**Mobile Provider**	**Dentist**
Family	Medium/Low	High	Medium	Low	High	High
Peers	Very High	Very High	High	Low	Low	Low
Social Identity Groups	Very High	High	High	Medium/high	Low	none
	Social Norms					
Word of mouth	**Bar**	**Restaurant**	**Movie Theatre**	**Hair Saloon**	**Mobile Provider**	**Dentist**
Social Norms	High (Most popular)	High (Most popular)	High (Most popular – location)	Medium (High Confidence)	Medium (CIT)	Low (Solicited)

Interestingly, it was found that social norms play a big role on recommendation or word of mouth. Most of the respondents would not recommend their favourite provider in the case of collective and hedonic services (as it is supported by the literature), but the provider that is the most socially accepted. However, the willingness to recommend a service in the case of individual and utilitarian services was very low and mainly solicited. The recommendation was found to be high in the individual, utilitarian and credence services only when the reliance onto the service provider as well as onto the person who would recommend the service was very high. Particularly, in the case of mobile providers, respondents' confidence seemed to be

improved after a negative critical incident, which sometimes initiated recommendation to others ('I would definitely recommend my mobile provider…when I had problems with some charges…they overcharged me but I didn't realise that…they send me back the money with an apology letter…which other mobile providers would do that?!').

CONCLUSION OF QUALITATIVE STUDY

This qualitative research was the preliminary study of the thesis with a main purpose to gather some new insights regarding the reasons why customers repurchase from a service provider. During the interviewing process it became clear to the researcher that it was crucial the differences across several service types to be further explored. Therefore, adopting the qualitative research approach, with semi-structured in-depth interviews, the researcher could gather useful information from sixty respondents. Based on the respondents answers the qualitative results guided the researcher to revisit the literature and find similar concepts that could be integrated into the results and provide a conceptual model and hypotheses that could be testable. These hypotheses were then tested through a quantitative study that was the primary research of this thesis.

To summarise the results, it was found that there are several relational bonds that respondents commonly mentioned as the main reasons of repurchasing from the same service provider. These relational bonds included economic, emotional, switching cost, confidence, convenience, social and habit bonds. Furthermore, it was found that the effect of each relational bond was different according to the type of service. It was also found that there are several service actions that can influence respondents' attitudes to repurchase from the same service providers. These service actions are initiated by the company and the respondents evaluated the influence of these actions on their repurchase decisions. Product-related, delivery-related, environment-related, price, location and rewards were the most commonly mentioned service actions by the respondents. Service type was also an important moderator in this case too, as different

service actions were evaluated with different level of importance based on the service type by the respondents.

Subjective norms were another important factor on the respondents' repurchase decisions, not only on their intention but also on their loyalty level and word of mouth too. This effect was once again differently evaluated in each service. Finally, prior experience, such as switching experience and service experience were found to play an important role on respondents' repurchase decisions and especially on share of wallet, loyalty intensity and word of mouth.

Therefore, this step of the study was crucial for the whole thesis providing useful insights and directing the researcher to an interesting area of research with an emphasis on the differences across the services; an area which is under-researched in marketing literature. Furthermore, this exploratory study helped the researcher not only to find the appropriate theory and extend it across different services but it also assisted the construction of the questionnaire. Finally, the qualitative research provided the researcher with new ideas for further research, for example the social influence across services based on norms and reference groups.

The next sections are focused on the primary study of this research which is based on the quantitative data collected through a big-scale questionnaire. This questionnaire was assessed through different services, which were selected and evaluated by raters in order to find the most appropriate ones that can represent each service type. After the selection of the services, the questionnaire was formulated and distributed and the primary data of the thesis were collected in order to test the conceptual model which was based on the qualitative research and the literature review.

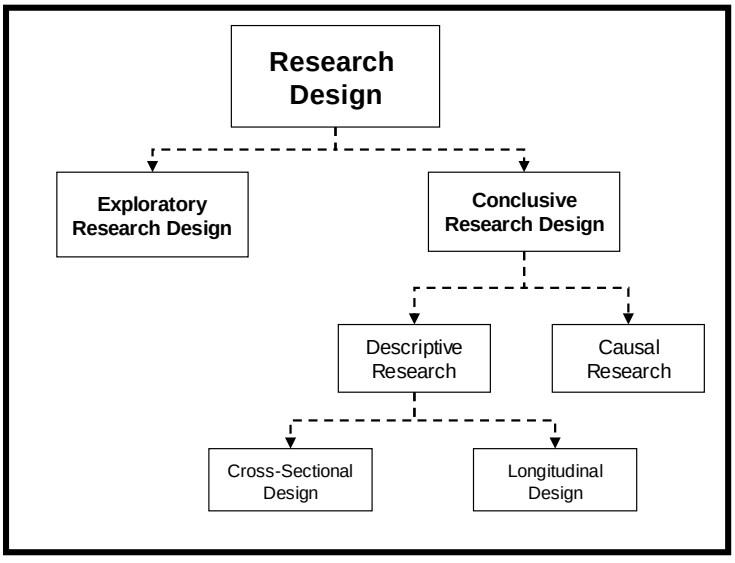
PRIMARY STUDY

PHILOSOPHICAL RATIONALE

The primary part of this study included a cross-sectional survey from customers of services in the area of London. This survey was conducted after the formulation of the conceptual model and hypotheses, based on the qualitative research and the incorporation of literature. The qualitative part of the study helped to the formulation of the model, the identification the main constructs that had to be researched and the development of the questionnaire. The use of both qualitative and quantitative approaches (triangulation) increased the credibility of the research and the findings (Deery, Iverson and Walsh, 2002; Bryman and Bell, 2003).

Generally, there are two basic research designs: *exploratory* and *conclusive* as illustrated in figure 21 (Malhotra et al., 2006).

Figure 21: Research Design



***Source: Malhotra et al., 2006, 'Basic Marketing Research', p. 72**

Exploratory research has as a primary objective to provide insights and understanding of the research problem and it is mainly conducted through qualitative research (Malhotra et al., 2006). This part of research has been analysed in the previous

sections. Conclusive research has as a primary objective to test specific hypotheses and examine relationships (Malhotra et al., 2006). Conclusive research design can be further divided into: *descriptive* research and *causal* research (Malhotra et al., 2006). In this part of the study, descriptive research is going to be followed, because the aim of this part is to examine the degree to which the variables are associated (Malhotra et al., 2006). Specifically, a cross-sectional design is selected since the selected group of respondents will be measured only once through a predesigned questionnaire (Malhotra et al., 2006).

Bryman and Bell (2007, p. 56) defined survey as "a cross-sectional research design... in which data are collected predominantly by questionnaire or by structural interview... at a single point in time in order to collect a body of quantitative or quantifiable data in connection with two or more variables...which are examined to detect patterns of association". Saunders, Lewis & Thornhill (2003) also agree that a questionnaire is one of the most commonly used techniques for survey data collection and can be defined as a technique for collecting data, where all subjects are asked the same questions in the same order. This might include 1) structured interview, 2) telephone questionnaire and 3) questionnaires answered without the presence of the interviewer (Saunders, Lewis & Thornhill, 2003).

One of the main advantages of survey strategy is its reliability compared with the other strategies because it is based on a representative sample of the targeted population (Malhotra et al., 2006). Other advantages of using a questionnaire design are the following: 1) it minimises bias, 2) it minimises response error and reaches a larger sample size, and 3) it helps to test hypotheses and understand or even forecast behaviours based on attitudes, perceptions, opinions and generally respondents views (Malhotra et al., 2006; Saunders, Lewis & Thornhill, 2003). For the purposes of this part of the research, questionnaire design was found to be the most appropriate method, as it is the most suitable medium to answer the main research questions of the study and it can most effectively test the relationship among customers' perceptions, attitudes and behaviours.

The quantitative research included data which were collected from nine different clusters in greater London area from 548 customers about their perceptions, attitudes and behaviours of different services. The clusters were chosen randomly to represent most of the areas in greater London, and a multistage cluster sampling approach was followed from September 2010 until February 2011. As this sampling approach was expected to be very time-consuming and difficult to be managed only by one researcher, seven research assistants were hired to collect the data. Most of the researches in the field are following non-random sampling approaches with convenient sampling in most of the cases or they are using panels from companies. Therefore, the use of a random sampling technique in a cosmopolitan and multinational city such as London provides stronger generalization properties.

A between-subjects design was used with seven types of services which were the key treatments (see below for the choice procedure of treatments). The main reason of using a between-subject design is to examine whether there are differences between two or more conditions (Agresti & Finlay, 1997). This is in line with the main scope of this study, which is to find out whether there are any differences across different types of services. Additionally, by using between-subject design the researcher can avoid the 'carryover' effect or order effect (Greenwald, 1976). The 'carryover' effect "occurs when the effect of one treatment persists in some fashion at the time of measurement of the effect of another" (Greenwald, 1976, p. 318). In the present study it was important to avoid the influence of measurement of one service to the other, as it would be the case for the with-in subject design, because carryover effect might result in confounding variables (Gravetter & Forzano, 2011). Practice and learning effects might also result in potential confound especially when using within-subject design (Gravetter & Forzano, 2011). On the other hand, the biggest disadvantages of the between-subject design are the large number of participants required and the complexity of monitoring and controlling the data collection process (Greenwald, 1976; Gravetter & Forzano, 2011). However, both of these were handled successfully by the researcher, by using random sampling technique in a big sample size, managed by seven research assistants and the researcher of the thesis monitoring them during the whole data collection procedure.

Randomization (random assignment to provider) was important to this type of design and to the quality of the results. Therefore, a pre-determined service provider was used for this purpose (as it will be described in a following section) and the type of service was assigned randomly to each respondent. For this reason, there were seven versions of the questionnaire with the same questions, in the same order, but with different service providers (see Appendix 6). The following sections will provide details of the measurement, the services used as moderators and the sampling technique that was followed.

QUESTIONNAIRE DESIGN AND MEASUREMENT

Based on the qualitative findings, the literature was revisited and the theoretical base of the constructs was found. Most of the constructs used in the study are based on established measurements in marketing and social psychology field, while few variables were original.

In total there were 22 constructs included in the questionnaire as indicated below, which are the following: six service actions included 1) delivery, 2) product, 3) environment, 4) location, 5) price and 6) schemes. Eight relational bonds included 7) switching bonds (set up, risk, evaluation and knowledge), 8) economic, 9) social, 10) confidence, 11) convenience, 12) positive emotions, 13) negative emotions, and 14) habit. Prior experience included 15) switching experience, and 16) service experience. Other constructs measure in the questionnaire were 17) subjective norms, 18) perceived difficulty, 19) repurchase intention and three relational outcomes included 20) loyalty, 21) share of wallet, and 22) word of mouth.

The questionnaire was structured based on the following steps (please see Appendix 6 for the full questionnaire). The questionnaire started with an opening statement in order to provide basic information to respondents. This statement included the purpose and the origin of the study, the area of the research as well as the reassurance of the

anonymity and confidentiality of the data. The approximate time of the completion of the questionnaire followed, together with a statement with general instructions, emphasising that there are not right or wrong answers. As this was a relatively big questionnaire, an incentive was given to the respondents: a chance for two respondents to win either an iPod touch or a Debenhams voucher. For this reason, there was an option for the espondents to enter their email address at the end of the questionnaire, reassuring that it will not be used for any other reasons other than the draw.

For each of the seven services selected, there was a different version of the questionnaire adapted for each particular service. At the same time, however, care was taken to keep the same format, order and wording, as close as possible to each of the seven versions. Therefore, the seven questionnaire versions that were developed included the following services: airlines, banks, dentists, dry cleaners, hair salons, movie providers, and restaurants.

Each of the questionnaires included 135 measures or statements in total. From those, 123 statements were measured with a 7-point likert scale indicating the level of respondents' expectations (for service actions), agreement/disagreement (relational bonds, subjective norms, relationship outcomes, switching experience), not at all/very much (emotions), difficulty/easiness (perceived difficulty), and negative/positive (service experience). There was one open ended question (question 1), four quantity questions where the participants had to report a number (e.g. question 3), and four category questions where participants had to choose one of the provided options (e.g. question 2).

Questions were asked in logical order, trying to locate dependent variables in three different places – beginning, middle and end – so that there is no 'lead effect'. The most 'difficult' questions (questions that required careful consideration from the respondent) were placed at the beginning of the questionnaire (first three pages), so respondents could be relatively focused and not tired. 'Easier' questions and demographics were placed towards the end of the questionnaire.

The following table presents the items used in the present study in order to measure each construct. The selected measurements were finalised after an extensive review of the relevant literature. Based on the literature, a massive table was created reporting the name of the variable, the items used to measure the variable together with the factor loadings of each item (when provided), the authors and the definition given to the variable[4]. Based on this review, all measurements in the literature were gathered and those that were most established (statistically and academically) and most closely related to the findings of the qualitative research were selected.

[4] Because of the extended length of the table (72 pages), it could not be attached in the Appendices but a small sample of the table is presented at Appendix 7.

Table 16: Measurements for Questionnaire

Variable	Items	Author	Measurement
SERVICE ATTRIBUTES			
Service Product	▪ Providing service reliably, consistently, and dependably ▪ Having a great assortment of services to offer ▪ Customizing the service for your specific needs to a large extent ▪ Using the best equipment and/or ingredients ▪ Being always available when you need them ▪ Offering products or services that no other service provider offers ▪ Offering many additional types of service beyond the basics	Adapted from Paul et al. (2009) and Cronin, Brady & Hult (2000)	7-point scale 1= much worse than expected, 7= much better than expected
Service Price	▪ Having very low prices ▪ Getting excellent value for the amount of money you spend	Adapted from Paul et al. (2009)	7-point scale 1= much worse than expected, 7= much better than expected
Schemes	▪ Having an effective rewards/loyalty scheme	New item (qualitative study)	
Service delivery	▪ Having employees behaving in a non-forced or non-fake manner ▪ Having employees who really care about you ▪ Having employees who provide excellent advice ▪ Being exceptionally fair with customers ▪ Not pressuring you ▪ Having employees going out of their way to do a good job ▪ Providing very fast service and/or having very short waiting times	Adapted from Paul et al. (2009)	7-point scale 1= much worse than expected, 7= much better than expected

Service environment	▪ Having exceptionally clean facilities ▪ Having a great environment and/or atmosphere	Adapted from Paul et al. (2009)	7-point scale 1= much worse than expected, 7= much better than expected
Company Location	▪ Being very well located **(Location)**	Adapted from Paul et al. (2009)	7-point scale 1= much worse than expected, 7= much better than expected
RELATIONAL BONDS			
Switching Cost			
Risk Bonds	▪ Switching to a new service provider will probably involve hidden costs/charges ▪ Switching to a new service provider will probably result in some unexpected hassle ▪ I don't know what I'll end up having to deal with while switching to a new service provider ▪ I am likely to end up with a bad deal financially if I switch to a new service provider	Adapted from Burnam, Frels & Mahajan (2003)	7-point scale 1= strongly disagree, 7= strongly agree
Evaluation Bonds	▪ I cannot afford the time to get the information to fully evaluate other service providers ▪ It is tough to compare the other service providers ▪ Comparing the benefits of my service provider with the benefits of other service providers takes too much time/effort, even when I have the information ▪ It will take a lot of time/effort to get the information I need to feel comfortable evaluating new service providers	Adapted from Burnam, Frels & Mahajan (2003)	7-point scale 1= strongly disagree, 7= strongly agree

Knowledge Bonds	▪ Even after switching, it would take effort to "get up to speed" with a new service ▪ Getting used to how another service provider works would be easy (r) ▪ My provider knows my history and it would be a hassle to change to a new one ▪ Learning to use the features offered by a new service provider as well as I use my service would take time	Adapted from Burnam, Frels & Mahajan (2003)	7-point scale 1= strongly disagree, 7= strongly agree
Set Up Cost Bonds	▪ Switching service providers involves an unpleasant sales process ▪ There are a lot of formalities involved in switching to a new service provider ▪ The process of starting up with a new service is quick/easy. (r) ▪ It takes time to go through the steps of switching to a new service provider	Adapted from Burnam, Frels & Mahajan (2003)	7-point scale 1= strongly disagree, 7= strongly agree
Economic Bonds	▪ My service provider offers me discounts to encourage future purchasing ▪ My service provider provides discounts for loyal customers	Adapted from Hsieh et al. (2005)	7-point scale 1= strongly disagree, 7= strongly agree
Social Bonds	▪ I am recognized by certain employees ▪ I am familiar with the employee(s) of this service provider ▪ I have developed a friendship with this service provider ▪ The employees know my name ▪ I enjoy certain social aspects of the relationship with my service provider ▪ I feel welcomed as a customer	Adapted from Hennig-Thurau, Gwinner & Gremler (2002); Gwinner, Gremler & Bitner (1998); Paul et al. (2009)	7-point scale 1= strongly disagree, 7= strongly agree

Habitual Bonds	▪ Using this service provider has become automatic to me ▪ Using this service provider is natural to me ▪ Using this service provider happens without thinking		Adapted from Limayem, Hirt & Cheung (2007)	7-point scale 1= strongly disagree, 7= strongly agree
Confidence Bonds	▪ I feel less stress when I am using this service provider ▪ I believe there is less risk that something will go wrong ▪ I have more confidence the service will be performed correctly ▪ I have less anxiety when I buy the service		Paul et al. (2009); Gwinner, Gremler & Bitner (1998)	7-point scale 1= strongly disagree, 7= strongly agree
Convenience Bonds	▪ It is more convenient to use this service provider than other service providers ▪ It makes me save time and effort when I use this service provider rather than other service providers ▪ It allows me to lessen my effort when using this service provider rather than other service providers ▪ It is easier to use this service provider rather than other service providers		Adapted from Wagner, Hennig-Thurau & Rudolph (2009)	7-point scale 1= strongly disagree, 7= strongly agree
Emotional Bonds	Please rate the extent to which the following words describe your typical feelings toward the service you receive from your service provider…			7-point scale 1= not at all, 7= very much
Positive Emotional Bonds	Affection	…affectionate …friendly …peaceful	Thomson, MacInnis & Park (2005)	
	Passion	…passionate …delighted …captivated		

	Connection	…connected …bonded …attached		
Negative Emotional Bonds	Negative effect	...angry …frustrated …irritated …annoyed	Adapted from Wagner, Hennig-Thurau & Rudolph (2009)	
SOCIAL ENVIRONMENT				
Subjective norms	▪ People who matter to me (e.g. family, friends, relatives, peers)… … would approve of me using this service provider … would disapprove of me using this service provider … consider that it is important that I continue using this service provider … wouldn't mind if I decided to stop using this service provider … expect me to continue using this service provider … would probably make me feel guilty if I stopped using this service provider		Adapted from Charng et al. (1988); Ajzen & Drive (1992)	7-point scale 1= strongly disagree, 7= strongly agree
Perceived Difficulty	▪ Please rate the difficulty of using this service provider again ▪ If I wanted to, I am confident I could use this service provider again		Adapted from Pavlou & Fygenson (2006)	7-point scale First question: 1= extremely difficult, 7= extremely easy Second question:1= strongly disagree, 7= strongly agree

PRIOR EXPERIENCE			
Switching Experience	▪ Over the years, I have switched between service providers a lot ▪ I occasionally try other service providers ▪ How many competing service providers, have you tried in the last X years?	Adapted from Burnam, Frels & Mahajan (2003)	7-point scale First question: 11= strongly disagree, 7= strongly agree Second question: numeric
Customer Experience	▪ This service provider makes a _____ impression on my visual sense or other senses ▪ This service provider induces _____ feelings and sentiments ▪ I engage in _____ physical actions and behaviours when I use this service provider ▪ I engage in a _____ thinking when I encounter this service provider ▪ My overall experience with this service provider is _____	Brakus, Schmitt & Zarantonello (2009)	7-point scale 1= strong negative, 7= strongly positive
INTENTION			
Repurchase Intention	▪ How would you behave based on your experience with this service provider? – I would continue using this service provider – The next time I need to use an service provider, I would choose this service provider – I would consider this service provider as my first choice	Adapted from Wagner, Hennig-Thurau & Rudolph (2009)	7-point scale 1= strongly disagree, 7= strongly agree

RELATIONASHIP OUTCOME			
Loyalty	▪ My choice to go to this restaurant was a wise one ▪ I think I did the right thing when I decided to use this airline ▪ I am a loyal customer of this airline ▪ I have developed a good relationship with this airline ▪ If I had to do it over again, I would choose this airline	Adapted from Walsh & Beatty (2007); Arnold & Reynolds (2003); Chiou & Droge (2006)	7-point scale 1= strongly disagree, 7= strongly agree
Word of Mouth	▪ I encourage friends and relatives to use this airline ▪ I recommend this airline whenever anyone seeks my advice ▪ When the topic of airline comes up in conversation, I go out of my way to recommend this airline ▪ I have actually recommended this airline to my friends/family	Adapted from Gremler & Gwinner (2000)	7-point scale 1= strongly disagree, 7= strongly agree
Share of Wallet	▪ On average how much money do you spend on service providers generally per year? ▪ On average the money that you spent on this specific service provider represent _____% of your total expenditure on service providers. ▪ This airline is: The only one I use, One of 2, One of 3, One of 4, One of many	New items	1st and 2nd questions: Numeric 3rd question: multiple choice

SERVICE SELECTION

As it is mentioned in the previous sections, it became apparent from the early stages of the qualitative research that there is a need to examine the moderating effect of the service type. Therefore, an extensive review of the literature (please see table 18 and Appendix 3 with examples of service providers for each of the types) helped the researcher to select the services that are most commonly used in marketing literature to represent each of the ten different service types. After selecting the most commonly used services, some preliminary interviews took place with three distinguished academics in services marketing and two professionals who are working in different services industries. The respondents were asked to select the services they believe that more closely represent each service type; collective/individual, hedonic/utilitarian, search/experience/credence, and group 1/group 2/group 3. Based on their responses the researcher ended up with 27 services which could represent each of the aforementioned service categories. These services are:

Table 17: Selected services across service types

Services		
1. Accountants	10. Hairdresser	19. Personal Banking
2. Airlines	11. Hotels	20. Physician
3. Automotive repairs	12. Insurance Companies	21. Postal services
4. Bars	13. Internet provider	22. Real Estate Services
5. Bowling centres	14. Lawyer	23. Restaurants
6. Coffee shop	15. Mobile Provider	24. Shoe repair
7. Dentist	16. Movie Theatres	25. Universities
8. Dry Cleaning	17. Museums	26. Veterinarian
9. Gym	18. Optometrist	27. Video tape rental

The procedure adapted to select the final services for the study, followed similar guidelines as presented in established research such as Hsieh , Chiu and Chiang (2005), Galetzka, Verhoeven and Pruyn (2006), Keh and Pang (2010) and Krishnan and Hartline (2001). Therefore, the next step was to construct a questionnaire (please see Appendix 4). The key task was to identify a variety of services with different dominant values at:

1) search, experience and credence characteristics,
2) hedonic vs utilitarian continuum,
3) customization and contact level, and
4) communal level (individual vs collective services).

The questionnaire included a definition of each service type and respondents were asked to read carefully the definition and then to rate in a 7-point likert scale the values of all 27 services in each typology. The following table shows the definitions used in the questionnaire:

Table 18: Definitions of Service Questionnaire

Service typologies	Definitions Provided
Collective vs Individual continuum	**"Collective services"** are those services that are delivered and consumed simultaneously by a large number of consumers at one point in time, in one location. On the other hand, **"individual services"** are those that are delivered and consumed by one customer at a time.
Utilitarian vs Hedonic continuum	**"Utilitarian services"** are those that *primarily* provide solutions for customer's functional and practical needs and they mainly consumed for the utility that they provide. A service with high utilitarian values is mainly consumed for the core product that this service is providing. On the other hand, **"Hedonic services"** are those that provide solutions for more emotional or psychological needs e.g. fun, interaction, enjoyment, relaxation etc. This is because such services are consumed *primarily* to fulfil the customer's pursuit of pleasure in their lives. A service with high hedonic values is mainly consumed for the emotional fulfilment that comes from the core product, but not for the core product itself.

Search, Experience and Credence Services	**"Search services"** are those services that the customer can obtain full information and asses the utility outcome prior to purchase. So when a service has high Search values the customer is able to judge the service performance before purchasing it.
	"Experience services" are those services that you can asses and measure the outcome only during or after the consumption. So when a service has high Experience values the customer is able to judge the service performance only during or after the consumption.
	"Credence services" are those services that it is difficult to measure or asses the outcome even after the consumption. So when a service has high Credence values the customer is not able to judge the service performance even after the consumption, mainly because s/he doesn't have the knowledge to do so.
Customisation level and Contact level	**"Customised services"** are those services that are tailored and designed to meet the customer's specific requirements, allowing modifications for individualized needs and preferences. **"Standardised services"** are the opposite of customised services and provide identical service solutions to all the customers.
	There are different levels of customer contact for different services. "**High Contact services"** are those when the interaction between the customer and the company (mainly the employees) is very high, and "**Low Contact services"** are those when there is not a lot interaction, if any at all, between the customer and the company.

The raters included in the study were 17, two of them Marketing Professors, six of them PhD students in different areas in Business Studies (Marketing, Management, Finance, Accounting, and International Business) and nine of them were consumers who were not experts in the field of marketing.

RESULTS FROM RATERS

Out of 189 questions in the questionnaire there was a 96.5 inter-rater agreement:

Table 19: Intraclass Correlation Coefficient

Intraclass Correlation Coefficient

	Intraclass Correlation[a]	95% Confidence Interval		F Test with True Value 0			
		Lower Bound	Upper Bound	Value	df1	df2	Sig
Single Measures	.619[b]	.569	.670	28.567	188	3008	.000
Average Measures	.965[c]	.957	.972	28.567	188	3008	.000

Two-way mixed effects model where people effects are random and measures effects are fixed.

a. Type C intraclass correlation coefficients using a consistency definition-the between-measure variance is excluded from the denominator variance.

b. The estimator is the same, whether the interaction effect is present or not.

c. This estimate is computed assuming the interaction effect is absent, because it is not estimable otherwise.

The services were selected using three criteria: 1) that the service selected has a dominant value in at least one of the service types (Hsieh , Chiu & Chiang, 2005), 2) that this service can also represent, with a relatively high value, at least one more service type (so this way the number of services selected could be minimised for comparability reasons), and 3) the final step included to compare these results with the literature to make sure there is a consistency with previous research.

The two first typologies, collective/individual and utilitarian/hedonic, were measured in a (7-point likert scale) continuum of high levels of collective values to high levels of individual values and high levels of utilitarian values to high levels of hedonic values, respectively (please see Appendix 5 for graph representations). The search/experience/credence typology was measured with three different questions and scales, high-low search values, high-low experience value and high-low credence values. Therefore, for this typology a within-subject factor analysis was required in order to find out the search dominant, experience dominant and credence dominant values (please see table 20). Finally, for the three Bowen's group the level of customisation was measured in a continuum of highly customised to highly standardised, and the level of contact in a continuum of high contact to low contact. Group 1 included services with high levels of customisation and high levels of contact,

group 2 included semi-customised and moderate contact services, and group 3 included standardised and moderate contact services (please see Appendix 5 for graphic representations). Therefore, the following services were selected to represent one or more of the service types:

Airlines: Collective (m=1.82 {scale: 1-highly collective, 7-highly individual}), Utilitarian (m=3.23 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 3: Standardised (m=5.88 {scale: 1-highly customised, 7-highly standardised}) and Moderate Contact (m=4.53 {scale: 1-high contact, 7-low contact}).

Banks: Individual (m=6.24 {scale: 1-highly collective, 7-highly individual}), Utilitarian (m=2.17 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 2: Semi Customised (m=3.29 {scale: 1-highly customised, 7-highly standardised}) and Moderate Contact (m=4.12 {scale: 1-high contact, 7-low contact}).

Dentists: Individual (m=6.82 {scale: 1-highly collective, 7-highly individual}), Utilitarian (m=1.52 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 1: Customised (m=1.41 {scale: 1-highly customised, 7-highly standardised}) and High Contact (m=6.88 {scale: 1-high contact, 7-low contact}), Credence (based on within subject factor analysis for search-experience-credence service, please see table 20).

Dry Cleaners: Individual (m=5.35 {scale: 1-highly collective, 7-highly individual}), Utilitarian (m=1.70 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 2: Semi Customised (m=5.65 {scale: 1-highly customised, 7-highly standardised}) and Moderate Contact (m=3.58 {scale: 1-high contact, 7-low contact}), Search (based on within subject factor analysis for search-experience-credence service, please see table 20).

Hair Saloon: Individual (m=5.88 {scale: 1-highly collective, 7-highly individual}), Hedonic (m=4.94 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 1: Customised (m=1.58 {scale: 1-highly customised, 7-highly standardised}) and High Contact (m=6.53 {scale: 1-high contact, 7-low contact}), Experience (based on within subject factor analysis for search-experience-credence service, please see table 20).

Movie Theatres: Collective (m=1.53 {scale: 1-highly collective, 7-highly individual}), Hedonic (m=6.00 {scale: 1-highly utilitarian, 7-highly hedonic}), Group 3: Standardised (m=6.24 {scale: 1-highly customised, 7-highly standardised}) and

Moderate Contact (m=3.23 {scale: 1-high contact, 7-low contact}), Search (based on within subject factor analysis for search-experience-credence service, please see table 20).

Restaurants: Collective (m=1.76 {scale: 1-highly collective, 7-highly individual}), Hedonic (m=5.65 {scale: 1-highly utilitarian, 7-highly hedonic}), Experience (based on within subject factor analysis for search-experience-credence service, please see table 20). This service was not included in the Bowes's groups service typology as it was found to be semi-customised (m=3.82 {scale: 1-highly customised, 7-highly standardised}) and high contact (m= 5.94 {scale: 1-high contact, 7-low contact}), which doesn't fit to any of the groups.

Table 20: Within subject factor analysis for search, experience and credence services

Pairwise Comparisons		Search				Experience				Credence	
		Dry Cleaning		Movie Theatres		Hair Salon		Restaurants		Dentist	
(I) Service	(J) Service	Mean Difference (I-J)	Sig.[a]	Mean Difference (I-J)	Sig.[a]	Mean Difference (I-J)	Sig.[a]	Mean Difference (I-J)	Sig.[a]	Mean Difference (I-J)	Sig.[a]
Search	Experience	**1.235***	**.020**	**1.294***	**.050**	-2.412*	.000	-2.294*	.000	-1.647*	.023
	Credence	**2.118***	**.001**	**3.412***	**.000**	1.235*	.031	1.706*	.002	-2.059*	.002
Experience	Search	-1.235*	.020	-1.294*	.050	**2.412***	**.000**	**2.294***	**.000**	1.647*	.023
	Credence	.882	.141	2.118*	.001	**3.647***	**.000**	**4.000***	**.000**	-.412	1.00
Credence	Search	-2.118*	.001	-3.412*	.000	-1.235*	.031	-1.706*	.002	**2.059***	**.002**
	Experience	-.882	.141	-2.118*	.001	-3.647*	.000	-4.000*	.000	**.412**	**1.00**

Note: The selected services have dominant values in the search, experience and credence typology. Airlines and Banks were not found to have dominant values in any of the service types, they were in between search and experience types and therefore they were not included in this service typology.

PRE- TESTING

The items presented in the measurement section were finalised through a long process that involved many rounds of changing and improving each of the seven versions of the questionnaire. This was managed through pre-testing the questionnaire, in order to ensure that the questions, the wording, the meanings and the adaption of the questionnaire for each service was accurate and clear for all potential respondents. Pre-testing is one of the most important stages of designing a questionnaire. It aims to ensure that respondents will not face any problems answering the questions (providing clear, easy to answer and explicit questions) and therefore, the researcher will not face any problems in recording and analysing the data (Saunders, Lewis & Thornhill, 2003). Both content and face validity can be increased as well as reliability following the appropriate methods of pre-testing (Saunders, Lewis & Thornhill, 2003).

Thus, there were five different methods employed to pre-test the questionnaire before they were administrated to a random sample of customers. These methods were: 1) expert reviews, 2) respondent debriefing with focus groups, 3) cognitive interviewing, 4) behaviour coding with follow-up interviews, and 5) field test. The expert reviews was the first method employed in order to help establish content validity, especially with the multi items scales, and proceed to any amendments necessary prior to piloting the questionnaire to similar sample populations with the final population (Mitchell, 1996). Thus, four academics in the relationship marketing area were asked to evaluate the questionnaire and the items used to measure the constructs. Following this initial stage, the other three pre-testing methods were followed with a sample size of n=41 respondents. Extra care was taken in order to include in the pre-test stage different respondents with low and high levels of education, income, and with different demographic characteristics.

Subsequent to the experts reviews, the questionnaire was pre-tested through interviewer debriefing in a form of a focus group (n=7 with PhD students). The questionnaire was administered to the respondents and then, in a form of a focus group, the researcher and the respondents came together to discuss any problems and

provide feedback for the questionnaire. The aim of this method was to identify any problems with the wording, phrasing, terms, inadequate space for answers, and typos (Czaja, 1998). After this step the questionnaire was reduced from 8 pages to 5, some of the instructions were reworded, typos were corrected, and some comments about service adaptation were considered.

The next step of the pre-test process was the use of cognitive interviewing (with a sample of 14 respondents) where respondents were asked to 'think aloud' and verbalize their thoughts while they were answering the questions. Probe questions were asked after the respondent has answered the questions (Czaja, 1998). This method can help the researcher understand if the respondents are answering the questions as intended. Thus, the main goal of cognitive interviewing is to reveal the respondent thought process, from interpreting the question to answering the question (Presser et al., 2004). Those thoughts are then evaluated in order to identify any problems with the questions (Presser et al., 2004). Problems with comprehension, meanings, terms, concepts and consistency as well as recall problems are the commonly raised issues based on cognitive interviewing (Czaja, 1998). After identifying such problems respondents were asked to recommend alternatives and based on the results of this pre-test the researcher paraphrased some questions and instructions and adapted some questions according to the service type, by providing examples next to the questions that were difficult to interpret.

The next pre-test method conducted was the behavioural coding which was first developed by Charles Cannell in the 1960s. The behavioural coding can detect problems that might have been overlooked through the previous methods (Czaja, 1998). Thus, the main reason for using this method is to evaluate the questions of the questionnaire. While the respondents (sample of 21 respondents) were filling in the questionnaires the researcher was monitoring the questionnaire completion process and keeping notes for any events emerged, such as reactions, questions, hesitations or even big pauses in certain questions. These cues indicated whether there were any further problems in comprehension and ways to improve the questionnaire so the completion can be smooth and easy. Follow-up interviews with the respondents gave the

opportunity to further explore the problem areas and get further suggestions and recommendations for improving them (Czaja, 1998). At this stage, some of the examples for the different types of services were further modified; the wording of the two poles of the scales were highlighted (so it would be clear which end represents the negative and the positive pole); and finally, some of the instructions were rephrased in order to take less effort and time to read and understand them.

Finally, the last round of the pre-test stage was conducted with a field test in a similar population to that of the final population by gathering 70 responses from residents of Islington in London. As many researchers conclude a field test is necessary step to test the questionnaire under the field conditions, even if the questionnaire was developed and pre-tested through several methods of pilot testing (Czaja, 1998; Fowler, 1993; Oksenberg, Cannell & Kalton, 1991; Converse & Presser, 1986; Czaja & Blair, 1996). Following the results of this last pilot test, it was determined that questionnaire was ready to be administered in the final population.

SAMPLING

A sample represents a sub-group of a targeted population which has the relevant elements or characteristics reflecting the research questions and objectives of the study (Malhotra et al., 2006; Saunders, Lewis & Thornhill, 2003). Using census that represents the whole population is impossible or not feasible, especially in cases of consumer research studies which involve large populations (Malhotra et al., 2006). Thus, in the current study a representative number of units (consumers) will be selected from the targeted population, comprising the sample size (Saunders, Lewis & Thornhill, 2003). The results of the sample could then be fairly generalised back to the population under study (Bryman & Bell, 2003). Achieving a representative sample of the population involves a random or probability sampling technique, where all the units of the targeted population have equal chances of being selected (Saunders, Lewis & Thornhill, 2003; Bryman & Bell, 2003; Malhotra et al., 2006).

The targeted population in the present study has been defined as consumers of services in London, UK. Therefore, there were two main criteria of selecting the sample units: 1) to be London residents and 2) to consume services. The services that have been chosen for the study are all commonly and frequently used services from most of the units in the population which did not create any restrictions on the targeted population selection. The reason for choosing London was that London is the most international city in UK, and probably one of the most cosmopolitan cities in the world. Therefore, this choice could be the best option that can approximate theoretically the global services consumer as much as possible, even though statistically this kind of generalisation could not be claimed to be expanded beyond the targeted population.

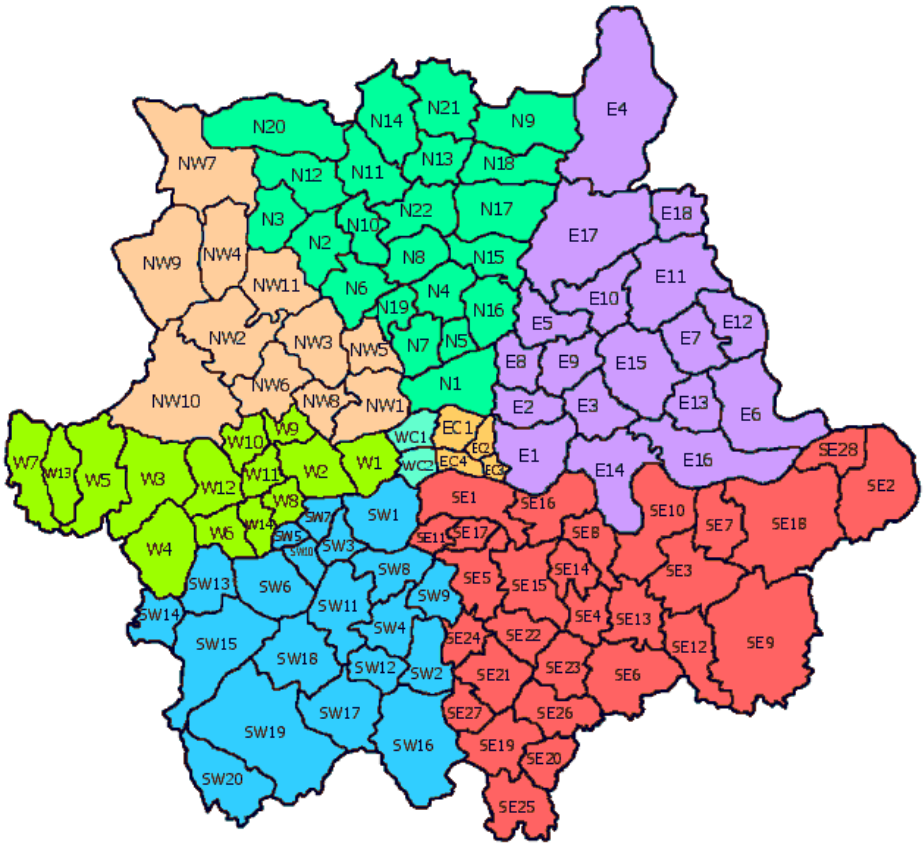
After selecting the targeted population, the next step was to decide on the sampling design technique to be selected. In the present study a random or probability sampling technique was chosen, as it is the most appropriate design for surveys aiming to answer research questions that require statistically valid inferences about the population's characteristics and conduct reliable quantitative analysis (Saunders, Lewis & Thornhill, 2003). In particular, a multi-stage cluster sampling was employed because of the cost and travel efficiencies that this method provides when a face-to-face contact is needed within a dispersed population in a large geographical area (Saunders, Lewis & Thornhill, 2003).

There are different steps involved in choosing clusters and sub-clusters in a multi-stage cluster sampling technique (Saunders, Lewis & Thornhill, 2003; Malhotra et al., 2006; Bryman & Bell, 2003). The first step involves identifying the clusters that constitute the sampling frame, and those clusters include units of geography (for example, postcodes or city blocks). For the next step the researcher is choosing a random sample of postcodes within the selected units of geography (for example inner London), and then a random selection of sub-clusters (for example, postcodes and streets within those postcodes) is made. The final step of the multi-stage cluster sampling includes a random selection of respondents from each of those sub-clusters. This sampling method can reduce considerably the cost and time of travel as most of the respondents are in close geographical proximity in each sub-cluster selected (Saunders, Lewis &

Thornhill, 2003). However, the main advantage of this technique is attributed to random sampling as the clusters, sub-clusters and respondents are randomly selected (Saunders, Lewis & Thornhill, 2003; Malhotra et al., 2006; Bryman & Bell, 2003).

Following the aforementioned steps, the first issue of the current study was to identify the sampling frame. Many consumer research studies using random sampling technique face the issue of selecting the most appropriate sampling frame, because in most cases there is not a convenient frame accessible. Thus, in most of such cases the sampling frames used are mailing lists, telephone directory and postcodes. In the current study the complete list of the inner London postcodes was decided to represent the sampling frame, which was obtained through UK National Statistics. The following figure depicts the postcodes of the area covered from the sampling frame.

Figure 22: London Postcodes



London is divided into inner and outer London in all of the national statistic researches. The inner London compared to the outer, includes more representatively all

ages groups, educational, social and income statuses (London's Poverty Profile). It covers 241 square miles and until 2009 the population was 3,064,507. Thus, the inner London was selected as a sample frame since it better represents London's population and there were budget and time constraints that could not make feasible the inclusion of the greater London in the research. The different colours in the above figure represent the different geographical areas of inner London, including: Central London (East Central and West Central), West London, North West London, North London, East London, South East London and South West London. These seven clusters represent the sub-clusters of inner London; therefore the next step was to allocate a number (1, 2, 3 and so on) to the postcodes of each cluster and randomly pick one postcode of each cluster (as shown in table below).

Table 21: Postcodes Selected

Region	Postcodes	Selected Postcode	Borough	No of Streets	Postcode selected
Central	**EC1**, EC2, EC3, EC4, WC1, WC2	**EC1**	City of London	1908 postcodes	**EC1V 4NX**
East	E1, E2, E3, E4, E5, E6, E7, E8, E9, E10,E11, E12, E13, **E14,** E15, E16, E17, E18	**E14**	Tower Hamlets	1651 postcodes	**E14 3NE**
North	**N1**, N2, N3, N4, N5, N6, N7, N8, N9, N10, N11, N12, N13, N14, N15, N16, N17, N18, N19, N20, N21, N22	**N1**	Islington	2322 postcodes	**N1 9JN**
North West	NW1, NW 2, NW3, NW 4, NW5, NW6, NW7, **NW8,** NW9, NW10, NW11	**NW8**	Camden	906 postcodes	**NW8 0QX**
South East	SE1, SE2, SE3, SE4, SE5, SE6, SE7, SE8, SE9, SE10, SE11, SE12, SE13, SE14, SE15, SE16, **SE17**, SE18, SE19, SE20, SE21, SE22, SE23, SE24, SE25, SE26, SE27, SE28	**SE17**	Southwark	627 postcodes	**SE17 1LN**
South West	SW1, SW2, SW3, SW4, SW5, SW6, SW7, **SW8,** SW9, SW10, SW11, SW12, SW13, SW14, SW15, SW16, SW17, SW18, SW19, SW20	**SW8**	Lambeth	835 postcodes	**SW8 1TG**
West	W1, **W2**, W3, W4, W5, W6, W7, W8, W9, W10, W11, W12, W 13, W14	**W2**	Westminster	1230 postcodes	**W2 3HE**

In cluster sampling, when the researcher is collecting data only from the same block or blocks in a particular area, the households of these blocks tend to be similar (Malhotra et al., 2006). By following this procedure, including and selecting one postcode from each cluster, this limitation is avoided and randomly chosen postcodes from all sub-clusters of the sampling frame decrease the sampling error of the study. Thus, from 119 postcodes seven were randomly selected.

In order to ensure the randomness of the procedure random.org was used, which is an online random number generator service. This 'true random number service' is built and operated by the School of Computer Science and Statistics at Trinity College, Dublin in Ireland which does not use pseudo-random number algorithms as most of the computer programs do, but the "randomness comes from atmospheric noise" (www.random.org). Using this service there were seven postcodes selected from the seven different clusters which are presented in the table above. Finally, using again the 'true random number service' a full postcode address was selected from the seven chosen postcodes, which indicated the exact point in the street that each of the seven research assistants would start administrating the questionnaires.

As the sample technique employed was a random technique it could not be predetermine who the respondent will be or what their cultural background might be. In order to check any possible multi-cultural effects on the sample, it was checked whether the composition of the residents chosen in the selected post-code areas are homogeneous or not. Thus, based on the 2011 census the following percentages compose the ethnic groups of the chosen boroughs:

- The ethnic composition of the City of London (EC1) is 84.6% White of which 80% are white British, 6.8% South Asian, 2.6% Black, 2.3% Mixed, 2.0% Chinese and 1.7% were listed as "other".
- The ethnic composition of the Tower Hamlets (E14) is 57.1% White of which 60% are White British, 2.8% are Mixed, 30.6% are Asian or Asian British, 6.3% are Black or Black British and 3.1% are Chinese or other ethnic group.

- The ethnic composition of Islington (N1) is 75% White of which 70% are White British, 5% White Irish, 6% Black African, 5% Black Caribbean and 2% Bangladeshi.
- The ethnic composition of Camden (NW8) is 71.6% White of which 75% are White British, 5.6% Mixed, 4.9% Black African, 1.6% Black Caribbean and 2.3% other ethnic groups.
- The ethnic composition of Southwark (SE17) is 63% White of which 82% are White British, 16% Black African and 8% Black Caribbean.
- The ethnic composition of Lambeth (SW8) is 65.7% White of which 83% are White British, 9.6% Black African, 10.2% Black Caribbean and 6.8% Asian.
- The ethnic composition of Westminster (W2) is 71% of the population is White of which 71% is White British, 16% are of any Asian ethnicity, 7% Black, 6% Mixed, and 4% belong to other racial groups.

In order not to jeopardise the randomization of the sampling process, all London residents on the chosen areas had equal opportunities to participate in the sample which might have resulted in including also other ethnic groups than British. However, the above statistics shows that the majority of the population of the chosen areas are British, in most of the cases more than 70%. Yet, it should not be acknowledged that there might be a small percentage in the sample coming from other cultural backgrounds (other than British) which might have affected the cultural composition of the final sample.

The study has not explicitly included the moderating effect of culture and didn't have as an objective to do so. However, culture is an important element of cognitive processes and relationship building, and there might be an effect on the findings. While census statistics clearly show that the dominant group is locals and not immigrants, it does not provide much information on the cultural level on the minorities living in the area of the study. Many of them while they maintain their ethnic identities, they live in Britain for a long period of time. Thus, future research should also measure culture and examine its moderating effect on relational bonds and other variables of interest.

SURVEY TECHNIQUE AND SAMPLE SIZE

Following the determination of the postcodes, the next step was to identify the method by which the questionnaires would be administered to the potential respondents. In this case there were two options to be considered: 1) postal and 2) 'drop and collect' technique. 'Drop and collect' method is benefited by the face-to-face interaction, which compared to postal method it can achieve higher response rates. This is accomplished by providing the flexibility to the researchers to explain the objectives of the questionnaire and reassure the respondents' anonymity, while reminding them of the collection date (Walker, 1976). Additionally, the use of 'drop and collect' survey technique provides higher reliability as the researcher has a higher level of control over the sample collection process.

The 'drop and collect' survey technique, also known as 'drop-off questionnaire delivery', 'drop-off and collect', was conducted personally and face-to-face (both the drop off of the questionnaire as well as the collection of the questionnaire). The 'drop and collect' survey technique can also involve prepaid envelops which are provided to the respondents in order to send the questionnaire back through mail (Brown, 1987). However, in the current research it was decided to personally collect the survey back, as this technique is increasing the response rate (Brown, 1987). The main disadvantage of this decision was that the research assistants would have to revisit the same household sometimes up to 6 times, either because the respondent has not filled in the questionnaire or the respondent was not at home.

On the other hand, the advantages of postal survey, compared to 'drop and collect' survey, are that it is cheap and quick, especially when there are seven postcode areas involved (Brown, 1987; Walker, 1976). However, it was decided that the time frame and the cost should not compromise the methodology of the present study, in order to ensure a good quality sample. Considering the advantages of 'drop and collect' technique over the postal techniques, the decision was made to employ the 'drop and collect' technique.

The main advantage of the 'drop and collect' technique is the high response rate which based on the literature, can be between 70% and 90% (Brown, 1987; Baker, 2003). Therefore, for this study a more conservative estimation of a response rate of 60% was expected in order to ensure a final sample size of around 420 respondents. This size is regarded to provide a very good level of precision, and it is well above the average sample size acquired in many established services marketing research studies which is around 300; especially when most of these studies employee non-random sample techniques (some examples: Wirtz & Lee, 2003: n=257, JSR; Jones, Reynolds & Arnold, 2006: n=245, JBR; Bansal & Taylor, 2022: n=371, P&M; Henning-Thurau, Gwinner & Gremler, 2002: n=336, JSR; Bansal, Irving & Taylor, 2004: n=356, JAMS; Yim, Tse & Chan, 2008: n=360, JMR; Pavlou & Fygenson, 2006: n=312, MISQuarterly; Burnham, Frels & Mahajan, 2003: n=302, JAMS). Additionally, in regression analysis 50 cases and above for each group is regarded adequate for running multiple-regression (Garson, 2010).

Thus, estimating a 60% response rate, 672 questionnaires were distributed evenly in the seven different postcodes (96 questionnaires in each postcode area). The starting point of the distribution was appointed by the detailed postcode address. Each research assistant would start from that address and would proceed to the next higher number on the same street. To ensure the randomisation of the technique it was decided to distribute the questionnaires only to the even or odd numbers of that street based on the starting point; for example, if the number of the house was 48 in one street, then the researchers would only ring the bells to the houses of that street with even numbers (so the next house should be the number 50, skipping number 49). As some of the streets were small, or the starting number was towards the end of the street, before reaching a dead end the researchers requested to proceed to the next street, by turning right or left, again based on the starting number; thus, the rule was to turn right if the number was even and turn left if the number was odd. When there was not an option (right or left), for example only left or only right, they would proceed normally.

The research assistants had to keep a diary with all the street names, number of houses and flats that they have visited together with the time and the data of visit. Next to each flat they had to include a reminder of the most convenient date for the respondent for collecting back the questionnaires. The average time between dropping and collecting the questionnaire was one week. Finally, only one service questionnaire was distributed per household, which was randomly assigned by the research assistant. The final number of usable questionnaires (after screening out the incomplete ones) returned was 548 (more details are provided in the sections below).

As mentioned above, using 'drop and collect' survey technique provides higher reliability since the researcher has a higher level of control over the sample collection process. The researcher can make sure that the questionnaire is going to reach the suitable respondent and establish the reasons of no response, for example if the respondent is not at home or not willing to participate. For the purposes of the current study the respondents had to meet the following minimum criteria: respondents that are at least 18 years old and are purchasing from the service provider they are assigned to.

In order to meet the all the above criteria in the chosen random survey technique process and ensure the highest quality at the same time, it has been decided that research assistants should be hired. Thus, 7 marketing students were hired as research assistants in order to collect the data. After advertising the research assistant position internally at Cass Business School, the 7 assistants were selected out of 22 candidates. They were trained by the researcher of the current thesis and were given guidelines and all appropriate materials (hard copies of questionnaires, a diary, business cards of the researcher, etc.) in order to proceed to the questionnaire administration. Each of the assistants was allocated a different postcode, and they were informed that they are going to be monitored and controlled by the researcher. The survey was conducted during a period of six months (September 2010 until February 2011) during weekdays and weekends, thus, ensuring a wide representation of all potential respondents. During the weekdays, the assistants would visit the household between 18:30 to 21:00, in order to ensure that the potential respondents are not at work and thus reduce the

non-response error. During the weekends, the assistants would visit the households anytime between 13:00 to 20:00.

The assistants were not working every day, as the researcher of the thesis had to monitor and control each of the assistants during the data collection process. In order to achieve the highest quality of the data collected, it was crucial to ensure randomisation of the sample size. Therefore, each of the assistants was working one day per week, so that the researcher of the thesis would either be together with the researcher (collecting together the data, especially at the beginning) or observing the assistant from distance (at later stages of data collection). This is the main reason why the duration of the data collection took six months, however it was decided that the quality of the data should not be sacrificed over the time. The assistants were paid based on the number of returned questionnaires.

Each of the assistants was given the same script that they had to repeat in every household, in order to ensure consistency. When a potential respondent would open the door, the assistant would introduce herself/himself as a researcher from City University and briefly summarise the purpose of the research. Once the potential respondent would agree to participate in the study, the assistant would ask him/her if s/he is purchasing from the randomly appointed service provider (as the services selected were very commonly used services for most of the consumers, the assistants did not face any problems). After these criteria were met, then the assistants would further explain the aim of the study, letting them know that they could participate in the draw with a chance to win either an iPod Touch or a Debenhams Voucher. In order to participate they were informed that they need to add their email address at the end of the survey, ensuring them that their email would not be used for any other purposes other than the draw. The participants were then informed that their responses would be confidential, anonymous and used only for the purposes of this academic research. Finally, the respondent and the assistant would agree on convenient time to collect back the filled in questionnaire. In total 548 usable questionnaires were returned, which represents approximately 82% response rate (further details are provided below).

SURVEY QUALITY: SURVEY ERRORS AND TREATMENT

The following subsections will provide some more detailed information regarding the steps taken in order to minimize the different survey errors and provide high quality data.

SAMPLING ERROR

By definition, when a sample is drawn from a population only a subgroup of this population is measured and this subgroup is used in order to make assumptions about the whole population. However, there is always a standard error involved in the data when only part of the population is analysed instead of the whole population (Sarndal, Swenson & Wretman, 1992). This is called sampling error and it "is subject to sample-to-sample variation" (Sarndal, Swenson & Wretman, 1992, p. 16). Therefore, this error can be reduced mainly through two ways: by obtaining a large sample size and by adopting a random sampling technique.

As described above, in the current study it has been taken extra care in order to ensure the randomisation of the units selected to participate in the sample. Each of the steps followed during the multi-stage cluster sampling method has been very carefully organised in order not to exclude deliberately any units from the sampling frame according to established guidelines in the literature (Saunders, Lewis & Thornhill, 2003; Malhotra et al., 2006; Bryman & Bell, 2003). Thus, the use of probability sampling is the most effective way to reduce sampling error. On the other hand, regarding the sample size, as mentioned the sampling error can be reduced when there are more units involved in the sample. However, this is true for small populations where there are more direct relationships within the population. For large populations, the size of population does not play any important role, as proportionally the increase of the sample size does not relate to the population size.

Additionally, it is well known in survey studies, that when it is not easy to define a sampling frame which is representative of the whole population under research, it is very crucial to focus on collecting high quality data (mainly through random sampling technique). This is preferable instead of simply following a statistical equation in order to generate a sample size, as other sampling errors might occur with a larger sample size. As a result, in many cases studies including a sample size of 200 units might have fewer errors involved than a research with a sample size of 2000 units (Kinnear & Taylor, 1991).

As mentioned above in most of the well established services marketing research studies the sample size ranges between 250 to 350 participants, with many of these studies using a non-probability sampling technique. However, in the current study the sample size is 548, which is much higher than the usual sample size in academic studies and it was achieved through a random sampling technique. This ensures that the main conditions for minimizing the sampling error have been addressed and the sampling error is reduced.

NON-COVERAGE ERROR

The units of the population, which are not included in the sampling frame, do not have any chance to be chosen in the final sample; this results to the non-coverage error (Groves et al., 2011). Thus, the non-coverage error consists of the units not included in the sampling frame and reflects the error of the difference between those included with those not included in the frame. Wherever there is a complete and up-to-date list of potential participants then all units are included in the sampling frame which means that the non-coverage error does not exist. Nevertheless, up-to-date and complete lists are very difficult to be found and thus the sampling frame process should be considered carefully by all researchers (Groves et al., 2011).

In the current study, the sampling frame was based on the most current data available based on UK National Statistics. As mentioned in previous sections, this consists of a complete directory of London postcodes and after randomly choosing the seven postcodes, the full postcode addresses in each of the chosen areas (1908 postcodes in EC1, 1651 postcodes in E14, 2322 postcodes in N1, 906 postcodes in NW8, 627 postcodes in SE17, 835 postcodes in SW8, 1230 postcodes in W2). According to UK National statistics and the London Authority, this information were updated and completed within 2010, which eliminates a possible non-coverage error. Thus, all the sources of potential non-coverage error were acknowledged and treated in the current research, firstly by using up-to-date and complete lists of London postcodes and secondly by covering in the sampling frame all these postcodes (which resulted in not having any difference between those included and not included in the frame; as all of them were included).

NON-RESPONSE ERROR

A non-response error is defined as the inability to successfully obtain a complete set of data of the questionnaire from all the members of the sample and represents one of the most common problems of survey studies (Cui, 2003). There might be some respondents in the population that will simply not agree to respond to either some individual questions in the survey or the whole survey (Saunders, Lewis & Thornhill, 2003). This can result in an error that reflects the bias of not including in the sample people that are different in the way that they refuse to answer the questionnaire. Saunders, Lewis and Thornhill (2003, p.157) point out that there are the following four inter-related problems in non-response: "1) refusal to respond, 2) ineligibility to respond, 3) inability to locate respondents and 4) respondent located but unable to make contact". Thus the non-response error includes the difference between non-respondents and respondents except from the response rate. However, as Cui (2003) states having a low response rate does not automatically lead to non-response error. On the other hand, while the survey is conducted, it is not known whether there are differences between the respondents and the non-respondents (Cui, 2003). Thus, problems with low response rates are the most common problems across survey studies and researchers are focusing their efforts on improving the response rate of their study

(Saunders, Lewis & Thornhill, 2003; Cui, 2003). Methods of improving returned questionnaires and response rates are successfully identified by research studies (Dillman, 1978; 1983; 1991).

The sampling methodology followed by the present study ('drop and collect' technique) provided a big advantage in avoiding low response rates and consequently avoiding non-response errors. As it has been mentioned in previous sections, the 'drop and collect' technique provides response rates that range from 70% to 90 % (Brown, 1987; Baker, 2003). The response rate achieved in the current study was approximately 82%. This rate is much higher than the benchmarks frequently mentioned in the literature, where a 50% response rate is believed to be an adequate one (Dillman 1978; Babbie, 1990; Saunders, Lewis & Thornhill, 2003) and 60% response rate is believed to be a good one (Fowler, 1984). In order to achieve at least 60% response rate (as initially designed), all of the recommendations of Total Design Method by Dillman (1978; 1983; 1991) were followed.

Firstly, "the reduction of perceived cost" was taken into consideration, by designing the questionnaire in such a way that it is easy to read and timeless to fill in (Dillman, 1991, p. 233). Secondly, "increasing perceived rewards" which was achieved both intrinsically by including interesting questions and explaining the purpose of the research, and extrinsically by adding a lottery where all the participants had the chance to win an iPod or a Debenhams Voucher (Dillman, 1991, p. 233). Lastly, as Dillman (1991) recommends that increasing trust is another way to increase response rate. For that reason, assistants were always wearing their student identity cards, the questionnaire had the official logo of the University and business cards of the researcher of the study were available for the respondents if they required any further information. Furthermore, the fact that a 'drop and collect' method was employed gave the opportunity for face-to-face interaction with the respondents which made it much easier for the respondents to ask and express any concerns they had.

Another recommendation suggested from the literature is to ensure that the non-respondents are not different from the respondents. However, this recommendation

applies to those studies with a very low response rate, which was not the case in the current study as the response rate was much higher than 50%. Additionally, it was much easier for this research to establish the reasons for not non-responses which were: 1) returned but in a non-usable form (n = 12) 2) refused to answer the questionnaire (n = 61), 3) unreachable respondents who despite all the attempts could not be reached to collect the questionnaire (n=42) and 4) a small number of ineligible respondents (n=9, either they were under 18 or did not consumed in their life the chosen service that they were appointed).

There are several calculations of the response rate (Saunders, Lewis & Thornhill, 2003; Malhotra et al., 2006; Bryman & Bell, 2003), ranging from a simple and more loose ones:

$$\text{total response rate} = \frac{\text{total number of responses}}{\text{total number in sample - ineligible}}$$

to more strict:

$$\text{active response rate} = \frac{\text{total number of responses}}{\text{total number in sample - (ineligibl e + unreachable)}}$$

or even more detailed:

$$\text{response rate} = \frac{\text{usable responses}}{\left(\text{usable responses} + \left(\frac{\text{usable responses}}{\text{usable responses} + \text{not qualified}} \times (\text{not contacted} + \text{refused})\right)\right)}$$

For this study the more detailed version of the response rate calculator was taken and the result was[5]:

$$\text{response rate} = \frac{548}{\left(548 + \left(\frac{548}{548+9} \times (12+42+61)\right)\right)} = 82.88$$

The final response rate is approximately 82% which reduces a lot any potential non-response errors.

MEASUREMENT ERROR

Generally, measurement error can be random (Re) or systematic (Se). Systematic error "is caused by any factors that systematically affect measurement of the variable across the sample" (Trochim, 2006) and this error can be addressed through checking for common method variance (presented in the next section). Random error on the other hand "is caused by any factors that randomly affect measurement of the variable across the sample" (Trochim, 2006). Those factors can be due to the survey instrument, the respondent or the survey method chosen in contrast to the sampling error, non-coverage error and non-response error, described in the above sections, which originate from non-participation and/or non-observations (Cui, 2003).

Some examples of potential measurement errors come from respondents who do not respond to specific questions in the questionnaire, or respond inadequately in open ended questions, or fail to follow the instructions in the questionnaire (especially when they need to skip some questions based on their answers). In the current study, there were very few questionnaires that were not fully completed, which were excluded from the final sample size. As for the open ended questions and skipping instructions, in the present study there were not skipping instructions, as all the respondents were

[5] Note: *Usable responses* = 548, the final number of usable questionnaires
Not qualified = 9, the ineligible respondents that could not fill out the questionnaire
Not contacted = 12 + 42, including the ones that could not be reached after several attempts as well as the incomplete questionnaires
Refused = 61, including the respondents who refused to fill in the questionnaire.

instructed to answer all the questions and the open ended question would require a brand name or respondents' occupation which eliminated any possible measurement errors.

Other sources of measurement error include not adequate control over the sequence of the questions that were asked and different respondents' characteristics (Cui, 2003). Using 'drop and collect' technique was especially useful for reducing this type of measurement error, as the absence of the researcher while the respondent is filling in the questionnaire a) minimises the probability of the respondent feeling driven to provide desirable answers or b) helps to avoid having a researcher who undermines accidentally or not the purpose of the survey (Cui, 2003; Dillman, 1978).

Additionally, the measurement error, and especially the error due to the survey instrument, can be reduced by designing a thorough pre-test process (which has been described in the pre-test section above). Other guidelines that help the reduction of measurement error based on Krosnick (1999) were also taken into account such as: having very clear instructions, well structured questions which are placed in the logical sequence, comprehensive closed questions and in the use of likert-scale questions using labels (strongly disagree, disagree etc.) in all the points of the scales, which has been proven to increase reliability and validity in the study (Peters & McCormick, 1966; Krosnick & Berent, 1993). Additional remedies in order to minimize measurement error were considered: by measuring most of the constructs in the study with multi-item measures which are based on established theories and scales in the literature, adding content validity. Face validity of the measures was also ensured as described before, using experts judges (pre-test).

Finally, in order to assess the reliability of the multi-item measures, Cronbach's α coefficient was calculated and presented in table 22. All of the Cronbach's α coefficients are much higher than 0.6 which is the threshold (Garson, 2010).

Table 22: Cronbach's Alpha

Construct	Cronbach's α	No of Items
Service Product	.830	5
Service Price	.817	2
Service Environment	.833	2
Service Delivery	.901	4
Switching Costs	.930	13
Economic Bonds	.883	2
Habit Bonds	.884	3
Social Bonds	.883	4
Convenience Bonds	.916	3
Confidence Bonds	.887	3
Positive Emotional Bonds	.934	7
Negative Emotional Bonds	.958	3
Subjective Norms	.768	3
Perceived Difficulty	.683	2
Switching Experience	.774	2
Customer Experience	.856	4
Repurchase Intention	.890	3
Loyalty	.816	3
Word of Mouth	.876	3

Following these steps, it was ensured that the measurement error due to the survey instrument was reduced to a minimum. Regarding the measurement error due to the respondent, as it is mentioned above, the interaction between the researcher and the respondents was limited only in the delivery and collection of the questionnaire, without the researcher being present while the respondent was filling in the questionnaire; this can reduce the measurement error. Additionally, ensuring the anonymity of the participants as well as informing them that there is no right or wrong answer, and including some reversed items in the questionnaire (in order to avoid acquiescence, when respondent tend to support any assertion made in an item, in spite of its content) reduced the measurement error to the minimum.

Finally, in regards to the measurement error due to the survey mode, in the current study there was no need to take any further actions, as the drop and collect method is designed in a way that is not prone to introducing any measurement errors (in contrast to mail and web surveys) (Cui, 2003). Any potential measurement errors that could arise from the data processing and analysis are going to be discussed in the next sections where the procedure of analysis is described and illustrated. Here, it can be

just mentioned that every effort has been made by the researcher to ensure that the data are accurately entered into SPSS and they have been carefully tabulated, in order to minimise any potential processing errors. To summarise, the measurement error was treated through different methods in this study in an effort to ensure that it is minimised.

COMMON METHOD VARIANCE

Common method variance (CMV) can be defined as "the amount of spurious covariance shared among variables because of the common method used in collecting data" (Malhotra, Kim & Patil, 2006, p. 1865). This is an issue in all self-reported surveys, where the same respondent is answering all the questions in the questionnaire at one point in time (Malhotra, Kim & Patil, 2006). The true relations between the constructs can be biased or subject to systematic measurement error if common method variance exists. Furthermore, Type I and Type II errors may be caused by method variance, as it can increase or decrease observed relationships among the constructs (Chang, Witteloostuijn & Eden, 2010; Madsen, Moen & Hammervold, 2011). There are three parts of the variance of every measured construct: 1) the trait variance, which depends on how the researcher interprets the measured variable, 2) the method variance, which depends on "all other systematic influences on the measures variables" (p. 386), and 3) the error variance, which depends on non-systematic influences on the measured variable (Spector, 1994).

Podsakoff et al. (2003) pointed out that in order to control for methods bias there are two main ways: a) through procedural remedies and b) through statistical controls. Procedural remedies could diminish any common method variance effects on the results of the research (Podsakoff et al., 2003). Yet, in many cases procedural remedies might meet all needs and this is when statistical remedies could be used to control common method bias (Podsakoff et al., 2003). In the present study both procedural and statistical remedies were used in order to control for common method variance.

Procedural Remedies:

The way the study is designed is very important in order to eliminate method variance (Podsakoff et al., 2003). The key issue in procedural remedies is to identify the "connection between the predictor and criterion variable [which] may come from (a) the respondent, (b) contextual cues present in the measurement environment or within the questionnaire itself, and/or (c) the specific wording and format of the questions" (Podsakoff et al., 2003, p. 887). Therefore, there are several proposed procedural remedies from Podsakoff et al. (2003) that could be followed in the design of the study, which include:

1) Gathering data from different sources, and in the case of this study using between-subject design to gather data, can minimize CMV.
2) Informing and keeping the anonymity of the participants, which can increase their willingness to take part in the study and provide truthful responses (please see Appendix 6: the introduction of the questionnaire).
3) Using different formats of questions, for example, likert-scales, dichotomous, open-ended, multiple-choice and different locations (different clusters) can minimize CMV (please see section Questionnaire design).
4) Reassuring participants that "there are no right or wrong answers...will reduce people's evaluation apprehension and make them less likely to edit their responses to be more socially desirable. Lenient, acquiescent, and consistent with how they think the researcher wants then to respond" (p. 888) (please see Appendix 6: the introduction of the questionnaire).
5) Finally, by improving scale items CMV can be minimized. For example, Tourangeau, Rips and Rasinski (2000) provided some guidelines that could improve problems potentially raised at the comprehensive stage of the questionnaire. These included:
    a. Avoiding vague concepts and providing examples when such concepts must be used (e.g. in the service experience instead of using 'bodily experience", the term "physical actions" was preferred, or when the respondents were asked about their senses, smell, taste, sight and touch were also provided as examples)
    b. Keeping questions specific, simple and concise.

c. Avoiding double-barreled questions.
d. Decomposing questions into more focused and simpler questions when they were related to more than one possibility.
e. Avoiding complicated syntax.
f. Avoiding bipolar numerical scale values, for example -5 to +5, and providing labels for all the midpoints of the scales.

All of the above concerns and guidelines were taken into consideration during the design and the pre-testing of the questionnaire and were applied in order to provide procedural remedies and minimize the common method variance effect.

Statistical Remedies:

The most commonly known test to assess Common Method Variance is Harman's single-factor test, where all items of the questionnaire are used in an exploratory factor analysis (Podsakoff et al., 2003; Malhotra, Kim & Patil, 2006). This way, all of the items are presented as single factors indicators in order to find out if a common method effect exists. Thus, if a single-factor emerges from the analysis or one factor explains the majority of the co-variance among all the variables, then there are indications that common method variance exists (Podsakoff et al., 2003; Malhotra, Kim & Patil, 2006). Podsakoff and Organ (1986) note that the threshold for common method variance is 50%, which means that if a single factor explains more than 50% of the total variance then common method variance exists. Christmann (2004), on the other hand, mentions that a single factor explaining as much as 36% of the total variance indicates that common method variance does not exist.

Harma's single factor test has been conducted in the present study using Principal Axis Factoring (unrotated). The single factor from the factor analysis explained 19.6% of the variance, which is much lower than the 50% which is the cut point for common method variance (Podsakoff et al., 2003). Therefore, the results indicate that common method variance is not a problem in the present study.

However, this technique has some limitations. One of the main limitations is its "well-known insufficient sensitivity to detect moderate or small levels of CMV effects" (Malhotra, Kim & Patil, 2006, p. 1867). This occurs because the larger the number of the latent factors the less likelihood for a single factor to explain the majority of co-variance. More specifically, Kemery and Dulap (1986) showed in their empirical research that this technique is 'extremely unreliable'. Thus, experts in the field recommend that another technique called 'market-variable technique' is much more appropriate and reliable in terms of testing common method variance (Lindell & Whitney, 2001; Malhotra, Kim & Patil, 2006; Rindfleisch, Burroughs & Wong, 2008)

Lindell and Whitney (2001) introduced this technique where a 'marker variable', which should be theoretically unrelated to the other variables in the models, should be included in the questionnaire. In the present study the question which was chosen to be included in the study as a 'marker variable' was: 'I often think about the harm we are doing to the environment' which was measured in a 7-point likert scale. The reason for including a theoretically unrelated 'marker variable' is to have a variable that is not correlated to at least one or more variables in the questionnaire (Malholtra, Sung & Ashutosh, 2006; Rodríguez-Escudero, Carbonell & Munuera- Aleman, 2010). Thus, common method variance based on this technique is assessed based on the indicator r_m, which is the correlation between the 'marker variable' and the other variables that are theoretically unrelated. The first step in order to indentify the r_m is to run a correlation between the 'marker variable' and all the other variables included in the study. Then, based on Lindell and Whitney (2001) recommendations, the second smallest positive correlation should be used as an estimate of r_m. Using the second smallest positive correlation, instead of the smallest positive correlation, will leave less space to capitalize on chance factors, and "the more stringent the test criterion that is passed successfully, the greater is the confidence in rejecting CMV as a plausible rival hypothesis" (Lindell & Whitney, 2001, p. 118). The second smallest correlation in this study was r_m= .007. The next step included partialling out of r_m from the uncorrected correlation r_u, which will provide the r_a (CMV adjusted correlation) (Lindell & Whitney, 2001; Malholtra, Sung & Ashutosh, 2006). Based on a sample size of n=548, r_a and t-statistics were calculated by the following equations:

$r_a = r_u - [\ r_m / (1 - r_m)\ ]$

$t_{alpha/2,\ n-3} = r_a / [SQRT\ ((1 - (r_a^2) / (n-3))]$

Using these two equations the common method variance impact on the degree and significance of the correlation was investigated (Malholtra, Sung & Ashutosh, 2006). The results of the original and the adjusted correlations (after partialling out the r_m) are fully reported in Appendix 8 and shows that the significant relationships were not influenced by the 'marker variable', which provides strong evidence that there is no common method variance is the present study. Additionally, it can be noticed that not only the significant levels were changed but also the correlation levels were not significantly influenced by the 'marker variable'. The 'marker variable' technique, compared to Harman's single factor test, offers "a specific estimate of CMV along with the statistical significance of the CMV-adjusted correlation between the variables", which provides more accurate and reliable results for assessing common method variance bias (Malholtra, Sung & Ashutosh, 2006, pp. 1868).

DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

This section of the methodology is providing a brief summary of the respondents' characteristics (Please see Appendix 9 for more details).

Gender: the males and females of this study were equally distributed with 50.4% males (n = 276) and 49.6% females (n = 272). This means that there are not any specific gender effects in the population.

Age: the age range of the respondents was between 19 years old and 75 years old, with a mean age value at 34 years old, the median age value at 32 years old, and the mode at 28. Therefore, the sample reflects an adult population.

Education: The majority of the sample population have a University education, with 34.3% of them having an Undergraduate degree, 30.3% of them having a Postgraduate degree, 7.6% of them achieving an MPhil or PhD. The rest of the population (27.8%) was distributed to populations awarded with a College degree (10.6%), further education degree (e.g. technical or professional) (7.1%), a secondary school diploma (6.8%), primary school diploma (0.4%) or other (2.9%).

Occupations: The population of the sample represents a wide range of professions. The larger cluster of the population with 12.6% is represented by various administrative jobs – e.g. assistants, receptionists, administrators, personal assistants, officers and civil servants. Another cluster of the population occupies jobs in manual labour with 11% representation (e.g. chef, bus driver, store-man, porter, florist, waitress, nanny, postman, swimming instructor, homemaker, catering, concierge, pilot, construction, workers, carpenter, private driver, builder, guitar maker, security, community worker, plumber, cleaner, cab driver). Then, 10% of the population is represented by various non-director managerial occupations; 6% by respondents working in financial services (e.g. bankers, accountants, tax consultants); 5.9% by various professionals such as doctors, lawyers, vet, dentist, psychologists and psychiatrist; 5.5% by technical/I.T./engineers professionals; 5.1% by art-related professions (e.g. artist, writer, design, actors, painters, musician, fashion, dancers, photographer etc.); 4.7% by various consultants; 4.3% by various teaching professions; 3.9% by self-employed; 2.9% by academics; 2.8% by housewives; 2.6% by professional in marketing, PR and advertising; 2.4% by unemployed; 2.4% by sales representatives; 2.4% by beauticians, hairdressers and fitness instructors; 1.6% by journalists, TV, newspaper, book editors and broadcasters; 1% by architects; 1% by retired; 1% by directors; 0.8% by students; 0.6% by nurses.

Income: Finally, the breakout of the income range is: 14.2% of the respondents earn less than £10K per year; 44.2% of the respondents earn between £11k and £30k per year; 25.7% of the respondents earn between £31k and £50k per year; 10.4% of the respondents earn between £51k and £70k per year; and 5.5% of the respondents earn

more than £71k per year. Thus, the distribution of income is normal and reflects the various occupations that have been mentioned above.

DATA ANALYSIS OVERVIEW

The data analysis was conducted using SPSS, AMOS as well as Excel. Excel was used for testing some reliability measures (e.g. AVE). AMOS was used to validate the measurement of the constructs through structural equation modelling (SEM). Finally, SPSS was used in order to 1) prepare the data through some basic graphical and statistical test (e.g. scatter plots, descriptive etc.), as well as factor analysis and 2) test the hypotheses of the conceptual model through multiple regressions and chow tests (using macros). Multiple regression analysis was used over structural equation modelling for various reasons. Based on Hair et al. (2006), Jaccard and Wan (1996) and Nunkoo and Ramkissoon (2011) multiple regression method is preferred to SEM for the current research because: 1) the number of parameters in the model compared to the sample size is large, 2) the number of linkages that are examined in the model are too many making the model too complex, and 3) some parts of the study are more exploratory than confirmatory in nature.

One of the main advantages of SEM is that it can use multiple dependent variables in one model and it can test the linkages of that model simultaneously. On the other hand, regression is handling one layer of linkages between one dependent and multiple independent variables at a time (Gefen, Straub & Boudreau, 2000). However, in the current research, because of the large number of parameters in the model it was not feasible to utilise this main advantage of SEM, as the model was too complex and the test could not run properly (using all the parameters at once). In most of the cases, in SEM it is suggested that the sample size should be at least ten times the number of parameters in the model (Garson, 2011). In the current study while the sample size is large, the ratio between the sample size and the number of all the parameters together (including all the indicators for the latent variables) was not adequate to permit the use

of SEM in order to test the hypotheses (Hair et al, 1998). More particularly, with large numbers of parameters the model fit measurements (e.g. GFI) through SEM tend to be biased downward, providing unstable results (Garson, 2011). Multiple regression analysis, in this case, could provide more stable results than SEM and therefore, multiple regressions were used to test the model and hypotheses.

Furthermore, regression analysis is the most widely used method in social sciences and it is easier to compare results of regression to other studies (Gefen, Straub & Boudreau, 2000; Hair et al.; 2006). In this case most of the research done in the area, especially regarding across services typologies, has been conducted using regression analysis (e.g. Jones, Reynolds & Arnold, 2006; Bridges & Florsheim, 2008; Eisingerich & Bell, 2007; Hsieh et al., 2005). As indicated by Gefen, Straub & Boudreau (2000, p.47) "there is wide disparity among journals on utilization of SEMs". For all the aforementioned reasons, it was decided that the best option for the current research is the use of multiple regressions in order to test the hypotheses of the model.

Some additional advantages mentioned in the literature for SEM over regression include issues of multicollinearity and measurement error (Garson, 2011). The former advantage refers to the assumption of multicollinearity for regression analysis which is not a requirement for SEM. However, in the present study, as it is mentioned below, multicollinearity was not an issue (tested through Variance Inflationary Factor test). The later advantage refers to the utilisation of confirmatory factor analysis in order to minimise the measurement error in SEM, which was also tackled in the present study by using SEM for validating the measures used in the study. The measurement error can occur when a latent variable is measured through multiple indicators (most of the latent variables in the present study are measured with more than three indicators), thus SEM was used to test construct validity of the variables used in the study.

Generally, there are four main assumptions regarding multiple regression analysis. Those assumptions include: 1) linearity, 2) reliability of measurement, 3) normality and 4) homoscedasticity (Berry & Feldman, 1985; Osborne & Waters, 2002;

Tabachnick & Fidell, 1987). All these assumptions were tested through different statistical tools using Excel, SPSS and AMOS, in order to make sure that the regression analysis results are not misleading. The following section presents the basic preparation of the data and the tests used to ensure that the regression assumptions are successfully met.

DATA SCREENING AND STATISTICAL ASSUMPTIONS

Before testing the aforementioned assumptions it was important to prepare the data by screening for any unusual data. Thus, the *accuracy of the data* was checked initially by finding the maximum and the minimum values for each of the variables. This procedure ensured that all the data were inside the valid ranges based on the codes created for each of the variables (e.g. scales from 1 to 7, or multiple choices from 1 to 5), avoiding any data entry errors. Then, the researcher re-checked the values imported in the SPSS file in order to track any inaccurate data entries and check any *omissions* or *duplicates* in the dataset. Generally, any questionnaires with a substantial number of *missing values* were not included in the dataset. After re-checking the dataset there were a couple of cases with some missing data, which were then deleted from the final sample. However, there were not any extreme cases, as the research assistants were instructed to emphasize the importance of filling out all the questions in the questionnaire during the data collection procedure. After ensuring that there were not any missing values and all data were entered accurately in the dataset, the researcher tested the data for the presence of any *outliers*. In this case there were not any extreme cases, and therefore no action was needed.

Additionally, three items had to be reversed by computing the scales of those statements (e.g. in a 7-point likert scale 1 became 7, 2 became 6, 3 became 5 and so on). The reason for including revered-negative items in the questionnaire was to detect any acquiescence bias (a tendency to answer in a randomly positive way) and make sure that the respondents thought about and understood the questions well.

Acquiescence was not found throughout the sample, as the analysis showed that all respondents did carefully read and understood the statements and replied in the expected direction.

After screening the data and ensuring that they are error-free, the next step included testing the assumptions of regression analysis. Apart from the aforementioned assumptions that are detailed below, it was critical to examine the ratio of *cases to independent variables*. The lowest ratio is 5:1 (at least 5 cases for each Independent Variable) and the ideal is 20:1 (20 cases for each Independent Variable) (Tabachnick & Fidell, 2007). In the current research the maximum number of independent variables was 12 (in relation to intention), which requires a minimum of 60 cases to the ideal number of 240 cases; thus, this assumption was successfully met as the ratio to independent variable in the current study was 45.67:1 having a sample size of 548.

Regression analysis is assuming *linear relationship* between the independent and the dependent variables. When this assumption is violated then the results of the regression (especially R-squared and betas) will be underestimated (Garson, 2011). However, this will happen only when major departures from linearity are detected, whereas minor departures do not affect the results (Garson, 2011). There are several graphical methods to assess the linearity of the relationships, but the most prominent method in the literature would be by testing plots that estimate the standardised residuals against standardised estimates of the dependent variable, showing a random pattern when nonlinearity is absent (Garson, 2011; Kinnear et al., 2000). Thus, *linearity* of the data was checked through scatter plots between standardised residuals of the independent variables and dependent variables. The plots did not indicate any issues of non linear relationships (Appendix 10).

The assumption of *normality* can be assessed both by graphical methods (e.g. histograms and normal p-p plots) as well as statistical methods, in order to assess the normal distribution of the standardised residuals. After examining the histograms and normal p-p plots (Appendix 11) most of the variables showed normal distribution, except from the negative emotions. The next step was to examine the skewness and

kurtosis levels which should be within the range of +/- 2.0 to ensure the normality assumption (Schumacker & Lomax, 2004; Garson, 2011). In the current research all of the variables were within the range of +/- 1.0 (with most of them falling the range of +/- 0.5), except from the negative emotions variable which was found to have skewness=1.654 and kurtosis=2.342. Based on Tabachnick and Fidell (2007) when the distribution presents issues of skewness or kurtosis, there is a need for transformation. The results indicated that there was a need for transforming for the negative emotions variable. Thus, Box-Cox transformation test was employed to further test the variables and find out the appropriate transformations needed (Garson, 2011).

Box-Cox test represents one of the best methods where normalizing data is desired (Osborne, 2010). Box-Cox applies an iterative maximum-likelihood algorithm to compute lambda, in order to determine "the exact power transformation which will best de-correlate the variances and means of the groups formed by the independent variables" (Garson, 2011, p. 29). Based on the results,

- if lambda is equal to 1.0, no transformation is needed.
- if lambda is close to +.5 that corresponds to a square root transform of the dependent variable;
- if lambda is equal to 0 that corresponds to a natural log transform;
- if lambda is close to -.5 that corresponds to a reciprocal square root transform; and,
- a lambda of -1.0 corresponds to a reciprocal transform.

After performing the Box-Cox test the results confirmed that all the variables were equal to 1.0, which indicates that there is no need for any transformation, apart from the negative emotions variable, which was -1.0. Thus, the proposed transformation (reciprocal transformation) was computed to this variable in order to ensure that the assumption of normality was successfully met.

Multicollinearity was also checked through various ways. When multicollinearity exists then there are high levels of "intercorrelation among the independents, such that

the effects of the independents cannot be separated" (Garson, 2001, p.46). This means that under the conditions of multicollinearity, the estimates are not biased but the assessments of the strength of the explained variables as well as their joint effect might be unreliable (Garson, 2011). To assess multicollinearity, tolerance levels, variance inflation factor (VIF) as well as condition indices were examined during the regression analysis. These tests are much stronger in terms of examining multicollinearity rather than just looking for any intercorrelations among the independent variables (Garson, 2011). For example, tolerance levels look "at the independent variable in relation to all other independents and thus takes interaction effects into account as well as simple correlations" (Garson, 2011, p. 47). The cut-off value for the tolerance level is usually .20; this means that tolerance values less than .20 indicate multicollinearity. In the current research, most of the tolerance values were more than .50 with a minimum of .45, which does not indicate any issues of multicollinearity. Additionally, all the VIF were looked at and most of them were less than 2.0 (with only one case higher then 2.0; the highest being 2.297), which is much lower than the cut-off point 4.0; this means that when VIF values are less than 4.0 then multicollinearity is not a problem. Finally, the condition indices were also examined without indicating any issues of multicollinearity as the condition indices were less than 30 (which is the cut-off point) in all of the regressions conducted. Thus, multicollinearity was not a problem in the current study.

The next assumption that was tested was the *homoscedasticity* (constant variance) assumption. Again, homoscedasticity can be assessed both graphically and through statistical tests. Homoscedasticity refers to the assumption that "the dependent variable exhibits similar amounts of variance across the range of values for an independent variable" (Hair, et al, 1998, p. 73). A scatterplot of the standardised residuals against the standardised predicted dependent variable can graphically provide a good indication if there is a lack of homoscedasticity. This is indicated when the scatterplot is illustrating the dots in a random shape of a cloud, which was the case for all of the variables in the study (Appendix 10). Furthermore, the homoscedasticity assumption was tested statistically through Breusch-Pagan test. There are several tests in the literature for assessing homoscedasticity, such as Goldfeld-Quandt or White's tests, but Breusch-Pagan is highly recommended from many researchers as the most powerful

one (Garson, 2011). Through Breusch-Pagan (B-P) test "the squared residuals are standardised by dividing by the mean squared residual (regression sum of squares (RSS) divided by N), giving the generalized residuals [which] are then regressed on all independent variables (m variables) suspected of causing heteroscedasticity" (Garson, 2011). Finding significance in the B-P test results means that homoscedasticity cannot be assumed. As showed in table 23 none of the variables had any significance scores, and therefore the assumption of heteroscedasticity is successfully met.

Table 23: Breusch-Pagan test results

	Breusch-Pagan test	Significance level (H0:homoscedasticity)
Switching Bonds	5.179	.7383
Economic Bonds	6.704	.5689
Social Bonds	5.812	.6682
Confidence Bonds	6.553	.5855
Convenience Bonds	6.596	.5808
Positive Bonds	2.847	.9436
Negative Bonds	8.276	.4070
Habitual Bonds	7.752	.4581
Intention	26.403	.3864
Loyalty	3.257	.1963
WoM	6.607	.0856
SoW	2.827	.0927

Finally, the assumption of the reliability and validity of the measurement was tested through SEM and by calculating the AVE, extracted variance as well as Cronbach's alpha scores. These results are presented in detail in the following section.

VALIDITY AND RELIABILITY OF MEASUREMENT

After preparing the data, exploratory factor analysis through SPSS (for some variables) and SEM though AMOS were used in order to purify the measures and ensure construct validity (convergent and discriminant validity) of the latent constructs and their indicators. In addition, some extra calculations were performed using Excel and SPSS in order to estimate Cronbach's alpha, average variance extracted and construct reliability. All these tests can help in order to assess the extent to which the latent constructs are well-measured by their indicators.

In the literature, there is a debate regarding the best FIT indexes that a researcher should report while using SEM to validate the measurement scales and constructs' reliability. Thus, reviewing the literature and adopting the opinion of the most established researchers in the area (Garson, 2011; Kline, 2005; Schumacker & Lomax, 2004; McDonald and Ho, 2002) the following measures are reported:

1) **Chi-square/degrees of freedom (CMIN/DF)**: This is the 'normal chi-square' or 'normed chi-square' or simply the 'chi-square to degrees of freedom' ratio. This ratio is an attempt to make chi-square less dependent on the sample size. This is because just reporting chi-square with the degrees of freedom and the significance level indexes might be misleading and subject to the sample size of the study. This means that with large sample sizes significance levels are not stable and thus, minor differences might be found to be significant (Grason, 2011). Most of the researchers in SEM literature support that the significance level of chi-square should be disregarded, as long as the researcher is using at least three of the other model fit measures that support the model (Garson, 2011; Kline, 2005; Morgan, Kaleka and Katsikeas, 2004; Schumacker & Lomax, 2004; Bagozzi & Yi, 1988). The values of the relative chi-square (CMIN/DF) should be with the range of ≤ 2 or ≤ 3 in order to accept the model based on Carmines and McIver (1981). On the other hand, Ullman (2001) states that a value of less than 2 reflects a good fit, while Kline (2005) supports that a value less than 3 indicates a good fit. There are also some researchers

who consider values up to 5 as acceptable for an adequate model fit (Schumacker & Lomax, 2004; Garson, 2011).

2) **Goodness-of-fit index (GFI)**: This is calculated by dividing the chi-square for the default model with the chi-square for the null model (Garson, 2011). In other words GFI "deals with the error in reproducing the variance-covariance matrix... [and] it is the percent of observed covariances explained by the covariances implied by the model" (Garson, 2011, p. 44). GFI varies from 0 to 1, with values closer to 1 indicating better fit of the model. The cut-off point for GFI is .90, which means that a good fit is indicated when GFI $\geq$ .90 (Garson, 2011). However, some researchers have criticised GFI on the grounds that it is biased downwards when the number of parameters in the model is very large (Bollen, 1990).

3) **Comparative Fit Index (CFI)**: This index "compares the existing model fit with a null model which assumes the indicator variables (and hence also the latent variables) in the model are uncorrelated (the "independence model")" (Garson, 2011, p. 52). In this way it calculates the percentage of lack of fitness and it is not that sensitive to sample size (Fan, Thompson & Wang, 1999). The CFI value can vary from 0 to 1; however, the closer to 1 CFI is the better the fit (Garson, 2011). As a rule of thumb, when CFI $\geq$ .90 then the model is accepted, demonstrating that 90% of the covariance in data could be reproduced by the given model (Garson, 2011).

4) **Normed Fit Index (NFI)**: It is also known as Delta1 (Δ_1) and it is an alternative to CFI, with the difference that it does not require the chi-square assumptions (Garson, 2011). NFI varies in the range of 0 to 1 too, with 1 indicating a perfect fit. The cut-off point for NFI by most of the researchers is indicated at .90; which means that NFI $\geq$ .90 indicates a good fir (Garson, 2011). However, some researchers support that NFI as low as .80 is acceptable. Generally, when NFI = .90 means that the proposed model improves the fir by 90% compared to the null model (Garson, 2011).

5) **Root Mean Square of Approximation (RMSEA)**: It is also known as 'discrepancy per degree of freedom' and it is one of the most popular fit measures as it does not require a comparison with the null model and it is one of the least affected measures from the sample size (Garson, 2011). RMSEA is calculated with the following equation: ((chisq/((n-1)df))-(df/((n-1)df)))*.5, (where chisq = chi-square, df = degrees of freedom, and n = number of subjects). The cut-off point for RMSEA is less than or equal to .05 for a good fit and less than or equal to .08 for an adequate fit of the proposed model (Schumacker & Lomax, 2004; Garson, 2011). However, other researchers like Browne and Cudeck (1993) and Kline (2005) propose that RMSEA $\leq$ .08 suggests a reasonable fit, while Hu and Bentler (1999) suggest that for a good model fit RMSEA should be less than or equal to .06.

6) **Construct Reliability**: Construct reliability can be calculated through the following equation: [(SUM(sli))2]/[(SUM(sli))2+ SUM(ei))], with the 'sli' being the standardised loadings for the indicators of a particular latent variable, the 'ei' reflecting the corresponding error terms, where error is equal to 1 minus the reliability of the indicator, which is the square of the indicator's standardised loading (in Garson, 2011). This calculation was produced through Excel, and the values for construct reliability should be more than .70 for reliable results (Hair et al., 1998; Garson, 2011).

7) **Average variance extracted (AVE)**: AVE can be calculated through the following equation: [(SUM(sli2)]/[(SUM(sli2) + SUM(ei))], which is a variation formula of construct reliability (Garson, 2011). This equation was also calculated through Excel and the values for AVE should be more than or equal to .50 for reliable results (Garson, 2011).

8) **Cronbach's alpha**: This is one of the most popular measures to check if the indicators, which measure a variable, actually belong together (Garson, 2011). Thus, indicators with a Cronbach's alpha value more than or equal to .70 indicate that they can reliably measure the construct under examination (Garson, 2011). Reasons for having low scores for Cronbach's alpha can be 1) the lack of homogeneity of variances among the indicators or 2) the fewer

number of items in a scale (Garson, 2011). The calculation of Cronbach's alpha was conducted through SPSS.

After presenting the main characteristics and the cut-off points for each of the measures used to assess the validity and reliability of the measurements, the following section presents the results of those measures for the final measurement scales used in the study. Each of the constructs presented are modified based on these measurements, as well as the modification indices in AMOS as proposed by Schumacker and Lomax (2004). This stage of the analysis was the most crucial one since its purpose was to ensure that all measurements used in the model are reliable and valid and, consequently, that they can produce reliable and valid results when testing the hypotheses.

SERVICES ACTIONS

For services actions most of the variables were retrieved from Paul et al. (2009) study. As this is a relatively new study, an exploratory factor analysis was decided to be performed before proceeding to SEM in order to validate the factors proposed for some of the service actions which contained more than seven items; service product and service delivery. Overall, there were 9 items proposed by Paul el al. (2009) in order to measure ***service product*** construct. Based on the factor analysis, using principal axis factoring, it was revealed that two of the items, which were actually measuring price (price level and price-quality ratio), were indicated as a second factor. Thus, based on the results shown in table 24 there are two constructs service product and service price:

Table 24: Service Product and Price Factor Analysis

Rotated Factor Matrix[a]

	Factor	
	1	2
Assortment	.782	
Customisation	.764	
Equipment/Material	.705	
Value-added services	.593	
Uniqueness	.555	
Reliability	.551	
Temporal Availability	.462	
Price Level		.848
Price-quality ration		.743

Extraction Method: Principal Axis Factoring.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

The next step was to validate the measurement through SEM, where two of the items measuring service product were eliminated (temporal availability and uniqueness), ending up with 5 items for service product construct. In AMOS, Modification Indexes (MI) as well as factor loadings were used to identify the problematic items and improve the model fit in the proposed levels. Especially, factors with loading less than .40 or items with low correlations compared to total had to be modified. Thus, by examining the Modification Indexes and estimates from Amos output, the final decision was made, while at the same time theoretical judgment was also exercised. After eliminating the problematic items the following items for service product offered a very good fit for the measurement model. The following table shows the standardised factor loadings extracted from AMOS, as well as the model fit measures and reliability measures:

Figure 23: Service Product Scale Items with Standardised Loadings

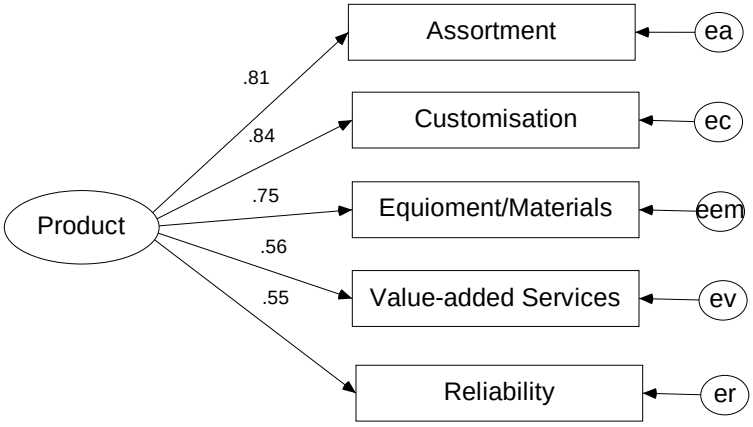


Table 25: Service Product Model Fit and Reliability Measures

Service Product			
		Standardized Regression Weights	
Value-added Services	<---	Product	**0.562**
Equipment/Material	<---	Product	**0.755**
Customisation	<---	Product	**0.840**
Assortment	<---	Product	**0.815**
Reliability	<---	Product	**0.545**
Model Fit Measures		**Reliability**	
CMIN/DF	**2.017**		
CFI	**0.995**	Construct Reliability	**0.835**
NFI	**0.990**	Average Extracted Variance	**0.511**
GFI	**0.993**	Cronbach's alpha	**0.830**
RMSEA	**0.043**		

As shown in the table above all the measures indicate an excellent fit of the model with CMIN/DF or X^2/ degrees of freedom (2.017), CFI (0.995), NFI (0.990), GFI (0.993) and RMSEA (0.043) meeting perfectly all the criteria and cut-off points proposed in the previous section. Additionally, all the reliability measures, construct reliability (.835), AVE (.511) and Cronbach's alpha (.830), do perfectly fit in the conditions proposed in the previous section.

Price was measured with two items, based on the exploratory factor analysis shown in table 26. Having only two items all the results for model fit were those of a saturated model (presenting a perfect fit for all of the measures equal to 1.0), thus they are not presented in the table below. Regarding the reliability measures, construct reliability

(.818), AVE (.691) and Cronbach's alpha (.817) provide excellent results. The following table and figure present the standardised loadings and a summary of the results for the construct price.

Figure 24: Service Price Scale Items with Standardised Loadings

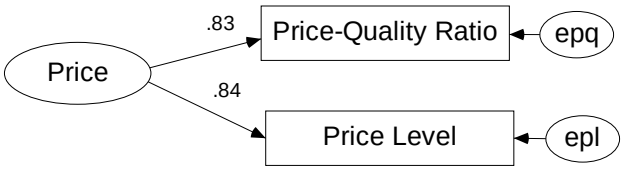


Table 26: Service Price Model Fit and Reliability Measures

Price

		Standardized Regression Weights	
Price Level	<---	Price	0.836
Price-Quality Ratio	<---	Price	0.827
		Reliability	
		Construct Reliability	**0.818**
		Average Extracted Variance	**0.691**
		Cronbach's alpha	**0.817**

Service Environment like Price was measured using two items and as a result the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Reliability measures, construct reliability (.833), AVE (.714) and Cronbach's alpha (.833) were excellent and they are being presented in the following figure and table, together with the standardised loadings.

Figure 25: Service Environment Scale Items with Standardised Loadings

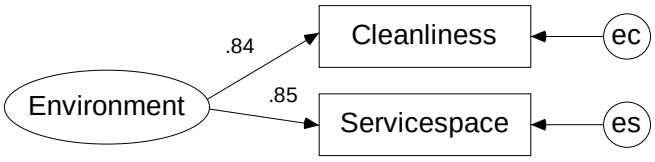


Table 27: Service Environment Model Fit and Reliability Measures

Service Environment

			Standardized Regression Weights
Cleanliness	<---	Price	0.836
Servicescape	<---	Price	0.854
		Reliability	
		Construct Reliability	**0.833**
		Average Extracted Variance	**0.714**
		Cronbach's alpha	**0.833**

Service Delivery was also measured based on the recent scale from Paul et al. (2009) and it originally included seven items. For the same reasons described above for service product construct, an exploratory factor analysis using principal axis factoring method was conducted to identify whether all seven items comprises one factor or not. With only one factor having an Eigen value more than 1 the following table confirms that all of the items can explain the same construct with the lowest loading at .561 (for quickness).

Table 28: Service Delivery and Price Factor Analysis

Factor Matrix[a]

	Factor
	1
Empathy	.852
Expertise	.839
Motivation	.826
Fairness	.802
Authenticity	.771
Low Pressure	.728
Quickness	.561

Extraction Method: Principal Axis Factoring.

a. 1 factors extracted. 4 iterations required.

Following the factor analysis, the measurements from Amos output indicated that three of the items (authenticity, low pressure and quickness) had to be eliminated based on the modification indexes and estimates, in order to achieve perfect fit. The remaining 4 items (empathy, expertise, fairness and motivation) were best suited to measure service delivery construct. The reported model fit measures, namely CMIN/DF or X^2/ degrees of freedom (2.477), CFI (0.998), NFI (0.996), GFI (0.996) and RMSEA (0.052), present a perfect model fit. Additionally, all the reliability measures, namely construct reliability (.901), AVE (.695) and Cronbach's alpha (.901), were excellent based on the conditions proposed in the previous section (these results are presented in the following figure and table).

Figure 26: Service Delivery Scale Items with Standardised Loadings

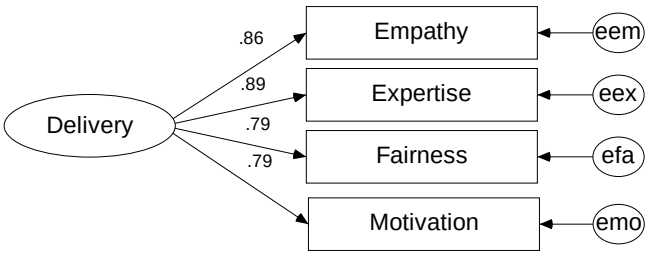


Table 29: Service Delivery Model Fit and Reliability Measures

Service Delivery

			Standardized Regression Weights
Empathy	<---	Delivery	0.861
Expertise	<---	Delivery	0.886
Fairness	<---	Delivery	0.791
Motivation	<---	Delivery	0.792
Model Fit Measures		**Reliability**	
CMIN/DF	2.477		
CFI	0.998	Construct Reliability	**0.901**
NFI	0.996	Average Extracted Variance	**0.695**
GFI	0.996	Cronbach's alpha	**0.901**
RMSEA	0.052		

Location and ***schemes*** were measured using single-items measures. There are many cases where multi-item scales are not necessary while single-item scales are more appropriate (Alexandrov, 2010). Constructs which are more concrete and

undimensional, such as location and loyalty schemes which are company's characteristics, can be easily and unequivocally understood by respondents and thus, there is no need to use multiple-item scales to measure them (Rossiter, 2002; 2005; 2008). Alexandrov (2010), Bergvist and Rossiter (2007) and Rossiter (2005; 2008) support that those constructs can be sufficiently measured using a single-item measure, as the attributes of these constructs are 'easily and uniformly imagined'.

Additionally, in order to asses ***service actions*** as a whole, all of the latent constructs, the two mentioned above (location and schemes) together with the other four constructs (delivery, product, price, environment) were included in the overall model measurement of service actions which are being presented below as a second order constructs (proposed by Paul et al., 2009). The results of the model provide a very good fit and excellent reliability measures, proving that all of the actions can represent adequately services actions. The following figure and table provide these results.

Figure 27: Marketing Actions Scale Items with Standardised Loadings

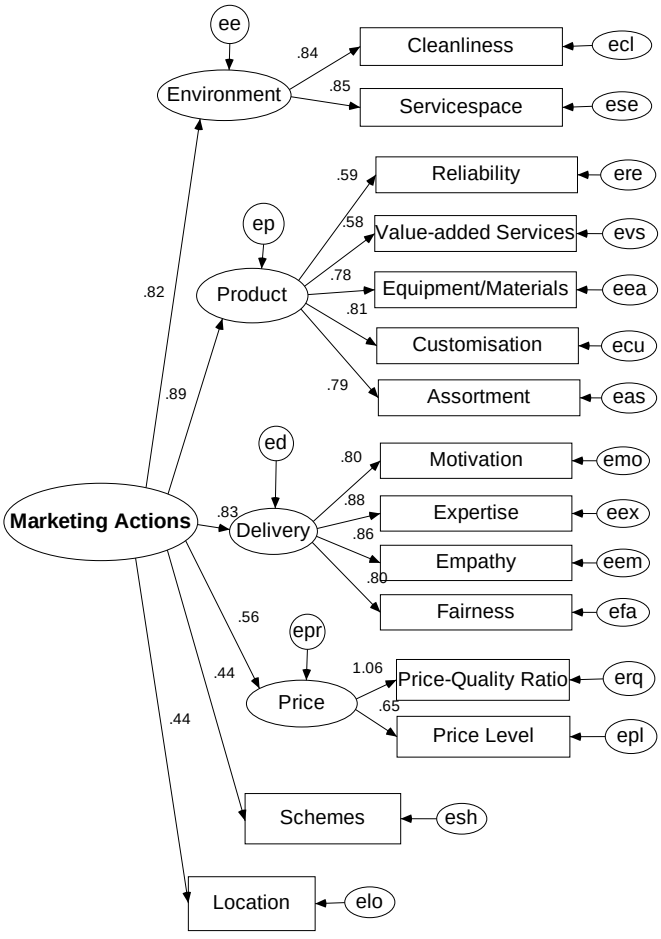


Table 30: Marketing Actions Model Fit and Reliability Measures

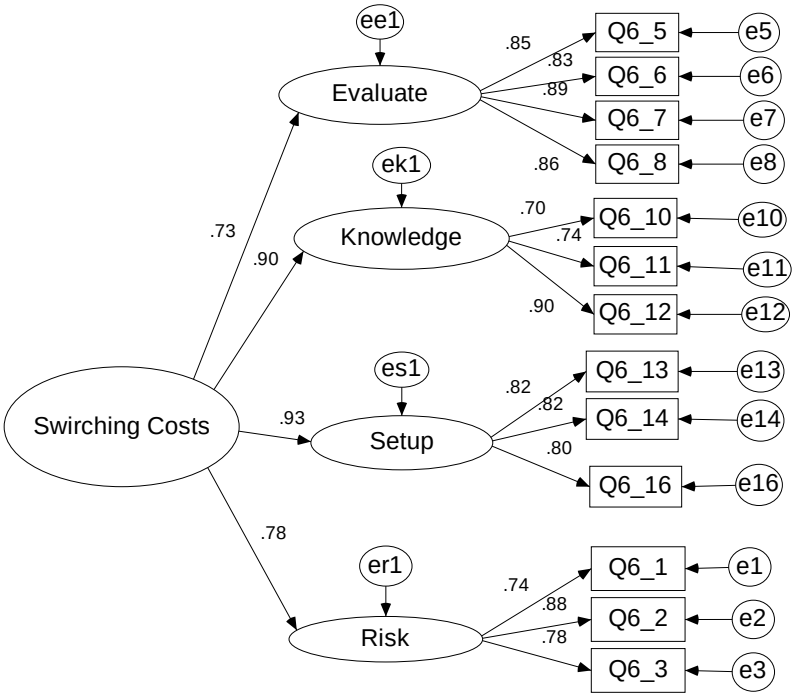
Marketing Actions			Estimate
Environment	<---	Marketing Actions	0.819
Product	<---	Marketing Actions	0.894
Delivery	<---	Marketing Actions	0.832
Price	<---	Marketing Actions	0.561
Price Level	<---	Price	0.654
Price-Quality Ratio	<---	Price	1.057
Fairness	<---	Delivery	0.800
Empathy	<---	Delivery	0.857
Expertise	<---	Delivery	0.875
Motivation	<---	Delivery	0.803
Value-Added Services	<---	Product	0.580
Equipment/Materials	<---	Product	0.783
Customisation	<---	Product	0.811
Assortment	<---	Product	0.786
Reliability	<---	Product	0.585
Cleanliness	<---	Environment	0.840
Servicescape	<---	Environment	0.851
Location	<---	Marketing Actions	0.437
Schemes	<---	Marketing Actions	0.436
Model Fit Measures		**Reliability**	
CMIN/DF	**3.102**		
CFI	**0.952**	Construct Reliability	**0.963**
NFI	**0.939**	Average Extracted Variance	**0.589**
GFI	**0.940**	Cronbach's alpha	**0.909**
RMSEA	**0.062**		

As shown in the table above all the measures indicate a very good fit of the model with CMIN/DF or X^2/ degrees of freedom (3.102), CFI (0.952), NFI (0.939), GFI (0.940) and RMSEA (0.062) meeting all the criteria and cut-off points proposed in the previous section. Additionally, all the reliability measures, construct reliability (.963), AVE (.589) and Cronbach's alpha (.909), do perfectly fit in the conditions proposed in the previous section.

RELATIONAL BONDS

Relational bonds were also measured individually and as a whole model. Each of the constructs were analysed starting with switching costs. Following the well established measurement of switching costs by Burnam, Frels and Mahajan (2003), four second order latent constructs can capture all structural aspects of switching costs. These dimensions include evaluation costs, knowledge costs, setup costs and risk costs. The following figure and table provide the overall results of switching costs.

Figure 28: Switching Costs Scale Items with Standardised Loadings



As shown in the table below all the measurements indicate a very good fit of the model with CMIN/DF or X^2/ degrees of freedom (2.899), CFI (.975), NFI (.962), GFI (.954) and RMSEA (.059) meeting all the criteria and cut-off points proposed in the literature. Additionally, all the reliability measures, construct reliability (.972), AVE (.676) and Cronbach's alpha (.930), are excellent based on the conditions proposed in the literature.

Table 31: Switching Costs Model Fit and Reliability Measures

Switching Costs			
Eval	<---	Switching Costs	0.729
Know	<---	Switching Costs	0.896
Setup	<---	Switching Costs	0.932
Risk	<---	Switching Costs	0.780
Q6_13	<---	Setup	0.815
Q6_14	<---	Setup	0.819
Q6_16	<---	Setup	0.805
Q6_1	<---	Risk	0.735
Q6_2	<---	Risk	0.878
Q6_3	<---	Risk	0.781
Q6_5	<---	Evaluate	0.847
Q6_6	<---	Evaluate	0.834
Q6_7	<---	Evaluate	0.886
Q6_8	<---	Evaluate	0.861
Q6_10	<---	Knowledge	0.700
Q6_11	<---	Knowledge	0.742
Q6_12	<---	Knowledge	0.896

Model Fit Measures		Reliability	
CMIN/DF	**2.899**		
CFI	**0.975**	Construct Reliability	**0.972**
NFI	**0.962**	Average Extracted Variance	**0.676**
GFI	**0.954**	Cronbach's alpha	**0.930**
RMSEA	**0.059**		

Apart from the overall model, the second order constructs (evaluation, knowledge, setup and risk) were also examined through AMOS. ***Evaluation costs*** was initially measured by four items, which all remained in the final model as they provided a prefer fit, both in the following model (see figure and table below) as well as second order constructs to switching costs.

Figure 29: Evaluate Costs Scale Items with Standardised Loadings

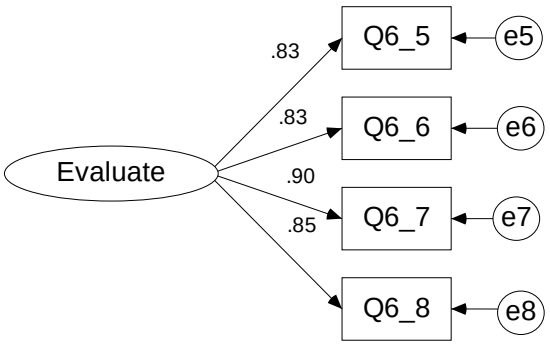


Table 32: Evaluate Costs Model Fit and Reliability Measures

Evaluate Costs

			Estimates
Q6_5	<---	Evaluate	0.830
Q6_6	<---	Evaluate	0.830
Q6_7	<---	Evaluate	0.895
Q6_8	<---	Evaluate	0.853

Model Fit Measures		**Reliability**	
CMIN/DF	**2.832**		
CFI	**0.998**	Construct Reliability	**0.914**
NFI	**0.996**	Average Extracted Variance	**0.727**
GFI	**0.995**	Cronbach's alpha	**0.914**
RMSEA	**0.058**		

As shown in the table above all the measures indicate a very good fit of evaluation costs model with CMIN/DF or X^2/ degrees of freedom (2.832), CFI (.998), NFI (.996), GFI (.995) and RMSEA (.058) meeting all the criteria and cut-off points proposed in the literature. Additionally, all the reliability measures, construct reliability (.914), AVE (.727) and Cronbach's alpha (.914), are excellent based on the conditions proposed in the literature.

Knowledge costs construct was initially measured by four items but after the initial validation tests, one of the items was eliminated based on modification indexes and estimates. The results of the remaining items are presented below in the figure and table.

Figure 30: Knowledge Costs Scale Items with Standardised Loadings

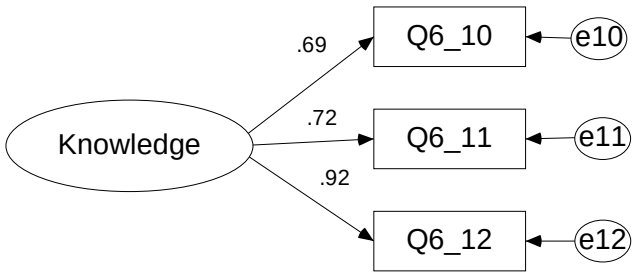


Table 33: Knowledge Costs Model Fit and Reliability Measures

Knowledge Costs

			Estimate
Q6_10	<---	Knowledge	0.692
Q6_11	<---	Knowledge	0.716
Q6_12	<---	Knowledge	0.924

Reliability	
Construct Reliability	**0.825**
Average Extracted Variance	**0.615**
Cronbach's alpha	**0.813**

As this construct is measured by three items, the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Finally, reliability measures, construct reliability (.825), AVE (.615) and Cronbach's alpha (.813), were excellent, as presented above together with the standardised loadings.

The next construct from switching costs is ***setup costs***. This item was initially measured by four items but after examining the model fit results and based on modification indexes one of the items was eliminated. The following figure and table present the results of the final model.

Figure 31: Setup Costs Scale Items with Standardised Loadings

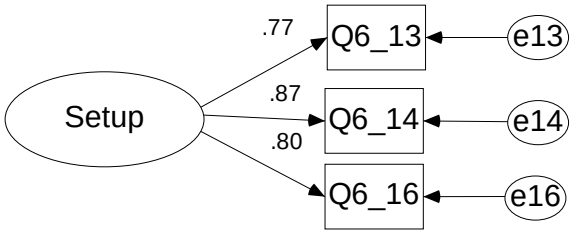


Table 34: Setup Costs Model Fit and Reliability Measures

Setup Cost

			Estimate
Q6_13	<---	Setup	0.773
Q6_14	<---	Setup	0.866
Q6_16	<---	Setup	0.800

Reliability	
Construct Reliability	**0.855**
Average Extracted Variance	**0.662**
Cronbach's alpha	**0.854**

As this construct is measured by three items, the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.855), AVE (.615) and Cronbach's alpha (.813), are very good, as presented above together with the standardised loadings.

The final switching cost construct, ***risk costs***, was also measured initially by four items. However, after the validation process, one of the items was eliminated based on the modification indexes and estimates. The final model included the items shown in the below figure and table.

Figure 32: Risk Costs Scale Items with Standardised Loadings

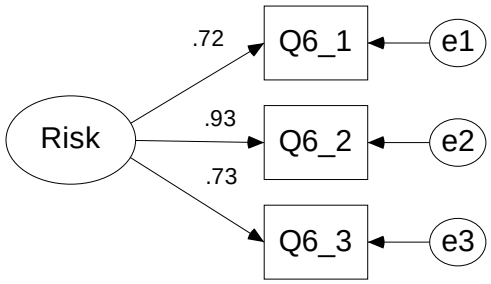


Table 35: Risk Costs Model Fit and Reliability Measures

Risk Cost

			Estimate
Q6_1	<---	Risk	0.722
Q6_2	<---	Risk	0.932
Q6_3	<---	Risk	0.733

Reliability	
Construct Reliability	**0.842**
Average Extracted Variance	**0.642**
Cronbach's alpha	**0.836**

As this construct is measured by three items, the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.842), AVE (.642) and Cronbach's alpha (.836), are very good, as presented above together with the standardised loadings.

Economic Bonds were measured using two items adapted from the study of Hsieh et al. (2005). The following figure and table provide the results of the loadings and the reliability tests of the economic bonds construct.

Figure 33: Economic Bonds Scale Items with Standardised Loadings

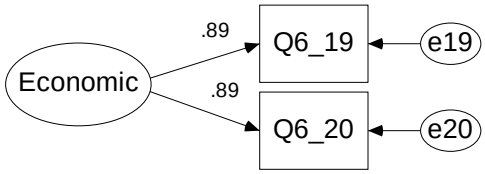


Table 36: Economic Bonds Model Fit and Reliability Measures

Economic Bonds

			Estimate
Q6_19	<---	Economic	0.892
Q6_20	<---	Economic	0.887

Reliability	
Construct Reliability	**0.883**
Average Extracted Variance	**0.791**
Cronbach's alpha	**0.883**

As this construct is measured by two items, the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.883), AVE (.791) and Cronbach's alpha (.883), are excellent, as presented above together with the standardised loadings.

Habitual Bonds were measured with a scale comprised of three items adapted from the study of Limayem, Hirt and Cheung (2007). All three items were remained since they provided very good results as it is shown below.

Figure 34: Habitual Bonds Scale Items with Standardised Loadings

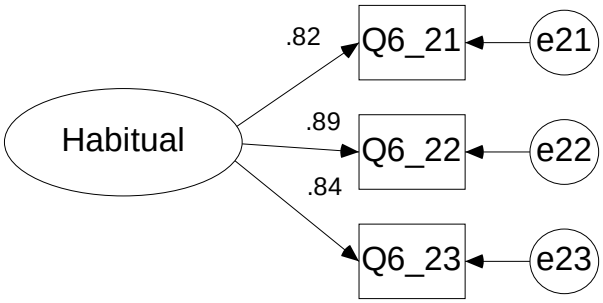


Table 37: Habitual Bonds Model Fit and Reliability Measures

Habitual Bonds

			Estimate
Q6_21	<---	Habitual	0.820
Q6_22	<---	Habitual	0.894
Q6_23	<---	Habitual	0.835

Reliability	
Construct Reliability	**0.887**
Average Extracted Variance	**0.723**
Cronbach's alpha	**0.884**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fitted perfectly to the model (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.887), AVE (.723) and Cronbach's alpha (.884), are excellent, as presented above together with the standardised loadings.

Social Bonds were measured with a scale comprised of six items adapted from Hennig-Thurau, Gwinner & Gremler (2002) and Paul et al. (2009). While validating the model through Amos, the final model ended up with four items which provided a perfect fit. In order to modify the model, all the loadings were observed as well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 35: Social Bonds Scale Items with Standardised Loadings

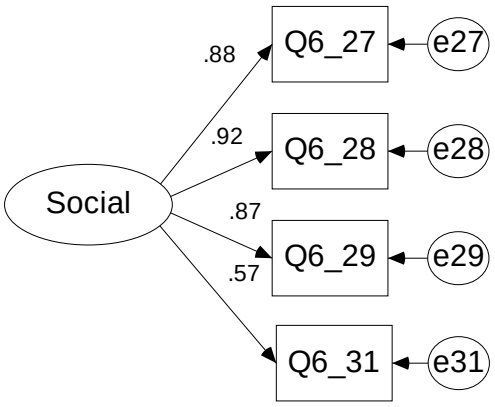


Table 38: Social Bonds Model Fit and Reliability Measures

Social Bonds

			Estimates
Q6_27	<---	Social	0.880
Q6_28	<---	Social	0.917
Q6_29	<---	Social	0.868
Q6_31	<---	Social	0.571

Model Fit Measures		**Reliability**	
CMIN/DF	**1.058**		
CFI	**1.000**	Construct Reliability	**0.889**
NFI	**0.998**	Average Extracted Variance	**0.674**
GFI	**0.998**	Cronbach's alpha	**0.883**
RMSEA	**0.010**		

As shown in the table above all the measures indicate an excellent fit of social bonds model with CMIN/DF or X^2/ degrees of freedom (1.058), CFI (1.000), NFI (.998), GFI (.998) and RMSEA (.010) meeting all the criteria and cut-off points proposed in the literature. Additionally, all the reliability measures, construct reliability (.889), AVE (.674) and Cronbach's alpha (.883), are excellent based on the conditions proposed in the literature.

Convenience Bonds were measured in the questionnaire with a scale comprised of four items adapted from Wagner, Hennig-Thurau and Rudolph (2009). While validating the model through Amos, the final model ended up with three items which provided a perfect fit. In order to modify the model, all the loadings were observed as

well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 36: Convenience Bonds Scale Items with Standardised Loadings

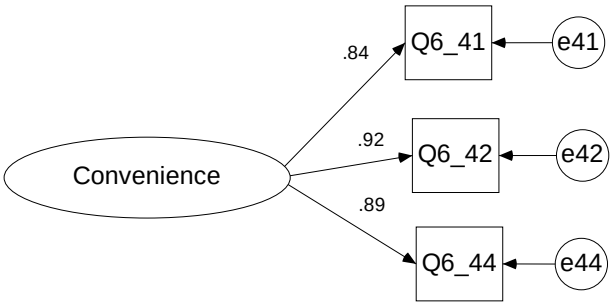


Table 39: Convenience Bonds Model Fit and Reliability Measures

Convenience Bonds

			Estimate
Q6_41	<---	Convenience	0.842
Q6_42	<---	Convenience	0.921
Q6_44	<---	Convenience	0.893

Reliability	
Construct Reliability	**0.916**
Average Extracted Variance	**0.785**
Cronbach's alpha	**0.916**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.916), AVE (.785) and Cronbach's alpha (.916), are excellent, as presented above together with the standardised loadings.

Confidence Bonds were measured in the questionnaire with a scale comprised of three items adapted from Gwinner, Gremler and Bitner (1998). The following figure and table provide the results of the loadings and the reliability tests of the confidence bonds construct.

Figure 37: Confidence Bonds Scale Items with Standardised Loadings

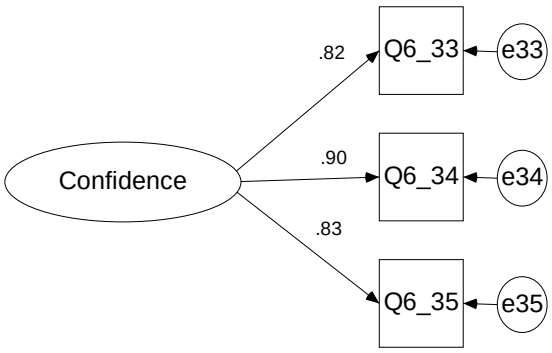


Table 40: Confidence Bonds Model Fit and Reliability Measures

Confidence Bonds

			Estimate
Q6_33	<---	Confidence	0.824
Q6_34	<---	Confidence	0.901
Q6_35	<---	Confidence	0.830

Reliability	
Construct Reliability	**0.888**
Average Extracted Variance	**0.727**
Cronbach's alpha	**0. 887**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.888), AVE (.727) and Cronbach's alpha (.887), are very good, as presented above together with the standardised loadings.

Positive Emotional Bonds were measured using the scale of the construct 'emotional attachment', a well established scale development of Thomson, MacInnis and Park (2005). 'Emotional attachment' was developed using three second order variables: passion, affection, and connection. All three variables were measured in the following model with 1) passion initially measured by three items and ended up with two, 2) affection initially measured by three items and ended up with two and finally 3) connection initially measured by three items which were all remained in the model. In order to modify the model, all the loadings were observed as well as the modification

indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 38: Positive Emotions Scale Items with Standardised Loadings

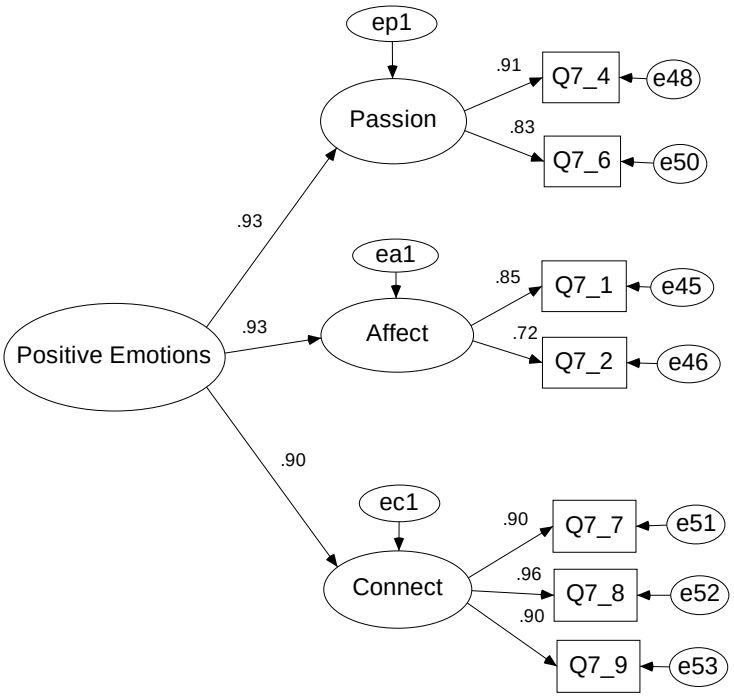


Table 41: Positive Bonds Model Fit and Reliability Measures

Positive Emotions

			Estimates
Passion	<---	Positive Emotions	0.932
Affect	<---	Positive Emotions	0.933
Connect	<---	Positive Emotions	0.900
Q7_1	<---	Affection	0.854
Q7_2	<---	Affection	0.718
Q7_4	<---	Passion	0.912
Q7_6	<---	Passion	0.834
Q7_7	<---	Connect	0.904
Q7_8	<---	Connect	0.959
Q7_9	<---	Connect	0.897

Model Fit Measures		**Reliability**	
CMIN/DF	2.510		
CFI	0.995	Construct Reliability	**0.973**
NFI	0.992	Average Extracted Variance	**0.786**
GFI	0.986	Cronbach's alpha	**0.934**
RMSEA	0.053		

As shown in the table above all the measures indicate an excellent fit of positive emotions bonds model with CMIN/DF or X^2/ degrees of freedom (2.510), CFI (.995), NFI (.992), GFI (.986) and RMSEA (.053) meeting all the criteria and cut-off points proposed in the literature. Additionally, all the reliability measures - construct reliability (.973), AVE (.786) and Cronbach's alpha (.934), are excellent based on the conditions proposed in the literature.

Negative Emotional Bonds were measured using the scale of the construct 'negative affect' comprised of four items adapted from Wagner, Hennig-Thurau and Rudolph (2009). While validating the model through Amos, the final model ended up with three items which provided a perfect fit. In order to modify the model, all the loadings were observed as well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 39: Negative Emotions Scale Items with Standardised Loadings

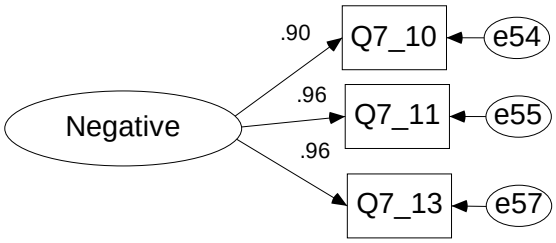


Table 42: Negative Emotions Model Fit and Reliability Measures

Negative Bonds

			Estimate
Q7_10	<---	Negative	0.9
Q7_11	<---	Negative	0.961
Q7_13	<---	Negative	0.96

Reliability	
Construct Reliability	**0.958**
Average Extracted Variance	**0.885**
Cronbach's alpha	**0.958**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to

1.0). Finally, construct reliability (.958), AVE (.885) and Cronbach's alpha (.958), are excellent, as presented above together with the standardised loadings.

Finally, all ***relational bonds*** were measured together to examine their fit within the same model and to test the reliability and validity of the model, since this study proposes that all these constructs are a kind of relational bonds. Eight first order constructs were measured, with two of them comprised of three (positive emotions) and four (switching costs) second order variables. The following figure and table present the results of the CFA and reliability tests.

Figure 40: Relational Bonds Scale Items with Standardised Loadings

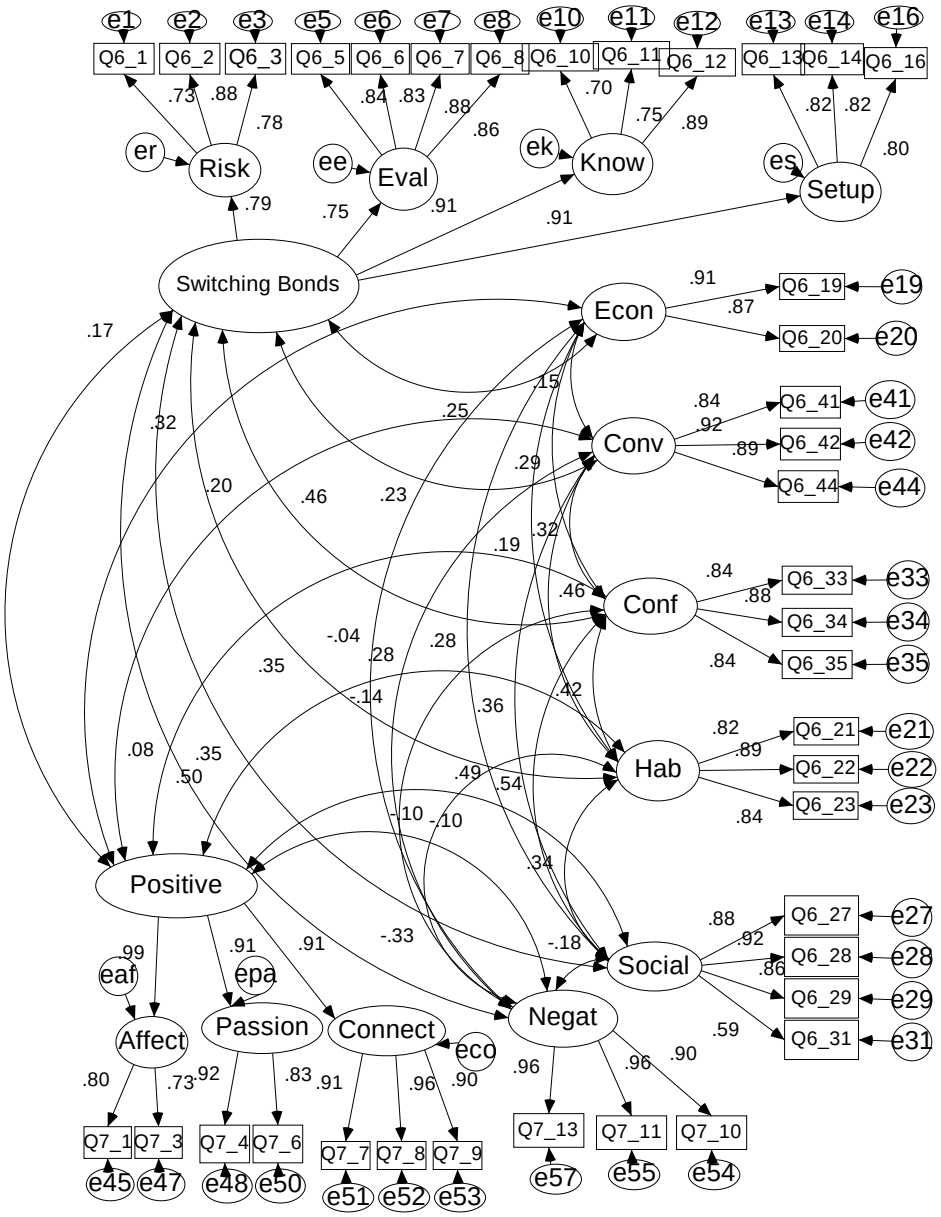


Table 43: Relational Bonds Model Fit and Reliability Measures

Relational Bonds			Estimate
Risk	<---	Switching Bonds	0.792
Knowledge	<---	Switching Bonds	0.914
Setup	<---	Switching Bonds	0.905
Evaluate	<---	Switching Bonds	0.753
Affect	<---	Positive Bonds	0.990
Passion	<---	Positive Bonds	0.914
Connect	<---	Positive Bonds	0.910
Q6_33	<---	Confidence	0.843
Q6_34	<---	Confidence	0.881
Q6_35	<---	Confidence	0.836
Q6_41	<---	Convenience	0.842
Q6_42	<---	Convenience	0.922
Q6_44	<---	Convenience	0.892
Q6_27	<---	Social	0.878
Q6_28	<---	Social	0.918
Q6_29	<---	Social	0.863
Q6_13	<---	Setup	0.815
Q6_14	<---	Setup	0.820
Q6_16	<---	Setup	0.804
Q6_21	<---	Habitual	0.822
Q6_22	<---	Habitual	0.887
Q6_23	<---	Habitual	0.841
Q6_1	<---	Risk	0.732
Q6_2	<---	Risk	0.877
Q6_3	<---	Risk	0.785
Q6_5	<---	Evaluate	0.839
Q6_6	<---	Evaluate	0.831
Q6_7	<---	Evaluate	0.882
Q6_8	<---	Evaluate	0.859
Q6_12	<---	Knowledge	0.886
Q7_10	<---	Negative	0.900
Q7_11	<---	Negative	0.961
Q7_13	<---	Negative	0.960
Q6_31	<---	Social	0.589
Q6_19	<---	Economic	0.907
Q6_20	<---	Economic	0.872
Q6_10	<---	Knowledge	0.696
Q6_11	<---	Knowledge	0.755
Q7_7	<---	Connect	0.906
Q7_8	<---	Connect	0.956
Q7_1	<---	Affect	0.802
Q7_3	<---	Affect	0.728
Q7_4	<---	Passion	0.919
Q7_6	<---	Passion	0.828
Q7_9	<---	Connect	0.898

Model Fit Measures		Reliability			
CMIN/DF	**2.201**			n	548
CFI	**0.953**	Construct Reliability	**0.992**	p	98
NFI	**0.918**	Average Extracted Variance	**0.734**	chisquare	1386.791
GFI	**0.885**	Cronbach's alpha	**0.919**	df	630
RMSEA	**0.047**			f-hat	**GFI-HAT**
				1.38353	**0.97254**

As shown in the table above, all the measures indicate an excellent fit of the overall measurement model for relational bonds with CMIN/DF or X^2/ degrees of freedom (2.201), CFI (.952), NFI (.918), and RMSEA (.047) meeting all the criteria and cut-off points proposed in the literature. The only measurement that was not fitting perfectly the cut-off points was the GFI (.986). Garson (2011) explains that GFI can be pushed down when the number of the parameters (p) in the model is very large compared to the sample size. In this case the number of the parameters is 98, which is relatively large. Under these circumstances Steiger in Garson (20011) recommends that the 'adjusted GFI (GFI-hat) should be measured to provide more accurate results. The equation of GFI-hat is GFI-hat = p / (p + 2 *F-hat). F-hat[6] can be calculated based on the following equation: (chisquare - df) / (n - 1), (with df = degrees of freedom and n= sample size). Based on this the GFI-hat was equal to 0.973, which indicates an excellent fit. Additionally, all the reliability measures, construct reliability (.992), AVE (.734) and Cronbach's alpha (.919), are excellent based on the conditions proposed in the literature.

PRIOR EXPERIENCE, SUBJECTIVE NORMS AND PERCEIVED DIFFICULTY

Subjective Norms were measured in the questionnaire with a scale comprised of six items adapted from Charng et al. (1988) and Ajzen and Drive (1992). While validating the model through Amos, the final model ended up with three items which provided a perfect fit. In order to modify the model, all the loadings were observed as well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

[6] Where F-hat is the population estimate of the minimum value of the discrepancy function

Figure 41: Subjective Norms Scale Items with Standardised Loadings

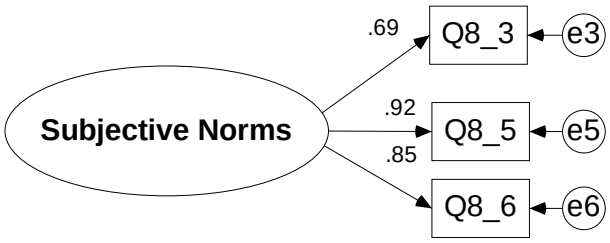


Table 44: Subjective Norms Model Fit and Reliability Measures

Subjective Norms

			Estimate
Q8_3	<---	Norms	0.690
Q8_5	<---	Norms	0.924
Q8_6	<---	Norms	0.846

Reliability	
Construct Reliability	**0.864**
Average Extracted Variance	**0.682**
Cronbach's alpha	**0.768**

As this construct is measured by three items the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.864), AVE (.682) and Cronbach's alpha (.768), are very good, as presented above together with the standardised loadings.

Perceived Difficulty was measured using two items adapted from the study of Pavlou and Fygenson (2006). The following figure and table provide the results of the loadings and the reliability tests of the perceived difficulty construct.

Figure 42: Perceived Difficulty Scale Items with Standardised Loadings

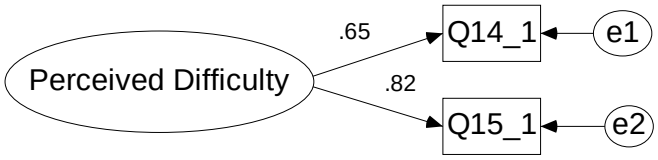


Table 45: Perceived Difficulty Model Fit and Reliability Measures

Perceived Difficulty

			Estimate
Q14_1	<---	Perceived Difficulty	0.648
Q15_1	<---	Perceived Difficulty	0.823

Reliability	
Construct Reliability	**0.706**
Average Extracted Variance	**0.549**
Cronbach's alpha	**0.683**

As this construct is measured by two items, the model fit measures were that of a saturated model (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.706), AVE (.549) and Cronbach's alpha (.683), are good, as presented above together with the standardised loadings.

Switching Experience was measured using three items adapted from the study of Burnam, Frels and Mahajan (2003). The following figure and table provide the results of the loadings and the reliability tests of the switching experience construct.

Figure 43: Switching Experience Scale Items with Standardised Loadings

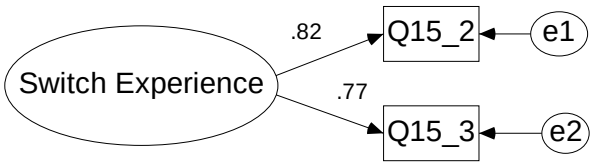


Table 46: Switching Experience Model Fit and Reliability Measures

Switching Experience

			Estimate
Q15_2	<---	Switch Experience	0.817
Q15_3	<---	Switch Experience	0.774

Reliability	
Construct Reliability	**0.775**
Average Extracted Variance	**0.633**
Cronbach's alpha	**0.774**

As this construct is measured by three items the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.775), AVE (.633) and Cronbach's alpha (.774), are very good, as presented above together with the standardised loadings.

Finally, ***Service Experience*** was measured using a new scale developed by Brakus, Schmitt and Zarantonello (2009) measuring 'brand experience'. There are four items proposed for this measurement, including sensory, affective, behavioural and intellectual experiences with the brand. Based on the results of the model fit, all four items provided very good fits, and remained in the model, as shown below.

Figure 44: Service Experience Scale Items with Standardised Loadings

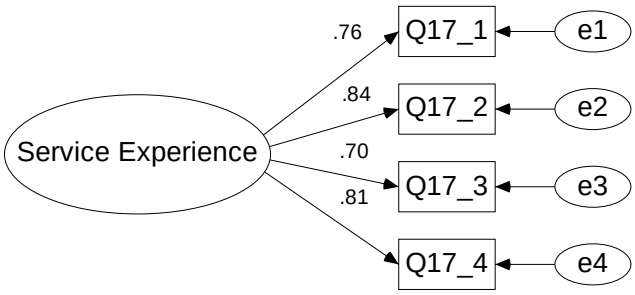


Table 47: Service Experience Model Fit and Reliability Measures

Service Experience

			Estimates
Q17_1	<---	Experience	0.757
Q17_2	<---	Experience	0.835
Q17_3	<---	Experience	0.701
Q17_4	<---	Experience	0.807

Model Fit Measures		**Reliability**	
CMIN/DF	**2.878**		
CFI	**0.996**	Construct Reliability	**0.858**
NFI	**0.994**	Average Extracted Variance	**0.603**
GFI	**0.995**	Cronbach's alpha	**0.856**
RMSEA	**0.059**		

As shown in the table above all the measures indicate an excellent fit of service experience model with CMIN/DF or X^2/ degrees of freedom (2.878), CFI (.996), NFI

(.994), GFI (.995) and RMSEA (.059) meeting all the criteria and cut-off points proposed in the literature. Additionally, all the reliability measures - construct reliability (.858), AVE (.603) and Cronbach's alpha (.856), are excellent based on the conditions proposed in the literature.

REPURCHASE INTENTIONS AND RELATIONSHIP OUTCOMES

Repurchase Intentions construct was measured using three items from a well established scale adapted from the study of Wagner, Hennig-Thurau, and Rudolph (2009). The following figure and table provide the results of the loadings and the reliability tests of the repurchase intentions construct.

Figure 45: Repurchase Intentions Scale Items with Standardised Loadings

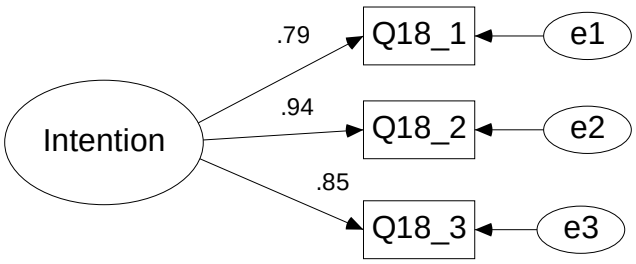


Table 48: Repurchase Intentions Model Fit and Reliability Measures

Repurchase Intentions

			Estimate
Q18_1	<---	Intention	0.785
Q18_2	<---	Intention	0.94
Q18_3	<---	Intention	0.855

Reliability	
Construct Reliability	**0.896**
Average Extracted Variance	**0.744**
Cronbach's alpha	**0.890**

As this construct is measured by three items the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.896), AVE (.744) and Cronbach's alpha (.890), are very good, as presented above together with the standardised loadings.

Loyalty was measured in the questionnaire with a scale comprised by four items adapted from Walsh and Beatty (2007) and Arnold and Reynolds (2003). While validating the model through Amos, the final model ended up with three items which provided a perfect fit. In order to modify the model, all the loadings were observed as well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 46: Loyalty Scale Items with Standardised Loadings

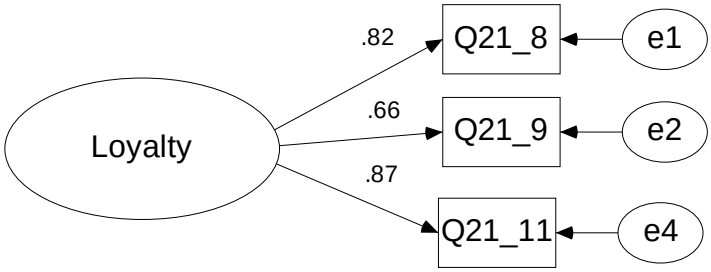


Table 49: Loyalty Model Fit and Reliability Measures

Loyalty

			Estimate
Q21_8	<---	Loyalty	0.823
Q21_9	<---	Loyalty	0.658
Q21_11	<---	Loyalty	0.869

Reliability	
Construct Reliability	**0.830**
Average Extracted Variance	**0.622**
Cronbach's alpha	**0.816**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to 1.0). Finally, construct reliability (.830), AVE (.622) and Cronbach's alpha (.816), are very good, as presented above together with the standardised loadings.

Word of Mouth was measured in the questionnaire with a scale comprised of four items adapted from Gremler and Gwinner (2000). While validating the model through Amos, the final model ended up with three items which provided a perfect fit. In order to modify the model, all the loadings were observed as well as the modification indexes and estimates. The final model is presented in the below figure (with the standardised loadings) and table.

Figure 47: Word of Mouth Scale Items with Standardised Loadings

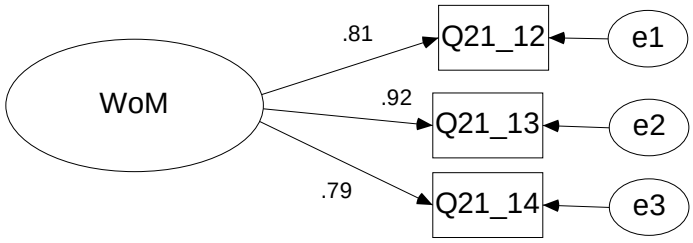


Table 50: Word of Mouth Model Fit and Reliability Measures

Word of Mouth

			Estimate
Q21_13	<---	WoM	0.920
Q21_14	<---	WoM	0.787
Q21_12	<---	WoM	0.811

Reliability	
Construct Reliability	**0.879**
Average Extracted Variance	**0.708**
Cronbach's alpha	**0.876**

As this construct is measured by three items, the model fit measures were that of a saturated model where the data fit the model perfectly (CFI, NFI AND GFI equal to

1.0). Finally, construct reliability (.879), AVE (.708) and Cronbach's alpha (.876), are excellent, as presented above together with the standardised loadings.

CONCLUSIONS FROM MEASUREMENT STAGE

Overall, the measurement models, presented above, provided very good results for all the scales, which allow us to move on with confidence to the next step. Thus, after validating all measurement used in the questionnaire the next step is to test the hypotheses of the study through multiple regressions and chow tests.

SUMMARY

This chapter presented the methodological procedures followed for both studies; the preliminary qualitative research and the main quantitative research. The results of the qualitative research were presented, helping the formulation of the conceptual model (proposed in Chapter 3). Moving to the quantitative study, all the methodological procedures, which were followed in order to collect the data, are outlined. Additionally, the statistical tools used in order to ensure the validity and reliability of the questionnaire and the measurement of the scales are reported. The next chapter is presenting the results of the hypotheses tests, incorporating a brief discussion on the findings.

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CHAPTER 5: RESULTS OF THE QUANTITATIVE STUDY

INTRODUCTION

After outlining the methodological process of the study in chapter 4, this chapter is going to present the results of the main quantitative study. Ensuring that the data are valid and the assumptions of multiple regressions are covered (chapter 4), the hypotheses were tested through multiple regressions and the moderating effect of the service typologies were analysed through the Chow test. Thus, this chapter is presenting and discussing the results of the main research. Finally, the mediating effects of the conceptual model are being described.

TESTING THE HYPOTHESES AND DISCUSSING THE RESULTS

To test the hypotheses, multiple regression and Chow test were used (as outlined in the previous sections). Multiple regression analysis is the most commonly used analysis in social sciences when there are several independent variables that can predict one variable. Standardised beta coefficients were used, as they can be compared directly and provide a "better insight into the relative contribution of each variable" (Eisingerich & Bell, 2007, p. 257). To assess the moderating effect of the different types of services, the results of the multiple regressions after splitting the groups were compared by using the Chow test in SPSS.

The Chow test is widely used in order to examine any structural changes in any of the parameters of the model. Based on this analysis it can be decided whether the two or more regressions are significantly different or not (Dillon & Goldstein, 1994; Patterson & Smith 2003; Chow, 1960). The Chow test is an econometric test which can determine whether the coefficients in a regression model are the same in separate subsamples (Chow, 1960). The procedure is based on the F-test; the sum of squared

errors from each of the group regressions is required - one for each group and one for the pooled model.

$$\text{Chow} = \frac{(RSS - RSS_1 - RSS_2)/k}{(RSS_1 + RSS_2)/(n_1 + n_2 - 2k)} \sim F_{k, n_1 + n_2 - 2k}$$

As shown above the residual sum of squares (RSS) of a single pooled regression is weighed against the summated residuals for the individual group regressions (RSS_1, RSS_2). If there is significant difference, then the differences between the groups are significant too. However, this test alone does not indicate which specific parameter estimates differ, and thus an interaction term was formulated between the predictor and the dummy variable (which represented the group membership). In this way, the differences between the parameter estimates among the groups are allowed. If the interaction term is significant then the variable is significantly different between those groups.

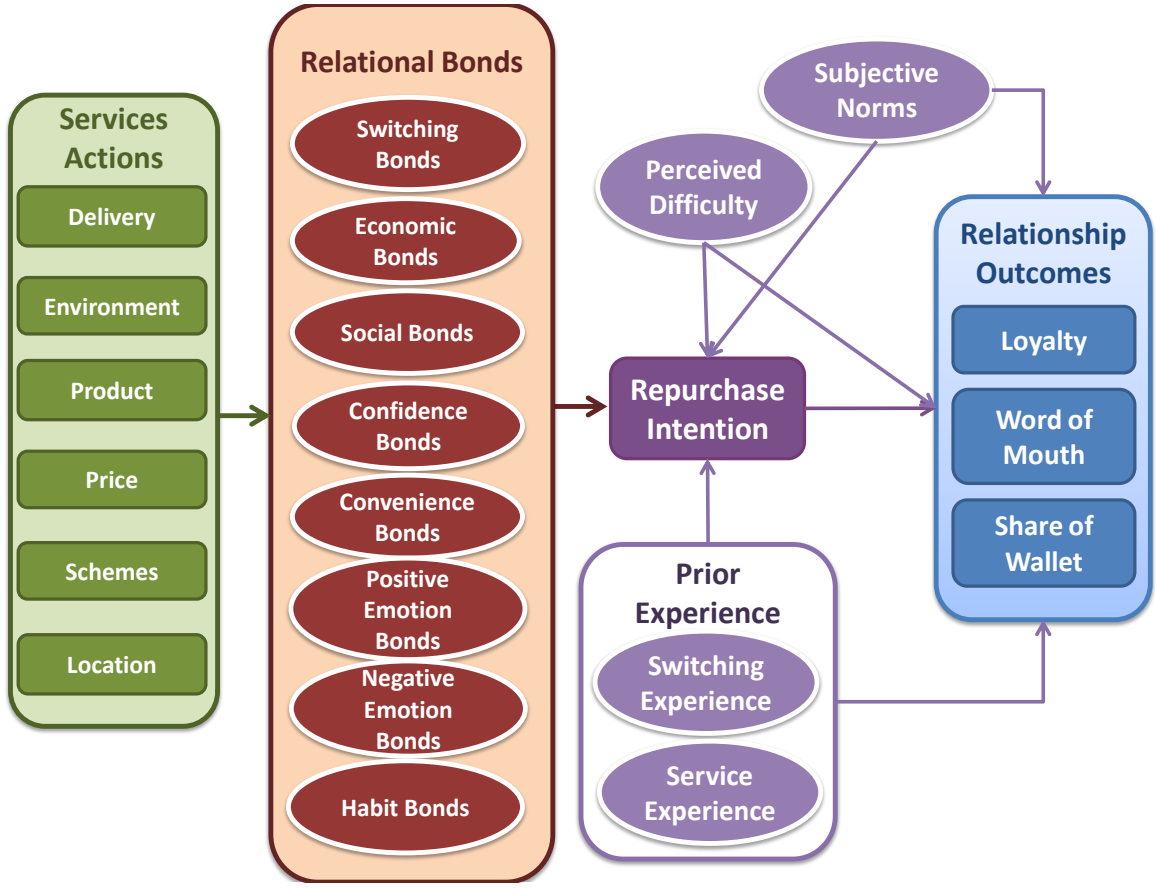
Generally, the main goal of this study is to develop and then test the proposed conceptual model across different categorisations of services, and find the variations, if any, across those services. Thus, the nature of this study is mainly exploratory and the results of the multiple regressions and Chow tests are presented in the following sections. Because of the complexity and size of the model the analysis of the results is organised in three main sections:

1) The first set of analysis is based on the relationships between ***relational bonds*** and ***services actions***. In this section, the regression results are being presented based on each of the relational bonds. Then, the variations across different service types are being discussed.

2) The second set of analysis is based on two main parts: a) the relationships between ***repurchase intentions*** and ***relational bonds*** and b) the relationships between repurchase intentions and ***subjective norms***, ***perceived difficulty*** and ***prior experience*** (switching and service experience). In this section, the regression results are being reported across all services as well as the significant differences based on the service type.

3) The third set of analysis is based on the relationships between ***relationship outcomes*** (loyalty, word of mouth and share of wallet) and repurchase intentions, subjective norms, perceived difficulty and prior experience (switching and service experience). As in previous set of analysis, in this section the regression results are being reported across all services as well as the significant differences based on the service type.

Figure 48: The Conceptual Model

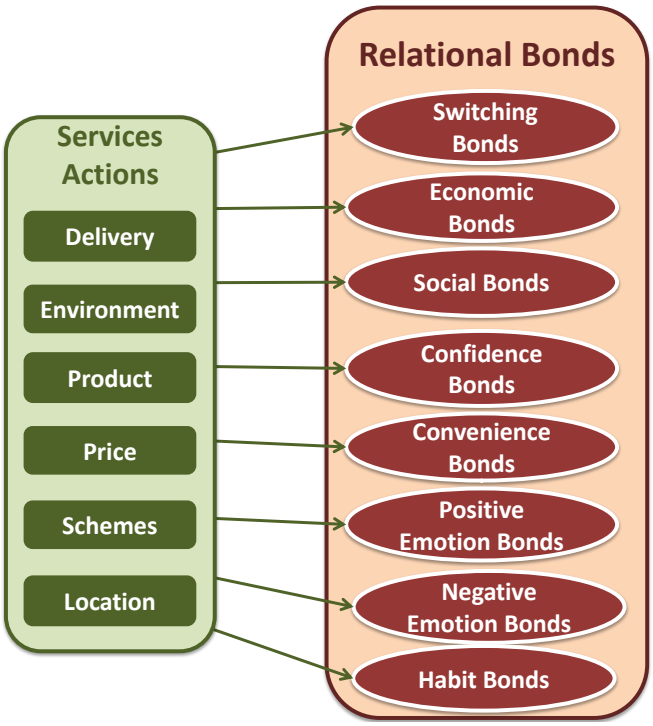


RELATIONAL BONDS AND SERVICES ACTIONS ACROSS SERVICES

In the first set of analysis, as shown in the figure below, the services actions (independent variables) were regressed on each of the relational bonds (dependent variables). To test those relationships multiple regressions were run across all services

and then Chow test was performed to find the variations across the different service types.

Figure 49: Conceptual Model Part I - Marketing Actions and Relational Bonds



As it can be seen from the tables below, across all services different services actions were found to affect different relational bonds, as hypothesised. The following sections present the results of the hypotheses based on each bond.

Table 51: Regression results between Service Actions and Relational Bonds

	Relational Bonds							
Services Actions	Switching Bonds	Economic Bonds	Social Bonds	Confidence Bonds	Convenience Bonds	Positive Emotion Bonds	Negative Emotion Bonds	Habit Bonds
Delivery	.078	**.164****	**.287*****	**.158****	-.013	**.241*****	-.095	.017
Product	**.141***	-.042	**.167****	**.331*****	**.162****	**.241*****	**-.179****	**.146***
Environment	**.121***	-.027	**.145****	.081	-.008	**.167*****	.029	.068
Price	-.051	-.057	-.030	-.047	.001	-.068	**-.114****	-.050
Schemes	-.024	**.449*****	.049	.060	.014	.033	-.006	.060
Location	**-.214*****	-.072	.036	-.078	**.274*****	.002	**-.091***	.073
R-Square	**.069*****	**.234*****	**.305*****	**.243*****	**.129*****	**.305*****	**.123*****	**.066*****

***p<.001; **p<.01; *p<.05; (+) p<.10; All values reported are standardised beta coefficients.

It has been hypothesised that switching costs can be influenced by four service actions of the company (including service delivery, product, environment, and rewards) across all services. Testing these hypotheses, regression results indicate that there are generally three services actions that can significantly influence switching costs across all services, and those are service product ($\beta = .141$, $p < .05$), service environment ($\beta = .121$, $p < .05$) and location ($\beta = -.214$, $p < .001$). The percentage of the variance in switching costs predicted by service actions is 6.9% ($R^2 = .069$, $p < .001$). This confirms the positive relationship between service product and switching costs (hypothesis H2a), and the predicted positive relationship between service environment and switching costs (hypothesis H3a). This is in line with several studies (e.g. Jones et al., 2007; Jones, Mothersbaugh & Beatty, 2000) that propose (theoretically, as there are not any empirical studies yet) the direct impact of services actions to switching costs.

Table 52: Regression results between Service Actions and Switching Costs

	Switching Bonds
Delivery	.078
Product	**.141***
Environment	**.121***
Price	-.051
Schemes	-.024
Location	**-.214*****
R-Square	**.069*****

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

Interestingly, the relationship between location and switching costs was found to be significantly negative. This implies that the longer the distance a customer has to travel, the higher the switching costs would be for that customer. In the retailing context, Craig, Ghosh and McLafferty (1984, p. 14) suggest that customers are most likely to bypass the nearest alternative when "the extra effort of travel is compensated by better shopping opportunities". Thus, if someone prepares to travel long distances to get a service, this is indicative for a strong relationship, which in turn implies high

switching costs. The direction of this relationship was not hypothesised across all services, as there is no prior research that examines this relationship empirically to date. Thus, these results indicate that there is an interesting outcome which suggests avenues for further research.

Table 53: Switching Costs hypotheses across all Services

Hypotheses	Relationships	Results
H1a	Delivery → Switching Costs	Not supported
H2a	Product → Switching Costs	**Supported**
H3a	Environment → Switching Costs	**Supported**
H5a	Rewards → Switching Costs	Not Supported

Finally, the relationship between switching costs and service delivery, price and rewards was not found to be significant across all services, but several differences across different services were found in these relationships (as presented below).

The following table summarises the results of the aforementioned relationships based on the different service types. The highlighted cells in the table show that the differences between the services are significant and thus it can be concluded that service type can moderate those relationships (based on Chow test results). In this part of analysis, apart from the four aforementioned relationships (delivery-switching costs, product-switching costs, environment-switching costs and rewards-switching costs), it was also hypothesised that price (H4) and location (H6) in relation to switching costs is going to be moderated by the service type. This was confirmed (H4) for the relationship between price and switching costs in hedonic/utilitarian typology and search/experience/credence typology. Also, this was confirmed (H6) for the relationship between location and switching costs in hedonic/utilitarian service typology. The following sections provide the results of the moderating effect of service types and they are organised based on each service typology.

Table 54: Switching Costs Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Switching Costs	Collective	***.161(+)***	-.095	**.199***	.023	.059	**-.188****	**.080****
	Individual	-.044	**.164***	.113	-.015	-.019	**-.200*****	**.053****
Chow Test	F	3.081	3.701	.825	.153	.724	.045	
	Sig.	.080	.054	.364	.696	.395	.831	.271
Switching Costs	Hedonic	***.166(+)***	.083	.082	.081	.055	**-.270*****	**.146*****
	Utilitarian	-.064	**.211****	**.212****	**-.151***	-.048	-.100	**.077*****
Chow Test	F	3.677	.644	1.126	6.098	1.213	4.923	.191
	Sig.	.056	.423	.289	.014	.271	.027	
Switching Costs	Search	-.073	**.261***	.033	**.208***	-.049	**-.278*****	**.154*****
	Experience	**.226***	.073	.002	-.049	.090	**-.211***	**.107****
	Credence	-.092	**.479****	-.014	-.098	.024	-.136	**.156***
Chow Test	F	2.445	.917	.033	2.570	.686	1.201	
	Sig.	.088	.400	.967	.078	.504	.302	
Between Groups[1]	1 0 -1	.954	.746	.822	.078	.651	.126	.262
	1 -1 0	.047	.313	.838	.039	.243	.620	
	0 1 -1	.085	.210	.952	.867	.606	.280	
Switching Costs	Group 1	.010	**.287****	-.080	.081	-.048	-.103	.074(+)
	Group 2	-.136	.118	**.202***	-.123	.024	**-.275*****	**.096***
	Group 3	.162	-.003	***.185(+)***	.120	-.057	**-.182***	**.106****
Chow Test	F	1.881	1.881	1.881	1.881	1.881	1.881	
	Sig.	.154	.283	.099	.174	.789	.267	
Between Groups[1]	1 0 -1	.264	.117	.075	.689	.849	.346	.285
	1 -1 0	.348	.353	.055	.153	.599	.108	
	0 1 -1	.053	.495	.947	.068	.511	.543	

***p<.001; **p<.01; *p<.05; (+) p<.10
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Collective vs Individual:

In the collective/individual dichotomy, the only significant result (F = 3.701, p = .054) to be found was that on the relationship between service product and switching costs. The results indicate that this relationship is positively significant for individually consumed services (β = .164, p < .05), but not significant for collectively consumed services. This means that for services that are individually consumed, and the customer makes their own evaluations (since during the consumption there are no other

customer taking part in the consumption) the key characteristics of the service, such as assortment, reliability or customisation can significantly influence switching costs, whereas in collective services those characteristics are not as strong. This confirms the H2b hypothesis, where it was expected that service product will have a differential effect on switching costs based on the service type.

Hedonic vs Utilitarian:

For the hedonic/utilitarian services dichotomy two significant differences were found: 1) firstly the relationship between price and switching costs ($F = 6.098$, $p = .014$) and 2) the relationship between location and switching costs ($F = 4.923$, $p = .027$). Both of those relationships were found to be negative, the first one for utilitarian services ($\beta = -.151$, $p < .05$) and the second one for hedonic services ($\beta = -.270$, $p < .001$). The first negative relationship between price and switching costs in utilitarian services implies that when the price is better than expected the switching costs are lower. For services where the focus is more on practical and functional aspects and the focus is more on the result rather than the process itself, customers might not perceive that it is very difficult to change their provider since they believe that the price that they are paying currently is lower than expected. This mean that the perceived better than expected price can decrease the opportunity cost and thus the cost of switching in utilitarian services. This confirms hypotheses H4.

The other negative relationship between location and switching costs implies that the more effort and time the customer spends to travel to his/her favourite hedonic service provider, the higher the switching costs would be. This is in line with many respondents from the qualitative research where many of them stated that especially in hedonic services (such as restaurants and movie theatres) the main reason why they would travel all this way even if there are many other service providers closer by, is because they have high favourable feelings towards this provider (hedonic services). As stated before, this means that if someone prepares to travel long distances to get a service, this is indicative for a strong relationship, where switching costs are low. However, this relationship was not proven to be significant for utilitarian services,

where more practical and functional aspects of the service provider are important. This confirms hypothesis H6 as shown in the table below.

Table 55: Switching cots hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H1b	Delivery → Switching Costs	**P. Supported**	×	×	✓	×
H2b	Product → Switching Costs	**P. Supported**	✓	×	×	×
H3b	Environment → Switching Costs	**P. Supported**	×	×	×	✓
H4	Price → Switching Costs	**P. Supported**	×	✓	✓	×
H5b	Rewards → Switching Costs	Not Supported	×	×	×	×
H6	Location → Switching Costs	**P. Supported**	×	✓	×	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Search vs Experience vs Credence:

In the typology search, experience and credence two significant differences were found with respect to the relationship between service delivery and switching costs ($F = 2.445$, $p = .047$) and price and switching costs ($F = 2.570$, $p = .039$). The first significant difference is focused between search and experience services, where in experience services there is a significant positive relationship between service delivery and switching costs ($\beta = .226$, $p < .05$), whereas in search services there is no such a significance relationship. This is reasonable since in the experience services the customer can evaluate the service during the consumption when service delivery is actually being performed. Thus, the better the service delivery is, the highest the switching costs the customer is experiencing. However, this relationship was not found to be important in search services, when the customer can evaluate the outcome of the consumption, even before the consumption and before the service delivery has actually taken place. This confirms H1b hypothesis.

The next positive significant relationship, as expected, was found between price and switching costs, but in this case only for search services ($\beta = .208$, $p < .05$), whereas this relationship was not found to be significant in experience services. This implies that when the price or value for money is better than expected the switching costs are higher in search services. When the evaluation of the service is easy even before the

consumption of the service (including the knowledge of the price) the customer can easily search in advance for the best offer and choose the service that provides the best value for money before the consumption. When this evaluation is also confirmed after the consumption then the customer would have fewer reasons to switch to another service provider, and the switching costs would be higher. Thus, in search services the better the value for money the customer gets, the higher the switching costs will be. This confirms again H4 hypothesis.

Group 1, 2 and 3:

Finally, in the last typology of Bowen's groups, one significant difference was found between group 1 and 2 ($F = 1.881$, $p = .054$). In addition, a positive significant relationship was found between service environment and switching costs for group 2 ($\beta = .202$, $p < .05$), where the service is semi-customised and the level of contact is moderate. This can be supported by the fact that group 2 is the only one that is directed to objects, whereas group 1 and 3 are directed to people. Thus, the service environment, such as the facilities, atmosphere or how clean and neat is the service environment, is affecting more the perceptions of customers and their perceived costs of switching when the service is object-directed. This means that the better the service environment is, the higher the switching cost will be for the customer who is experiencing semi-customised and moderate-contact services which are object oriented. This confirms H3b hypothesis.

ECONOMIC BONDS AND SERVICES ACTIONS

It has been hypothesised that economic bonds can be determined mainly by two service actions: service price and rewards. Testing these hypotheses it was found that only rewards have a direct influence on economic bonds across all services, but not price. In particular, regression results showed that except from rewards schemes ($\beta = .449$, $p < .001$) that were found to strongly influence economic bonds, service delivery ($\beta = .164$, $p < .01$) can also influence directly economic bonds. The latter relationship

was not initially hypothesised, thus further elaboration is provided below regarding this result. The percentage of the variance in economic bonds predicted by service actions is 23.4% (R^2 = .234, p < .001).

Table 56: Regression results between Service Actions and Economic Bonds

	Economic Bonds
Delivery	**.164****
Product	-.042
Environment	-.027
Price	-.057
Schemes	**.449*****
Location	-.072
R-Square	**.234*****

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

The positive relationship between reward schemes and economic bonds confirms the H9a hypothesis. As outlined in Chapter 3, this direct relationship has not been empirically tested to date, but it is very logical for customers who received higher levels of rewards or incentives to increase at the same time their economic ties with the service provider. However, the relationship between price and economic bonds was not found to be significant, which is not supporting hypothesis H8a. The level of the price seems not to influence the economic ties that a customer have with a service provider. This might be because price is accepted before the consumer gets into the transaction. Price might be an important factor to enter into a transaction but it is not so important to continue the transactions. This study concerns the relationship development stage, which means that the customers already know the prices of the service they are willing to consume, and this can be perceived as a fixed cost that after a certain number of purchases does not affect the customer and their perceived economic benefits. On the other hand, since rewards and incentives are perceived as an extra or added value during the relationship development process, such schemes can influence the economic ties between the customer and the provider.

Table 57: Economic Bonds hypotheses across all services

Hypotheses	Relationships	Results
H8a	Price → Economic Bonds	Not Supported
H9a	Rewards → Economic Bonds	**Supported**

Surprisingly, results showed a relationship between service delivery and economic bonds that was not hypothesised from prior theory and did not emerge in the qualitative research part. Results showed that the better service delivery a customer is receiving, the higher the economic bonds are. This might be explained by moral hazard embedded in such relationships; specifically service delivery as measured includes elements such as expertise, fairness and employees going out of their way to do a good job. This might have an economic value as it reduces the moral hazard involved in the transactions and thus increasing economic bonds. Therefore, the better service delivery reduces moral hazard involved during the consumption and consequently increases economic ties. Further investigation of this relationship could provide some interesting insights.

Table 58: Economic Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H8b	Price → Economic Bonds	Not Supported	×	×	×	×
H9b	Rewards → Economic Bonds	Not Supported	×	×	×	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Although it was found that rewards influence economic bonds across all services, and the values indicate that the strength of this influence is different across all services, the Chow test results showed that those differences across the service types were not significant. For example, as suspected during hypothesis formulation search, utilitarian, individual and semi customised (object-oriented) service types showed a slightly higher influence of rewards towards economic bonds. But based on Chow test this influence is not strong enough to support that there are significant differences across those services types and the other types in their categorisation, and therefore,

hypothesis H8b and H9b were not supported. Further research will be needed to establish the universality of economic bonds across service categories.

Table 59: Economic Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Economic Bonds	Collective	***.153(+)***	-.083	.028	-.051	**.416*** **	-.077	**.204*** **
	Individual	**.175** **	-.018	-.065	-.062	**.479*** **	-.067	**.262*** **
Chow Test	F	.015	.353	.722	.024	.007	.048	
	Sig.	.902	.553	.396	.878	.935	.828	.235
Economic Bonds	Hedonic	**.216***	-.080	-.023	-.094	**.420*** **	-.046	**.219*** **
	Utilitarian	**.135***	-.017	-.023	-.027	**.467*** **	-.087	**.252*** **
Chow Test	F	.450	.307	.000	.426	.761	.203	.239
	Sig.	.503	.580	.982	.514	.383	.652	
Economic Bonds	Search	.087	-.104	.022	-.025	**.507*** **	-.118	**.269*** **
	Experience	**.246***	-.010	-.052	-.125	**.403*** **	-.067	**.251*** **
	Credence	.168	-.030	-.074	-.193	**.351** **	.057	**.146***
Chow Test	F	.544	.181	.197	.788	1.028	.944	
	Sig.	.581	.834	.821	.456	.359	.390	
Between Groups[1]	1 0 -1	.687	.673	.602	.221	.263	.172	.237
	1 -1 0	.299	.565	.597	.426	.194	.609	
	0 1 -1	.603	.921	.924	.519	.949	.367	
Economic Bonds	Group 1	**.215***	-.009	-.114	**-.164***	**.420*** **	.032	**.210*** **
	Group 2	.126	-.041	-.028	.046	**.520*** **	**-.149***	**.353*** **
	Group 3	.117	-.047	.068	.032	**.410*** **	-.061	**.233*** **
Chow Test	F	.214	.039	.860	2.141	.506	1.378	
	Sig.	.807	.962	.424	.119	.603	.253	
Between Groups[1]	1 0 -1	.631	.794	.190	.067	.644	.388	.269
	1 -1 0	.543	.835	.537	.089	.316	.099	
	0 1 -1	.936	.949	.471	.913	.621	.467	

***p<.001; **p<.01; *p<.05; (+) p<.10
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

SOCIAL BONDS AND SERVICES ACTIONS

Social bonds can be created by the actions of the company, and thus, it has been hypothesised that service quality attributes (service delivery, product and environment) can have a direct positive influence on social bonds across all services. Testing these hypotheses showed that all of the hypothesised services actions can significantly influence economic bonds across all services. In particular, service delivery (β = .287, $p < .001$), service product (β = .167, $p < .01$) and service environment (β= .145, $p < .01$) found to be positively related to social bonds, with service delivery having the strongest influence. The percentage of the variance in social bonds predicted by service actions is 30.5% (R^2 = .305, $p < .001$).

Table 60: Regression results between Service Actions and Social Bonds

	Social Bonds
Delivery	**.287*** **
Product	**.167** **
Environment	**.145** **
Price	-.030
Schemes	.049
Location	.036
R-Square	**.305*** **

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

Regression results confirm all three hypotheses H11a, H12a and H13a. Service delivery had the strongest positive impact on social bonds, which was expected as it is the main service actions that concern the employee-customer interactions when social bonds can be enhanced. Additionally, the results imply that the better service product characteristics are, such as customization, reliability and assortment, the higher the social bonds will be. This is also supported by Berry (1995) who proposes that providing customised solutions and continuity of the core service social bonding can increase. Finally, based on the qualitative findings, service environment can influence positively social bonds. A neat environment with great atmosphere can make the social experience of the consumption more pleasant and increase customer's willingness to engage into social interactions with the service provider.

Table 61: Social Bonds hypotheses across all services

Hypotheses	Relationships	Results
H11a	Delivery → Social Bonds	**Supported**
H12a	Product → Social Bonds	**Supported**
H13a	Environment → Social Bonds	**Supported**

As shown at the table below, the Chow test results confirm partially hypotheses H11b and H13b for collective versus individual services and Group 1, 2 and 3 service typologies. However, the relationship between service product and social bonds seems to be universal across all service types without any significant variations across services, rejecting hypothesis H12b.

Table 62: Social Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H11b	Delivery → Social Bonds	**P. Supported**	✓	×	×	✓
H12b	Product → Social Bonds	Not Supported	×	×	×	×
H13b	Environment → Social Bonds	**P. Supported**	✓	×	×	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

The relationship between service delivery and social bonds was found to vary for collective versus individual services ($F = 3.960$, $p = .047$) and across Bowen's group service types ($F = 4.327$, $p = .014$). Additionally, the relationship between service environment and social bonds was found to vary for collective versus individual service ($F = 4.662$, $p = .031$) and across Bowen's group service types ($F = 2.076$, $p = .045$).

Table 63: Social Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Social Bonds	Collective	.119	.144	**.308*** **	.078	.096	.001	**.347*** **
	Individual	**.357*** **	***.116(+)***	.079	-.055	.075	**.103***	**.306*** **
Chow Test	F	3.960	.042	4.662	2.456	.069	1.585	
	Sig.	.047	.837	.031	.118	.793	.209	.414
Social Bonds	Hedonic	**.318*** **	.075	**.210** **	.053	.098	-.066	**.354*** **
	Utilitarian	**.257*** **	**.210** **	***.115(+)***	***-.090(+)***	.028	**.107***	**.293*** **
Chow Test	F	.118	1.454	.553	3.109	.557	4.587	.318
	Sig.	.731	.228	.457	.078	.456	.033	
Social Bonds	Search	**.339** **	.148	.021	.124	.031	-.065	**.301*** **
	Experience	**.423*** **	.013	.111	***-.135(+)***	.097	.003	**.273*** **
	Credence	***.260(+)***	.163	.196	-.031	.095	-.124	**.280*** **
Chow Test	F	.781	.473	.431	2.583	.151	.384	
	Sig.	.459	.623	.650	.077	.860	.681	
Between Groups[1]	1 0 -1	.431	.924	.393	.275	.687	.838	.345
	1 -1 0	.619	.369	.501	.024	.607	.508	
	0 1 -1	.213	.467	.757	.479	.986	.417	
Social Bonds	Group 1	**.305** **	.143	.081	-.035	.067	.047	**.253*** **
	Group 2	**.411*** **	.033	-.008	-.043	.054	**.187***	**.271*** **
	Group 3	.009	**.256***	**.262** **	.078	**.149***	.058	**.393*** **
Chow Test	F	4.327	.997	2.076	.723	.447	1.482	
	Sig.	.014	.370	.127	.486	.640	.228	
Between Groups[1]	1 0 -1	.071	.435	.169	.314	.386	.873	.488
	1 -1 0	.193	.482	.521	.913	.993	.110	
	0 1 -1	.003	.159	.045	.311	.430	.175	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Collective vs Individual:

In the collective/individual dichotomy, the first significant variation to be found was that between service delivery and social bonds. This relationship was found to be positively significant for individual services ($\beta = .357$, $p < .001$) but not significant for collective services. As stated in chapter 3, this dichotomy has not been previously investigated in the literature, but on the basis of the qualitative results this outcome was expected. In individual services customers are dependent on their personal

interaction and experience with the service provider, when the service delivery is taking place. However, in collective services the consumption experience is not exclusively dependent on delivery but also on the other customers who take part in the consumption.

The other significant variation in the collective/individual dichotomy was found between service environment and social bonds. This relationship was positively significant for collective services ($\beta = .308$, $p < .001$) but not significant for individual services. This relationship is also in line with the qualitative results where many respondents reported that in services such as restaurants a good environment or atmosphere make them feel more welcomed and familiar with the service provider, while at the same time they can enjoy certain social aspects that a good ambience can bring into the relationship.

Group 1, 2 and 3:

In the Bowen's service typology, the Chow results showed a significant variation between service delivery and social bonds across all three groups. In more detail, this relationship was found to be positively significant for Group 1 ($\beta = .305$, $p < .01$) and Group 2 ($\beta = .411$, $p < .001$) but not significant for Group 3. This is reasonable as both group 1 and 2 should involve a certain level of customization and contact with the service provider, where service delivery is very important in order to increase social bonds. However, for group 3, where services are highly standardised and the level of contact is moderate there are not a lot of opportunities for social bonds to evolve through service delivery. Beta coefficients values for group 1 and 2 show that group 2 has higher values than group 1 (indicating stronger relationship in group 2). However, further investigation based on interaction effects between groups showed that this difference is not significant (1 -1 0, $\beta = .193$).

Furthermore, the relationship between service environment and social bonds had a significant variation between group 2 and group 3. In group 3 this relationship was found to be significant ($\beta = .262$, $p < .01$) whereas in group 2 it was not. This means that service environment can positively influence social bonds for standardised

services with moderate contact, rather than semi-customised services with moderate contact. This can be explained based on the previous finding; in group 2 it is the service delivery that can influence social bonding (e.g. dry cleaner or banks), however in group 3, where services are highly standardised (e.g. a movie theatre) the atmosphere of the service can make the customer feel more welcomed and familiar in the relationship, as there are not a lot of opportunities for social interaction.

Hedonic vs Utilitarian:

Surprisingly, the Chow test results showed that a significant variation exists between hedonic and utilitarian services for the relationship between location and social bonds, which was not hypothesised. This relationship was found to be significantly positive for utilitarian service ($\beta = .107$, $p < .05$), but not for hedonic services. This is an interesting outcome, as in hedonic services it was expected that social bonds are going to be very strong, which is true based on $R^2 = .354$ with $p < .001$. However, there are other service actions that explain much better this variance such as service delivery ($\beta = .318$, $p < .001$) and service environment ($\beta = .210$, $p < .01$) but not location, as location is not a crucial factor in the process of developing social bonds in hedonic services. However, in utilitarian services, where more functional and practical aspects of the service are important, a better location can provide more opportunities to develop better social bonds with the service provider. For example, if the dry cleaner is close by and the customer has the opportunity to visit it more frequently, then there are many more possibilities to build up further his/her relationship with the dry cleaner. This could be an interesting subject that could be further researched.

CONFIDENCE BONDS AND SERVICES ACTIONS

As mentioned in the hypotheses formulation, confidence bonds can be positively influenced by the service quality attributes: service delivery, product and environment. It is determined by regression results that out of those three attributes only two can significantly influence confidence bonds across all services, and those are service

delivery (β = .158, p < .01), and service product (β= .331, p < .001), with the latter having a stronger influence. Based on R-square, 23.4% of the variance in confidence bonds was predicted by service actions.

Table 64: Regression results between Service Actions and Confidence Bonds

	Confidence Bonds
Delivery	**.158****
Product	**.331*****
Environment	.081
Price	-.047
Schemes	.060
Location	-.078
R-Square	**.243*****

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

These results confirm hypotheses H15a and H16a, but not H17a (as shown in the table below). This means that the better service delivery and service product are, the more confident the customer will feel. This is reasonable because elements of those variables such as reliability and expertise can obviously make the customer feel more confident with the service provider. This is also in line with Gwinner, Gremler, and Bitner (1998) who proposed that the higher quality of the core service offering is closely linked with confidence bonds. Customers feel less anxiety and risk when they believe that the service provider can perform the service as promised, using the best equipment or material, and treating the customer fairly while providing excellent advices or information. However, the atmosphere and neatness of the environment was not found to influence significantly customers' confidence across all services, but only in some specific service types, such as collective services and group 3 services (please see tables below).

Table 65: Confidence Bonds hypotheses across all services

Hypotheses	Relationships	Results
H15a	Delivery → Confidence Bonds	**Supported**
H16a	Product → Confidence Bonds	**Supported**
H17a	Environment → Confidence Bonds	Not Supported

Apart from the relationship between service environment and confidence bonds that vary across collective/individual and group 1/2/3 typologies, the relationship between service delivery and confidence also varies for all typologies except for hedonic/utilitarian typology. These results partially confirm hypotheses H15b and H17b, but not hypothesis H16b, where the relationship between service product and confidence bonds was found to be universal across all services.

Table 66: Confidence Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H15b	Delivery → Confidence Bonds	**P. Supported**	✓	×	✓	✓
H16b	Product → Confidence Bonds	Not Supported	×	×	×	×
H17b	Environment → Confidence Bonds	**P. Supported**	✓	×	×	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Collective vs Individual:

Based on the Chow test results shown in the table below, there are two significant variations across collective and individual services; the first for the relationship between service delivery and confidence bonds ($F = 3.805$, $p = .052$) and the second for the relationship between service environment and confidence bonds ($F = 4.442$, $p = .036$). The first relationship was found to be positively significant for the individual services ($\beta = .241$, $p < .001$) but not significant for the collective services. This means that when the service is consumed individually, then service delivery elements such as expertise, motivation, fairness and empathy can strongly enhance feelings of confidence of the customer for his/her service provider. However, this is not true for collective services where other customers are also involved in the consumption process. This is reasonable as in the first case (individual services) the customers' judgement is mainly based on their direct interaction with the service provider, making service delivery very important in feeling more confident about the service offering. On the other hand, in collective services customers' judgements is not based only on the direct interaction with the service provider, but also on other customers' actions

who participate in the consumption experience, making the influence of the service delivery much weaker.

The second significant variation was found on the relationship between service environment and confidence bonds. The results show that this relationship is positively significant for collective services ($\beta = .220$, $p < .01$) but not significant for individual services. This means that a neat environment with great atmosphere can lessen the stress and anxiety that the customer may feel during the transaction for collective services. This is reasonable as in those services other customers who participate in the consumption too, are part of the general environment and thus the better perceived environment can increase customers' confidence. On the other hand, this is not as important for individual services, when other customers are not part of the service environment.

Search vs Experience vs Credence:

In the typology search, experience and credence Chow test results showed one significant variation with regard to the relationship between service delivery and confidence bonds ($F = 3.581$, $p = .029$). Out of the three service types, it was found that in credence services this relationship is stronger ($\beta = .398$, $p < .01$), followed by experience services ($\beta = .259$, $p < .05$). For search services no significance was found between these two variables. Further analysis of the interaction terms between the groups shows that service delivery can influence confidence bonds to a great extent in credence services and experience services when compared to search services. This is reasonable, as in search services the evaluation of the service is mainly being performed before the consumption where the service delivery has not yet taken place, whereas in experience and credence services where the evaluation of the service is being performed during and after the service, it is obvious that service delivery can play an important role in helping increase feelings of confidence. For example, in credence services, many respondents from the qualitative research mentioned that they feel pretty confident when they know that their dentist has a very good knowledge and expertise or when the dentist explains clearly or step by step what s/he is doing. Additionally, in the experience services domain, such as restaurants, many respondents

pointed out that they feel pretty confident in restaurants where employees are very fair with them (sometimes in terms of queuing or priorities in orders), or they can provide very good advises (regarding the best dishes or special courses).

Table 67: Confidence Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Confidence Bonds	Collective	-.006	**.221***	**.220****	.048	.110	***-.133(+)***	**.186*****
	Individual	**.241*****	**.392*****	.007	**-.113***	.056	-.018	**.304*****
Chow Test	F	3.805	1.406	4.442	3.527	.585	2.093	
	Sig.	.052	.236	.036	.061	.445	.149	.281
Confidence Bonds	Hedonic	***.172(+)***	**.205***	***.141(+)***	.031	.073	***-.117(+)***	**.235*****
	Utilitarian	**.134***	**.412*****	.055	***-.097(+)***	.070	-.036	**.275*****
Chow Test	F	.084	2.757	.558	2.357	.000	.993	.261
	Sig.	.772	.097	.455	.125	.983	.319	
Confidence Bonds	Search	-.090	**.359****	.166	.073	.036	-.064	**.214*****
	Experience	**.259***	***.187(+)***	-.009	***-.149(+)***	.091	-.049	**.168*****
	Credence	**.398****	**.363****	-.003	-.023	.025	**-.237***	**.409*****
Chow Test	F	3.581	.626	.963	1.772	.135	.460	
	Sig.	.029	.535	.383	.172	.874	.631	
Between Groups[1]	1 0 -1	.024	.556	.318	.519	.898	.458	.269
	1 -1 0	.021	.265	.201	.063	.695	.844	
	0 1 -1	.816	.671	.971	.396	.643	.355	
Confidence Bonds	Group 1	**.396*****	**.350*****	-.062	-.109	.006	-.076	**.341*****
	Group 2	.085	**.431*****	.029	***-.174(+)***	.132	.045	**.240*****
	Group 3	-.003	**.300****	**.210***	.094	.087	***-.132(+)***	**.264*****
Chow Test	F	2.628	.681	2.159	3.132	.829	1.533	
	Sig.	.073	.507	.117	.045	.437	.217	
Between Groups[1]	1 0 -1	.032	.830	.042	.078	.401	.419	.341
	1 -1 0	.101	.262	.534	.456	.218	.309	
	0 1 -1	.535	.413	.149	.019	.722	.082	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Group 1, 2 and 3:

In the last service typology of Bowen's groups, two significant variations were found: 1) between group 1 and 3 (F = 2.628, p = .032) for the relationship between service

delivery and confidence bonds and 2) between group 1 and group 3 again ($F = 2.159$, $p = .042$) for the relationship between service environment and confidence bonds. The first result indicates that the better the service delivery is, the higher the confidence bonds will be for highly customised services with high contact (group 1, $\beta = .396$, $p < .001$), whereas in group 3 where services are highly standardised with moderate contact this relationship is not significant. This is in line with Kinard and Capella's (2006) results who found that confidence bonds are very important in highly customised services with high contact, especially during the service delivery, when the customer is actually involved in the transaction.

The second significant relationship based on Chow test results indicates that the better the service environment is, the higher the confidence bonds will be, for highly standardised services with moderate contact (group 3, $\beta = .210$, $p < .05$), whereas in group 1 (high-customization, high-contact) this relationship is not significant. This means that for more standardised services (such as movie theatre and airlines) the customer can feel less anxiety and risk when the environment or atmosphere of the service provided is of high standards which implies that the service is going to be performed correctly. This is logical, as in such services the customer knows what to expect from the service itself (standardised service), especially when that customer has already made an initial purchase (which is the case in this study). Consequently, the environment can play an important role and in some cases it might be the main cue which can influence the customers' confidence on the provider.

CONVENIENCE BONDS AND SERVICES ACTIONS

Convenience bonds, as the previous bonds, can be determined by service actions. Thus, it has been hypothesised that service quality attributes (service delivery, product and environment) as well as the location of the service can influence convenience bonds. Testing these hypotheses, regression results showed that two of those services actions can significantly influence convenience bonds across all services, and those are service product ($\beta = .162$, $p < .01$), and location ($\beta = .274$, $p < .001$), with the latter

having the strongest influence. Service actions can predict 12.9% of the variance of convenience bonds (R^2 = .129, p < .001).

Table 68: Regression results between Service Actions and Convenience Bonds

	Convenience Bonds
Delivery	-.013
Product	**.162****
Environment	-.008
Price	.001
Schemes	.014
Location	**.274*****
R-Square	**.129*****

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

These results confirm hypotheses H20a and H22a, but not H19a and H21a (as shown in the table below). This means that service product and location can positively influence convenience bonds. The relationship between location and convenience bonds is apparent and confirms also the arguments made by Jones, Mothersbaugh and Beatty (2003) and Berry, Seiders and Grewal (2002). It is much more convenient for a customer to travel less to reach a service provider, something that can save him/her time and effort.

The second confirmed relationship between service product and convenience bonds was also expected. Customers feel much more convenient and their effort and time are reduced when they know that their chosen service provider can customise its offering based on their needs while at the same time it can offer them many alternatives and additional services. While this relationship was confirmed, the other two elements of service quality, service delivery and service environment, were not found to influence convenience bonds. In particular, the results concerning service environment are contradicting Berry, Seiders and Grewal (2002) proposition that an engaging service environment can positively influence perceived convenience. This research was not empirically tested, but it proposed that an appealing ambience can reduce the

perception of the time spent and the effort made. However, in the current study, this proposition could not be empirically confirmed, which means that further research should be focused on this relationship. One reason for this might be because in the current research the environment was measured with two items: ambience and neatness, which does not reflect the engaging activities in the service environment that Berry, Seiders and Grewal (2002) propose.

Table 69: Convenience Bonds hypotheses across all services

Hypotheses	Relationships	Results
H19a	Delivery → Convenience Bonds	Not Supported
H20a	Product → Convenience Bonds	**Supported**
H21a	Environment → Convenience Bonds	Not Supported
H22a	Location → Convenience Bonds	**Supported**

In addition, service delivery elements such as fairness, empathy, expertise and motivation were not found to have an impact on convenience bonds. This relationship has not been empirically tested. However, this relationship was found to vary across search, experience and credence services ($F = 3.114$, $p < .046$), confirming hypothesis H19b. As shown in the Chow test results below, service delivery was found to have a negative effect on convenience bonds ($\beta = -.365$, $p < .05$) for credence service, when compared to experience services and search services where this relationship is not significant. That was not expected, especially the negative direction of the relationship. This means that the better the service delivery is, the lower the convenience bonds will be for credence services. This unexpected result could not be logically explained, apart from the fact that credence services were based on dentists, where the experience of the customer (especially the physical experience) is never convenient. Most of the visits in a dentist are related to a certain level of pain which customers are experiencing during the service delivery and which creates feelings of inconvenience. Nevertheless, further investigation will be needed to explain such a relationship.

Table 70: Convenience Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Convenience Bonds	Collective	.005	.049	.042	-.021	***.122(+)***	**.283*** **	**.138*** **
	Individual	-.046	**.175***	-.032	.063	-.045	**.296*** **	**.137*** **
Chow Test	F	.146	.849	.432	.856	3.424	.019	
	Sig.	.703	.357	.511	.355	.065	.890	.157
Convenience Bonds	Hedonic	.044	.077	-.056	.075	.018	**.338*** **	**.152*** **
	Utilitarian	-.079	**.240** **	.043	-.047	.033	**.258*** **	**.155*** **
Chow Test	F	1.044	1.508	.789	1.723	.033	1.187	.162
	Sig.	.307	.220	.375	.190	.855	.276	
Convenience Bonds	Search	-.025	**.297** **	-.161	-.050	.111	**.330*** **	**.195*** **
	Experience	.109	.064	.013	.090	-.080	**.256** **	**.140*** **
	Credence	**-.365***	.148	.258	.020	.011	**.263***	**.173***
Chow Test	F	3.114	.797	2.247	.643	1.213	.357	
	Sig.	.046	.452	.107	.526	.298	.700	
Between Groups[1]	1 0 -1	.096	.429	.037	.667	.509	.406	.212
	1 -1 0	.381	.216	.267	.259	.120	.604	
	0 1 -1	.013	.740	.232	.637	.530	.720	
Convenience Bonds	Group 1	-.168	.086	.045	**.203***	-.094	**.306*** **	**.153*** **
	Group 2	.044	**.354** **	-.023	-.187	.032	**.261*** **	**.203*** **
	Group 3	-.052	.097	.003	.074	.139	**.309*** **	**.175*** **
Chow Test	F	.981	1.892	.119	4.570	1.920	.064	
	Sig.	.376	.152	.888	.011	.148	.938	
Between Groups[1]	1 0 -1	.514	.951	.780	.234	.052	.804	.187
	1 -1 0	.162	.078	.627	.003	.310	.905	
	0 1 -1	.532	.119	.851	.043	.392	.725	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
Non-hypothesised significant results are highlighted in green colour
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

The results from the Chow test also showed that the relationships between service product, service environment and location in relation to convenience bonds are universal across all services. These results do not confirm H20b and H21b, but confirms H22b. As explained in hypothesis formulation, it is not expected that the relationship between location and convenience will have any significant variations

across the service types, as this link is quite strong and the different characteristics of the services would not make any difference.

Table 71: Convenience Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H19b	Delivery → Convenience Bonds	**P. Supported**	×	×	✓	×
H20b	Product → Convenience Bonds	Not Supported	×	×	×	×
H21b	Environment → Convenience Bonds	Not Supported	×	×	×	×
H22b	Location → Convenience Bonds	**Supported**	✓	✓	✓	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Interestingly, it was found that the relationship between price and convenience bonds is significant for group 1 services but not for group 2 and 3 ($F = 4.570$, $P = .011$). This relationship (highlighted in green in table 70) was found to be positively significant for highly customised, high contact services ($\beta = .203$, $p < .05$). This means that the better value the customer get for the amount of money they spend, the less perceived emotional effort costs and time costs they feel, which consequently increase convenience bonds. This can be particularly strong for highly customised services where prices can fluctuate based on level of customisation.

EMOTIONAL BONDS AND SERVICES ACTIONS

Emotional bonds, both positive and negative, have been also hypothesised to be influenced by several service actions (service quality attributes, price and rewards). The positive emotional bonds are expected to be positively influenced by services actions, whereas negative emotional bonds are expected to be negatively influenced by the same services actions. Testing those hypotheses it was found that there are three services actions that can significantly influence positive emotional bonds across all services, and these are service delivery ($\beta = .241$, $p < .001$), service product ($\beta = .241$, $p < .001$), and service environment ($\beta = .167$, $p < .001$) with the first two having the

strongest influence. Based on R-square, 30.5% of the variance in positive emotional bonds was predicted by service actions.

On the other hand, for negative emotional bonds, regression results showed that there are also three services actions that can significantly influence them across all services, and those are service product (β = .179, p < .01), price (β= .114, p < .01), and location (β= .091, p < .05) with the first one having the strongest influence. Based on R-square, 12.3% of the variance in negative emotional bonds was predicted by service actions.

Table 72: Regression results between Service Actions and Emotional Bonds

	Positive Emotion Bonds	Negative Emotion Bonds
Delivery	**.241*** **	-.095
Product	**.241*** **	**-.179** **
Environment	**.167*** **	.029
Price	-.068	**-.114** **
Schemes	.033	-.006
Location	.002	**-.091** *
R-Square	**.305*** **	**.123*** **

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

These results confirm hypotheses H24a, H25a, H26a, H28a, H31a, and H33a, but not H27a, H29a, H30a and H32a (as shown in the table below). This means that positive emotional bonds can be positively influenced by service delivery, product and environment. These results confirm the hypotheses from Jang and Namkung (2009) that service product, atmosphere and delivery elements can positively influence positive emotions. However, in their research Jang and Namkung (2009) did not find a significant relationship between product and positive emotions, against what they did expect, which was confirmed in the current study. Thus, these results indicate that the high levels of quality in delivery, product and environment of the service may cause customers to have positive feelings.

On the other hand, negatively emotional bonds can be negatively influenced by service product, price and location. The regression results showed that from the three service

quality elements, the delivery and environment are not related to negative emotions but low quality or service product can cause customers to have negative emotional bonds. This is in line with the findings of Jang and Namkung (2009), who also found that out of the three elements only the product is significantly related to negative emotions. The results suggest that the atmosphere and delivery aspects are not key determinants of negative emotions, which is also the case in the current research too.

Table 73: Emotional Bonds hypotheses across all services

Hypotheses	Relationships	Results
H24a	Delivery → Positive Emotions	**Supported**
H25a	Product → Positive Emotions	**Supported**
H26a	Environment → Positive Emotions	**Supported**
H27a	Delivery → Negative Emotions	Not Supported
H28a	Product → Negative Emotions	**Supported**
H29a	Environment → Negative Emotions	Not Supported
H30a	Price → Positive Emotions	Not Supported
H31a	Price → Negative Emotions	**Supported**
H32a	Rewards → Positive Emotions	Not Supported
H33a	Rewards → Negative Emotions	**Supported**

Additionally, price was found to negatively influence negative emotions but not positive emotions. This means that receiving lower levels of value can trigger negative emotions towards the service provider. However, higher level of price is not a key determinant of positive emotional bonds. The reason for these results might be that price as discussed previously can affect mainly the first stages of a relationship, when the relationship is not strong enough. Thus, positive emotions like affection, connection or passion which indicate the existence of a strong relationship might not be affected by the level of price. On the other hand, feelings like anger, frustration and annoyance can be triggered more easily in the early stages of relationship development, when pricing is important, and therefore price can influence these negative feelings.

Rewards were expected to positively influence positive emotions, but have no effect on negative emotions. The latter was supported by the results, as rewards are always perceived as an additional benefit and thus even lower levels of rewards cannot be perceived as a negative event. The former, the relationship between rewards and

positive emotions, was not found to be significant across all services but variations were found in search, experience and credence services (which will be analysed below). This result does not support H32a, and a possible explanation might lie on the perceived type of reward. Based on Melancon, Noble and Noble (2011) research, rewards based on economic incentives were found not to be related to emotional attachment.

Table 74: Emotional Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H24b	Delivery → Positive Emotions	**P. Supported**	✓	×	×	×
H25b	Product → Positive Emotions	Not Supported	×	×	×	×
H26b	Environment → Positive Emotions	Not Supported	×	×	×	×
H27b	Delivery → Negative Emotions	Not Supported	×	×	×	×
H28b	Product → Negative Emotions	Not Supported	×	×	×	×
H29b	Environment → Negative Emotions	Not Supported	×	×	×	×
H30b	Price → Positive Emotions	Not Supported	×	×	×	×
H31b	Price → Negative Emotions	**P. Supported**	×	×	×	✓
H32b	Rewards → Positive Emotions	**P. Supported**	×	×	✓	×
H33b	Rewards → Negative Emotions	Not Supported	×	×	×	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Surprisingly, location was found to have a negative influence on negative emotional bonds, which was not hypothesised. This means that if the customers need to travel very long distances to reach their service provider, this can trigger negative feelings. Especially, if negative events can occur during travelling such as traffic, then the feelings of frustration and annoyance might develop.

Based on the Chow test results, the relationship between service delivery and positive emotional bonds was found to vary across collective and individual services ($F = 5.051$, $p < .025$), the relationship between schemes and positive emotional bonds was found to vary across search, experience and credence services ($F = 3.240$, $p < .040$) and finally the relationship between price and negative emotional bonds was found to vary across Bowen's group 1, 2 and 3 ($F = 3.240$, $p < .040$).

Table 75: Positive Emotional Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Positive Emotion Bonds	Collective	.091	**.341*** **	**.257*** **	-.064	-.027	.049	**.368*** **
	Individual	**.345*** **	**.218** **	.103	***-.098(+)***	.063	-.049	**.309*** **
Chow Test	F	5.051	.782	1.808	.417	1.200	1.414	
	Sig.	.025	.377	.179	.518	.274	.235	.332
Positive Emotion Bonds	Hedonic	**.242** **	**.283** **	**.173***	-.066	-.033	.015	**.330*** **
	Utilitarian	**.271*** **	**.218** **	**.149***	***-.097(+)***	.068	-.038	**.285*** **
Chow Test	F	.087	.471	.021	.272	1.485	.416	.337
	Sig.	.768	.493	.885	.602	.223	.519	
Positive Emotion Bonds	Search	**.277** **	.080	***.189(+)***	**-.212***	**.196***	.012	**.259*** **
	Experience	**.241***	**.335*** **	.134	-.071	-.094	.016	**.321*** **
	Credence	.223	.187	***.261(+)***	-.128	.032	**-.209(+)**	**.270*** **
Chow Test	F	.048	1.787	.213	.713	3.240	1.663	
	Sig.	.953	.169	.808	.491	.040	.191	
Between Groups[1]	1 0 -1	.759	.553	.672	.680	.245	.110	.315
	1 -1 0	.913	.063	.775	.237	.011	.971	
	0 1 -1	.831	.270	.515	.592	.348	.102	
Positive Emotion Bonds	Group 1	**.308** **	**.286** **	.069	-.037	-.001	-.083	**.298*** **
	Group 2	**.336*** **	.150	.090	***-.162(+)***	***.149(+)***	.009	**.261*** **
	Group 3	.115	**.296** **	**.208***	-.028	.028	.113	**.379*** **
Chow Test	F	1.224	.745	.497	.720	.987	1.663	
	Sig.	.295	.475	.609	.487	.374	.191	
Between Groups[1]	1 0 -1	.176	.851	.346	.883	.793	.069	.343
	1 -1 0	.910	.246	.862	.325	.172	.370	
	0 1 -1	.155	.377	.436	.253	.312	.361	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Collective vs Individual:

The first relationship between service delivery and positive emotional bonds was found to be positively significant for the individual services (β= .345, p < .001) but not significant for the collective services. This is logical because when the customer is experiencing the consumption alone, then the interaction between the employee and the customer is much stronger than when other customers are also involved in the

consumption process. Thus, higher levels of delivery can have a positive impact on positive emotions when the customer is consuming the service individually.

Search vs Experience vs Credence:

In the typology search, experience and credence Chow test results showed one significant variation in regards to the relationship between reward schemes and positive emotional bonds. Out of the three service types, it was found that in search services this relationship is significant ($\beta = .196$, $p < .05$), whereas in experience and credence services this relationship was not found to be significant. Based on the interaction test ($F = 3.240$, $p = .011$) the main difference to be found was that between search and experience services. This means that in search services, when the customer can evaluate the outcome of the service even before the transaction by gathering information for the service, reward schemes can have an impact on positive emotions. On the other hand, in experience services where the evaluation of the service is performed during the consumption, reward schemes are not as important and cannot influence customers' positive emotions.

Table 76: Negative Emotional Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Negative Emotion Bonds	Collective	-.047	-.146	.054	-.127	.027	-.120	.082***
	Individual	-.116	-.204**	.009	-.105(+)	-.029	-.076	.162***
Chow Test	F	.210	.157	.162	.007	.354	.285	
	Sig.	.647	.692	.687	.933	.552	.594	.129
Negative Emotion Bonds	Hedonic	-.171(+)	-.042	.010	-.067	.059	-.039	.052(+)
	Utilitarian	-.080	-.225**	.023	-.148**	-.046	-.097(+)	.184***
Chow Test	F	.271	2.451	.023	1.560	1.223	.539	.146
	Sig.	.603	.118	.879	.212	.269	.463	
Negative Emotion Bonds	Search	-.190	-.019	-.079	-.154	.133	-.129	.152***
	Experience	-.107	-.066	.076	-.021	.001	-.059	.025
	Credence	.156	.035	-.339*	.002	.004	.056	.057
Chow Test	F	1.467	.124	1.515	.861	.840	.938	
	Sig.	.232	.883	.221	.423	.432	.392	
Between Groups[1]	1 0 -1	.089	.809	.393	.296	.334	.174	.098
	1 -1 0	.529	.786	.295	.237	.229	.453	
	0 1 -1	.243	.621	.091	.891	.989	.497	
Negative Emotion Bonds	Group 1	-.051	-.117	.002	.050	-.017	-.026	.025
	Group 2	-.190(+)	-.177(+)	-.002	-.203*	-.007	-.136(+)	.298***
	Group 3	-.046	-.234(+)	.135	-.097	.017	-.145	.099**
Chow Test	F	.873	.551	.645	2.133	.038	1.033	
	Sig.	.419	.577	.525	.120	.963	.357	
Between Groups[1]	1 0 -1	.914	.319	.328	.236	.791	.227	.193
	1 -1 0	.218	.461	.979	.041	.969	.216	
	0 1 -1	.315	.764	.313	.296	.835	1.000	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Group 1, 2 and 3:

In the last service typology of Bowen's groups, it was found that the relationship between price and negative emotions vary between group 1 and group 2 service types. This relationship was found to be significant in group 2 ($\beta = .230$, $p < .05$) but not in group 1. This implies that for semi-customised and moderate-contact services low levels of value can influence negative emotions compared to highly-customised and high-contact services where price does not seem to be a key determinant.

HABIT BONDS AND SERVICES ACTIONS

Finally, it has been hypothesised that habit bonds can be influenced mainly by three service actions: service product, service environment and location of the service. Regression results showed that there is only one service action that can significantly influence habit bonds across all services, and this is service product ($\beta = .146$, $p < .05$). Based on R-square, 6.6% of the variance in habit bonds was predicted by service actions. Although, the other two hypothesised relationships (environment-habit bonds and location-habit bonds) were not supported across all services, they were found to be significant in certain service types, which confirm the hypotheses that the service type can moderate these relationships.

Table 77: Regression results between Service Actions and Emotional Bonds

	Habit Bonds
Delivery	.017
Product	**.146***
Environment	.068
Price	-.050
Schemes	.060
Location	.073
R-Square	**.066****

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

These results confirm hypotheses H36a, but not H37a and H38a (as shown in the table below). This means that the better levels of service product elements, such as equipment, reliability, assortment and customization, can positively influence habit bonds. These elements can act as cues and trigger the unconscious customer responses, as it was expected. Thus, in a relationship development stage when customers are constantly receiving a satisfactory level of service product, they do not need to think of any alternatives, they feel certain with their choice and this can trigger an automatic response.

Table 78: Habit Bonds hypotheses across all services

Hypotheses	Relationships	Results
H36a	Product → Habit Bonds	**Supported**
H37a	Environment → Habit Bonds	Not Supported
H38a	Location → Habit Bonds	Not Supported

However, service environment and location were not found to trigger those automatic responses generally across services, but they were found to vary across different services (as shown from the table below). This confirms hypotheses H37b and H38b. Additionally, the relationship between service product and habit bonds were found to vary across different service types, confirming H36b. These relationships are described below.

Table 79: Habit Bonds hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H36b	Product → Habit Bonds	**P. Supported**	✓	×	×	✓
H37b	Environment → Habit Bonds	**P. Supported**	✓	×	×	✓
H38b	Location → Habit Bonds	**P. Supported**	✓	×	✓	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Collective vs Individual:

Based on the Chow test results shown in the table below, there are three significant variations across collective and individual services, the first for the relationship between service product and habit bonds ($F = 9.989$, $p = .002$), the second for the relationship between service environment and habit bonds ($F = 8.815$, $p = .003$), and the third for the relationship between location and habit bonds ($F = 6.110$, $p = .014$). The first relationship was found to be positively significant for the individual services ($\beta = .267$, $p < .001$) but not significant for the collective services. This means that service product elements can trigger automatic responses when the service is consumed individually, but not collectively. Product elements are directed towards the individual; this means that these elements are mainly focused on the relationship

between the individual and the service provider, and thus, it is reasonable that this relationship is stronger in individual services and not in collective services.

On the other hand, in collective services where other customers are also participating in the consumption process, the environment or atmosphere seem to influence positively automatic responses ($\beta = .267$, $p < .001$), something that is not true in individual services. As discussed before, in such services other customers are also participating in the whole atmosphere and ambience that together with the service environment can create the cues to trigger the automatic responses from the customer point of view.

The last relationship between location and habit bonds was found to be positively significant for collective services ($\beta = .230$, $p < .001$) but not for individual services. The reasoning behind this result might be that in individual services that the decision of being in a relationship with a service provider is solely up to the individual, the customer might not think location is one of the key determinants of their habitual responses, but other factors such as the service product (as mentioned above). However, in collective services where other customers are also involved in the consumption process influencing customer's decision to purchase again or not, a good location might be an important factor that together with the service environment can help the automatic response of that customer.

Search vs Experience vs Credence:

In the typology search, experience and credence Chow test results showed three significant variations across the three services, the hypothesised relationship (H38b) between location and habit bonds ($F = 4.283$, $p = .015$), and also, the relationship between price and habit bonds ($F = 3.540$, $p = .030$) and the relationship between schemes and habit bonds ($F = 2.521$, $p = .033$), both of which have not been hypothesised. Firstly, the relationship between location and habit bonds was found to be significant for search services ($\beta = .172$, $p < .05$), marginally strong for experience services ($\beta = .159$, $p < .10$) and not significant for credence services. This is in line with Wu (2011) results, who found that in search services location is stronger than in

experience services and this relationship is not significant in credence services. The rationale is that easier access to the service provider can reduce the perceived risk of consumption in search services that the outcome can be evaluated before consumption. However, when the evaluation of the service is performed during or after the consumption (like in experience and credence services), the location is not enough to reduce the perceived risk of consumption (Wu, 2011). Thus, it is easier for a customer to get used to a service provider that is closely located and does not involve high levels of risk, that could disturb his/her habitual response.

Interestingly, price in relation to habit bonds was found to be significant for search services ($\beta = .200$, $p < .05$) compared to experience services where this relationship is not significant. Also, schemes in relation to habit bonds were found to be significant for credence services ($\beta = .285$, $p < .01$) compared to search services where this relationship is not significant. These two relationships were not initially hypothesised but found to be moderated by search, experience and credence service types (highlighted in green in table 80). As mentioned before, price is one of the information customers can acquire before the consumption in search services, and in this case it can become a cue that can trigger automatic responses from customers. On the other hand, reward schemes seem to be important for credence service in the relationship development stage. The underlying reasoning is that for credence service in comparison to search services the customer cannot evaluate the outcome of the service, in some cases, not even after the consumption and thus, rewards schemes that follow a certain pattern (accumulating points, frequency, duration etc.) can be the only cue that can influence automatic responses in such services.

Group 1, 2 and 3:

In Bowen's service groups, three significant variations were found: 1) for the relationship between service product and habit bonds ($F = 3.234$, $p = .040$), 2) for the relationship between service environment and habit bonds ($F = 2.661$, $p = .041$-$.047$), and 3) for the relationship between location and habit bonds ($F = 3.141$, $p = .044$). The first relationship indicates that for high-customised, high-contact services elements like reliability, great assortment, best equipment, and value-added services can trigger

automatic responses for customers (group 1, β = .267, p < .01). On the other hand, for high-standardised, moderate-contact services cues from the environment of the service can trigger automatic responses from customers (group 3, β = .265, p < .01).

Table 80: Habit Bonds Chow Test Results - Variations across Services

		Delivery	Product	Environment	Price	Schemes	Location	R-Square
Habit Bonds	Collective	-.106	-.146	**.280*** **	.076	.112	**.230*** **	**.136*** **
	Individual	.087	**.267*** **	-.059	***-.120(+)***	.071	.006	**.083*** **
Chow Test	F	2.450	9.989	8.815	4.395	.281	6.110	
	Sig.	.118	.002	.003	.037	.597	.014	.137
Habit Bonds	Hedonic	.006	.034	.141	-.062	**.210** **	**.188** **	**.157*** **
	Utilitarian	.027	**.230** **	.010	-.019	-.036	.009	**.057** **
Chow Test	F	.031	2.336	1.072	.122	5.955	3.530	.101
	Sig.	.860	.127	.301	.727	.015	.061	
Habit Bonds	Search	-.105	.020	.031	**.200***	.005	**.172***	.070
	Experience	.107	.120	.099	-.128	**.211** **	***.159(+)***	**.219*** **
	Credence	.083	**.313***	-.038	-.092	**.285** **	-.192	**.211** **
Chow Test	F	.934	1.305	.299	3.540	2.521	4.283	
	Sig.	.394	.272	.742	.030	.082	.015	
Between Groups[1]	1 0 -1	.312	.108	.712	.059	.033	.008	.169
	1 -1 0	.201	.524	.635	.012	.119	.867	
	0 1 -1	.905	.294	.453	.944	.371	.012	
Habit Bonds	Group 1	***.175(+)***	**.267** **	-.036	-.147	**.233** **	-.029	**.218*** **
	Group 2	.069	.242*	-.024	-.033	-.107	.006	.056
	Group 3	-.090	-.120	**.265** **	.156	.000	**.240** **	**.142*** **
Chow Test	F	1.408	3.234	2.661	3.440	3.919	3.141	
	Sig.	.246	.040	.071	.033	.021	.044	
Between Groups[1]	1 0 -1	.094	.018	.041	.010	.070	.019	.169
	1 -1 0	.491	.795	.943	.372	.008	.777	
	0 1 -1	.310	.037	.047	.161	.429	.046	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
Non-hypothesised significant results are highlighted in green colour
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

An unexpected finding was the variation of the relationship between habit bonds and rewards schemes across the three groups. It was found that this relationship is significant for group 1 (β = .233, p < .01), but not significant for groups 2 and 3. This

means that automatic responses can be triggered from effective rewards schemes in highly customised services. In those services the rewards schemes can follow certain patterns driven from customers' purchasing history, customised to their certain needs. Thus, it is rationale that customers can get more easily used to rewards which are based on their prior purchasing patterns, and develop habitual bonds in those services that can create those conditions.

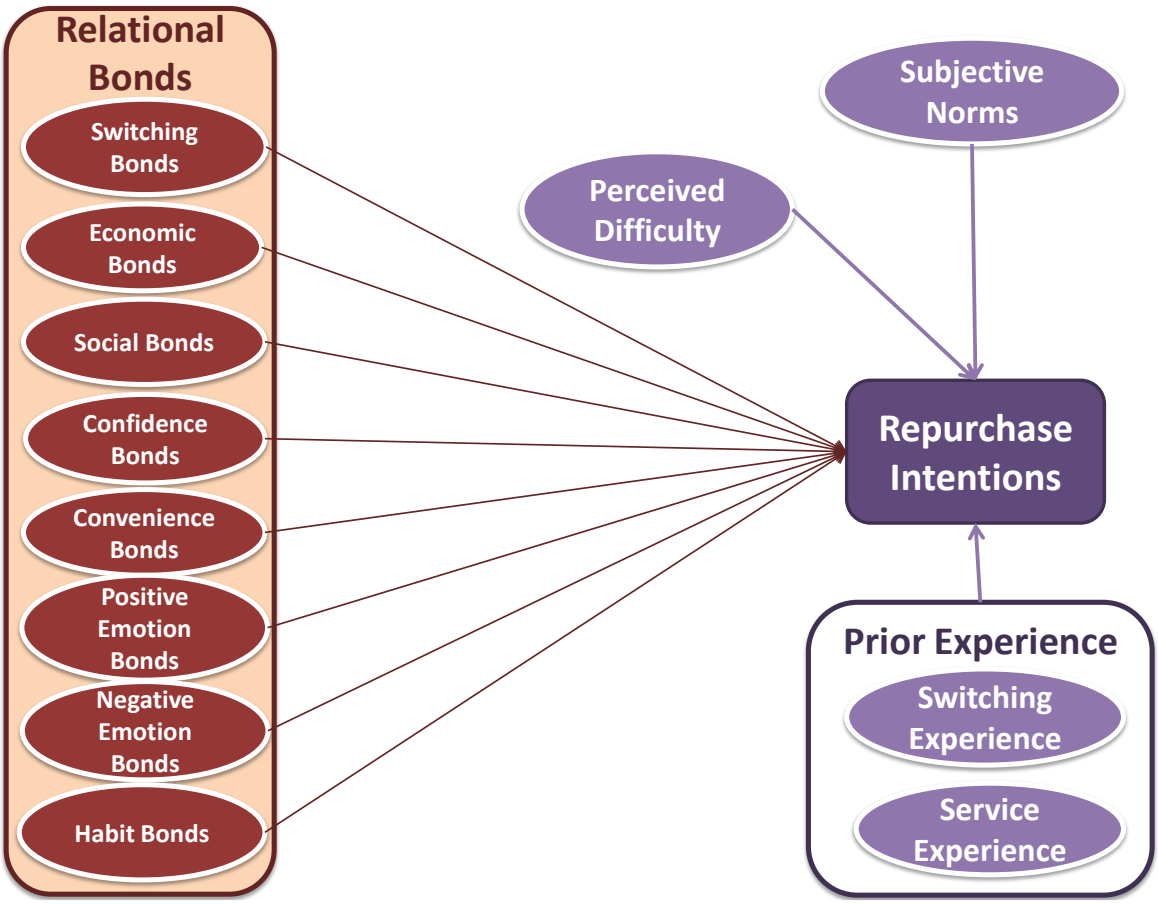
The final relationship that vary in this typology is the relationship between location and habit bonds, which is significant for standardised services (group 3, $\beta = .240$, $p < .01$) but not for customised services (group 1 and 2). A good location, especially in standardised services, can create barriers to defect, which can lead to a repeated behaviour towards the service and trigger an automatic response from the customers. However, as Wu (2001, p. 241) has noted, this is not true for customised services that customers "have less opportunity to compare offerings based on location, and often focus more attention on factors relating to interpersonal relationships".

Hedonic vs Utilitarian:

Interestingly, based on the Chow test results it was found that there is a significant variation across hedonic and utilitarian services for the relationship between schemes and habit bonds ($F = 5.955$, $p = .015$). This relationship was found to be positively significant for hedonic services ($\beta = .210$, $p < .01$) but not significant for utilitarian services. This was an unexpected result, as it was not hypothesised (highlighted in green in table 80). But this finding could be explained based on the type of reward scheme that the service is offering. If the scheme is promoting incentives that the customers can build upon and create feelings of pleasure, this can create a habitual response that would be stronger in services where delight and joy are very important.

In the second set of analysis, all relational bonds, subjective norms, perceived difficulty and prior experience (independent variables) were regressed on repurchase intentions (dependent variables). As mentioned above, to test these relationships multiple regressions and Chow tests were put forward and the results are presented in the following sections.

Figure 50: Conceptual Model Part II – Relational Bonds, Subjective Norms, Perceived Difficulty, Prior Experience, with Repurchase Intentions



The results in the table below show that 54.5% of the repurchase intentions variance can be explained by relational bonds, perceived difficulty, subjective norms and prior experience ($R^2 = .545$, $p < .001$).

Table 81: Regression Results Repurchase Intentions across Services

	Re-purchase Intention
Switching Cost	.009
Economic Bonds	-.047
Social Bonds	-.078
Confidence Bonds	**.161*** **
Convenience Bonds	.048
Positive Bonds	**.113** **
Negative Bonds	**-.225*** **
Habit Bonds	**.125*** **
Subjective Norms	**.080** *
Perceived Difficulty	**-.283*** **
Switching Experience	**-.100** **
Service Experience	**.244*** **
R-Square	**.545*** **

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

The detailed regression results together with the Chow test results are presented for each of the independent variables in the below sections.

REPURCHASE INTENTIONS AND RELATIONAL BONDS

Repurchase intentions were hypothesised to be influenced by most of the relational bonds (switching costs, economic, social, confidence, emotional and habit bonds) except for convenience which was hypothesised to be moderated by the service type. Testing these hypotheses, regression results showed that four relational bonds can directly influence repurchase intentions across all services: confidence bonds (β = .161, $p < .001$), habit bonds (β = .125, $p < .001$), positive (β = .113, $p < .01$) and negative emotional bonds (β = -.225, $p < .001$). Those results confirm hypotheses H18a, H34a, H35a and H39a.

Table 82: Regression Results Repurchase Intentions and Relational Bonds

	Re-purchase Intention
Switching Cost	.009
Economic Bonds	-.047
Social Bonds	-.078
Confidence Bonds	**.161*** **
Convenience Bonds	.048
Positive Bonds	**.113** **
Negative Bonds	**-.225*** **
Habit Bonds	**.125*** **

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

This means that the more confident the customer is feeling about the service provider, the more willing s/he is to repurchase from this provider in the future. The underlying rationale is that when customers are feeling that the service provider is trustworthy then, s/he has good reasons to maintain the relationship and keep purchasing from the same service provider (Berry, 1995; Hennig-Thurau, Gwinner & Gremler, 2002).

Additionally, emotional bonds can also influence directly the repurchase intentions, both positive and negative emotional bonds. This means that the higher the positive emotions and the lower the negative emotions of the customer are, the higher the possibility is that s/he will repurchase from the same service provider. These findings bring some light into the conflicting results that came from previous researches in services marketing literature, regarding these relationships. Jones et al. (2007) and Jang and Namkung (2009) hypothesised that positive and negative emotions are directly related to repurchase intentions; however, the first study did not confirm the relationship between positive emotions and intentions, whereas the second study did. Additionally, the first study confirmed the relationship between negative emotions and intentions, whereas the second study did not. Both of these studies stressed out the importance of further researching these relationships. The current study supports those hypotheses and suggests that both positive and negative emotions are key determinants which influence repurchase intentions.

The last significant relationship was found between habit bonds and repurchase intentions. This means that an automatic response can positively influence customer's intention to repurchase from the same service provider. Automatic response as defined in the current study reflects an unconscious mental process which creates a repetitive tendency. Thus, the stronger this process is, the stronger the tendency and the willingness of the customer would be to continue purchasing from the same service provider.

Table 83: Repurchase Intentions Part I hypotheses across all services

Hypotheses	Relationships	Results
H7a	Switching Costs → Repurchase Intention	Not Supported
H10a	Economic Bonds → Repurchase Intentions	Not Supported
H14a	Social Bonds → Repurchase Intentions	Not Supported
H18a	Confidence Bonds → Repurchase Intentions	**Supported**
H34a	Positive Emotions → Repurchase Intentions	**Supported**
H35a	Negative Emotions → Repurchase Intentions	**Supported**
H39a	Habit Bonds → Repurchase Intentions	**Supported**

On the other hand, two relational bonds (switching costs and social bonds) were found not to influence significantly repurchase intentions across all services. The first non-significant relationship was between switching costs and repurchase intentions. This was an unexpected result but it might be so because in the current study switching costs were measured primarily on the basis of the procedural costs and not on the psychological and emotional costs (which are covered in much more depth from other relational bonds). This same result is also supported by Jones, Mothersbaugh and Beatty (2000) research, who found that there is no direct effect from switching costs to repurchase intentions. In their research, they reported that the underlying reasoning is that "a main effects approach is not sufficient to capture the complex processes underlying customer retention" (Jones, Mothersbaugh & Beatty, 2000, p. 268). They also added that this relationship is moderated by the level of customer satisfaction; "only when satisfaction falls below a certain level do consumers even begin to consider or be affected by the existence of switching" (ibid). This relationship was not found to significantly vary across any of the service typologies. Thus, future research should attempt to examine further the variables that can moderate this relationship.

The second unexpected outcome was the non-significant relationship between social bonds and repurchase intentions. The underlying reasoning might be that social benefits can promote customers' willingness to repurchase only under the condition that competitive offerings do not much differ. This is also supported by previous research (Berry, 1995; Paul et al., 2009). Additionally, this relationship was not found to significantly vary across any of the service typologies (as shown from the table below). However, five of the relational bonds with regard to repurchase intentions seem to vary across different service typologies.

Table 84: Repurchase Intentions Part I hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H7b	Switching Costs → Repurchase Intention	Not Supported	×	×	×	×
H10	Economic Bonds → Repurchase Intentions	**P. Supported**	×	×	✓	×
H14b	Social Bonds → Repurchase Intentions	Not Supported	×	×	×	×
H18b	Confidence Bonds → Repurchase Intentions	**P. Supported**	✓	✓	×	×
H23	Convenience Bonds → Repurchase Intentions	**P. Supported**	×	✓	×	×
H34b	Positive Emotions → Repurchase Intentions	Not Supported	×	×	×	×
H35b	Negative Emotions → Repurchase Intentions	**P. Supported**	✓	✓	×	×
H39b	Habit Bonds → Repurchase Intentions	**P. Supported**	×	✓	✓	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Economic Bonds variations:

The relationship between economic bonds and repurchase intentions was found to vary between experience and credence services ($F = 3.397$, $p = .014$). This means that in credence services ($\beta = -.249$, $p < .01$) the economic bonds influence negatively repurchase intentions. The rationale is that in credence services, where the perceived risk is very high and the customer might not be able to evaluate the outcome of the service even after the consumption (e.g. dentist), the customer might use the height of the price as an indicator that the outcome of the service will be good. This is also supported by the qualitative research where many respondents reported that in most of the cases an expensive dentist is an indication that s/he is very good at his job and that the price reflects the level of his/her expertise.

Confidence Bonds variations:

The relationship between confidence bonds and repurchase intentions was found to vary across collective and individual ($F = 6.890$, $p = .009$) as well as hedonic and utilitarian ($F = 6.825$, $p = .009$) services. The Chow test results showed that this relationship is significant for individual ($\beta = .216$, $p < .001$) and utilitarian ($\beta = .200$, $p < .001$) services. This means that when the customer is consuming the service alone or when the service is more focused on practical aspects, then higher levels of confidence can lead to higher repurchase intentions. However, this is not true for collective and hedonic services. As hypothesised, in utilitarian services where cognitive characteristics of the service are more dominant and expectations are more countable than in hedonic services (Ng, Russell-Bennett & Dagger, 2007), elements of confidence such as reduced risk and anxiety play a more important role on customers' decision to repurchase from the same service provider. Additionally, in individual services customers' decision making of re-purchasing depends solely on service provider's performance, without interruptions from other customers as it happens in collective services. Thus, in individual services customers depend more on their self-belief that the service provider will fulfil its promises rather than in collective services. This confirms the hypothesis H18b.

Convenience Bonds variations:

The relationship between convenience bonds and repurchase intentions was found to vary between hedonic and utilitarian services ($F = 6.377$, $p = .012$). This means that in utilitarian services ($\beta = .090$, $p < .05$), the more convenient the customer feels, the higher his/her repurchase intentions would be, something that is not true for hedonic services. This is reasonable, in that in utilitarian service where practical issues like time and effort are more important, convenience is a key determinant in customer's willingness to repurchase. On the other hand, in hedonic services where pleasure and joy are more dominant with respect to the customers' decision making to repurchase in the future, convenience does not contribute significantly to the formulation of this decision.

Table 85: Repurchase Intentions Chow Test Results I - Variations across Services

		Switching Cost Bonds	Economic Bonds	Social Bonds	Confidence Bonds	Convenience Bonds	Positive Emotion Bonds	Negative Emotion Bonds	Habit Bonds	R-Square
Re-purchase Intention	Collective	.087	-.013	-.106	.048	-.008	.067	**-.171****	**.220*****	**.407*****
	Individual	-.002	***-.069(+)***	-.059	**.216*****	***.073***	**.123****	**-.251*****	.059	**.644*****
Chow Test	F	1.033	1.196	.121	6.890	1.741	.808	4.559	2.610	.577
	Sig.	.310	.275	.728	.009	.188	.369	.033	.107	
Re-purchase Intention	Hedonic	***.117(+)***	-.023	-.077	.000	-.086	**.170****	-.082	**.265*****	**.509*****
	Utilitarian	-.014	**-.088***	**.093***	**.200*****	**.090***	**.133****	**-.282*****	***.083(+)***	**.603*****
Chow Test	F	2.226	1.547	.190	6.825	6.377	.007	9.742	3.810	.576
	Sig.	.136	.214	.663	.009	.012	.933	.002	.051	
Re-purchase Intention	Search	.026	-.153	-.116	.084	-.040	.053	**-.189****	**.310*****	**.536*****
	Experience	***.119(+)***	.020	.000	.098	-.067	**.228*****	***-.099(+)***	***.117(+)***	**.614*****
	Credence	.148	**-.249****	.062	.136	-.045	.177	***-.158(+)***	-.150	**.553*****
Chow Test	F	.908	3.397	.894	.163	.048	1.727	.330	6.284	
	Sig.	.404	.035	.410	.849	.953	.179	.719	.002	
Between Groups	1 -1 0	.349	.069	.319	.784	.765	.066	.552	.103	.583
	0 1 -1	.530	.014	.652	.703	.856	.665	.467	.034	
	1 0 -1	.219	.312	.250	.574	.946	.393	.714	.000	
Re-purchase Intention	Group 1	.082	**-.153****	.012	**.178***	-.026	**.191***	**-.115***	-.023	**.609*****
	Group 2	-.051	-.012	-.092	**.195****	***.112(+)***	***.108(+)***	**-.282*****	**.127***	**.691*****
	Group 3	.005	-.118	-.075	.109	.005	.045	**-.200*****	**.252*****	**.449*****
Chow Test	F	1.232	1.101	.673	1.124	1.691	.695	1.919	3.298	
	Sig.	.293	.333	.511	.326	.186	.500	.148	.038	
Between Groups	1 -1 0	.118	.140	.247	.864	***.077***	.743	.116	***.071***	.619
	0 1 -1	.462	.363	.690	.153	.170	.389	***.084***	.600	
	1 0 -1	.365	.556	.486	.325	.742	.255	.893	.013	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Emotional Bonds variations:

While the relationship between positive emotions and repurchase intentions was found to be universal across all service typologies, the relationship between negative emotions and repurchase intentions was found to vary for collective and individual (F = 4.559, p = .033) services as well as for hedonic and utilitarian services (F = 9.742, p

= .002). As expected, negative emotions were found to be stronger in individual and utilitarian services, in relation to customers' intention to repurchase. The interpretation is that in individual services the negative feeling that the customer is experiencing cannot be shared with anybody else (which could not be the case in collective services), and thus, the direction of this feeling towards the provider would be stronger, influencing customer's willingness to repurchase from the service provider. Additionally, in utilitarian services whose consumption is more cognitive driven, negative feelings like anger and frustration can affect the customer's intention to repurchase stronger than in hedonic services. Important elements of hedonic services such as fun, excitement and pleasure could counteract the negative emotions in relation to repurchase intentions.

Habit Bonds variations:

Habit bonds in relation to repurchase intentions were found to vary in three of the service typologies: 1) hedonic versus utilitarian ($F = 3.810$, $p = .051$), 2) search experience and credence services ($F = 6.284$, $p = .002$), and 3) Bowen's groups 1, 2 and 3 ($F = 3.298$, $p = .038$). In the first typology, Chow test results showed that automatic responses can increase customer's intention to repurchase mainly in hedonic services ($\beta = .265$, $p < .001$), but not so much in utilitarian services. This outcome was expected, in that automatic responses have more chances to be activated from hedonic values which promote fun and enjoyment, rather than from utilitarian services. Furthermore, utilitarian services are more focused on the cognitive process of consumption, something that precludes the promotion of an unconscious mental process which can trigger automatic responses and consequently lead to a higher repetition of purchase intentions.

In the second and third typology, Chow test results showed that habit bonds can increase customer's intention to repurchase for search ($\beta = .310$, $p < .001$) and more standardised services ($\beta = .252$, $p < .001$), rather than experience, credence and more customised services. This outcome was also expected as explained in the hypothesis formulation, since standardised and search services provide a predicted and expected outcome for the customer, which tends to remain the same, and this consistency can

lead to stronger automatic responses (Limayem, Hirt & Cheung, 2007). On the other hand, in experience, credence and more customised services the higher levels of variation in the delivery and offering process does not lead to the required stability that could trigger a certain pattern of an unconscious repeated response.

Repurchase Intentions and Subjective Norms, Perceived Difficulty and Prior Experience

Apart from the eight relational bonds, as shown in the table below, the independent variables, which were regressed on repurchase intentions, were also subjective norms, perceived difficulty, switching experience and service experience. Thus, repurchase intentions are expected to be influenced by subjective norms and service experience positively, whereas perceived difficulty and switching experience negatively. All these hypotheses were confirmed (H40a, H45a, H50a and H55a) on the basis of the regression results which showed that subjective norms ($\beta = .080$, $p < .05$), perceived difficulty ($\beta = -.283$, $p < .001$), switching experience ($\beta = -.100$, $p < .01$) and service experience ($\beta = .244$, $p < .001$) can directly influence repurchase intentions across all services. Interestingly, perceived difficulty had the strongest impact on intentions followed by service experience and then negative bonds.

Table 86: Regression Results Repurchase Intentions across Services

	Re-purchase Intention
Switching Cost	.009
Economic Bonds	-.047
Social Bonds	-.078
Confidence Bonds	**.161*** **
Convenience Bonds	.048
Positive Bonds	**.113** **
Negative Bonds	**-.225*** **
Habitual Bonds	**.125*** **
Subjective Norms	**.080***
Perceived Difficulty	**-.283*** **
Switching Experience	**-.100** **
Service Experience	**.244*** **
R-Square	**.545*** **

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

These results indicate that higher levels of subjective norms can influence directly the repurchase intentions. In line with previous research (e.g. the meta-analysis of Armitage & Conner, 2001), this link was found to be the weakest. As discussed in hypothesis formulation chapter, the results from previous studies are mixed. However, the confirmation of the direct relationship between subjective norms and repurchase intentions confirms the majority of the previous studies in the field (Olsen, 2007). This means that customers' perceptions of what is expected from them can influence their repurchase intentions. Additionally, as expected, the relationship between perceived difficulty and repurchase intentions was found to be negative. This is in line with Ajzen (1991) results and it means that when customers perceive the consumption of a service to be difficult then their intention to repurchase would be low.

Table 87: Repurchase Intentions Part II hypotheses across all services

Hypotheses	Relationships	Results
H40a	Subjective Norms → Repurchase Intention	**Supported**
H44a	Perceived difficulty → Repurchase Intention	**Supported**
H48a	Switching Experience → Repurchase Intention	**Supported**
H52a	Service Experience → Repurchase Intention	**Supported**

Finally, both aspects of prior experience were found to influence directly repurchase intentions. The strong coefficient results, especially for prior service experience (which is a new construct), confirms the researcher's proposition that the relevant customers' prior service experience can significantly explain and influence their repurchase intentions from the same service provider in the relationship development stage. In particular, the regression results showed that service experience, including past sensory, affective, intellectual and behavioural customers' experience can affect their willingness to repurchase from the service provider.

Furthermore, the results revealed that when customers have switched many times in the past (high switching experience), they tend to have lower levels of intentions to repurchase from the same provider. This is reasonable in that this kind of customers tend to be 'switchers', and in most of the cases they do not intend to remain loyal to one service provider (Ganesh, Arnold & Reynolds, 2000; Chiu et al., 2005; Peng &Wang, 2006; Chen & Hitt, 2002; Knox & David, 2001; Reinartz & Kumar, 2003).

These results add value and contribute to the setting up of a more refined explanation about the key determinants of repurchase intentions.

Table 88: Repurchase Intentions Part II hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I	H/U	S/E/C	1/2/3
H40b	Subjective Norms → Repurchase Intention	Not Supported	×	×	×	×
H44b	Perceived difficulty → Repurchase Intention	Not Supported	×	×	×	×
H48b	Switching Experience →Repurchase Intention	Not Supported	×	×	×	×
H52b	Service Experience → Repurchase Intention	Not Supported	×	×	×	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

The Chow test results, however, did not indicate that there are any significant variations across any of the service typologies. This means that all of the aforementioned relationships are universal, and their strength is not moderated by the service type. As there is no previous research on the moderating effect that this service type has on these relationships, it can be supported that repurchase intentions in relation to subjective norms, perceived difficulty and prior experience are not different across different types of services. This is an interesting result, especially if we take into account that the significant relationships between relational bonds and repurchase intentions are moderated by the service type. Thus, we can conclude that repurchase intentions can be influenced by subjective norms, perceived difficulty, prior experience and relational bonds, with the service type moderating only the strength of relational bonds towards repurchase intentions.

Table 89: Repurchase Intentions Chow Test Results II - Variations across Services

		Subjective Norms	Perceived Difficulty	Switching Experience	Service Experience	R-Square
Re-purchase Intention	Collective	.092	**-.323*** **	**-.135***	**.248*** **	**.407*** **
	Individual	**.075***	**-.246*** **	**-.077***	**.253*** **	**.644*** **
Chow Test	F	.021	.152	.362	.700	.577
	Sig.	.885	.697	.548	.403	
Re-purchase Intention	Hedonic	.036	**-.283*** **	**-.151****	**.336*** **	**.509*** **
	Utilitarian	.062	**-.256*** **	-.038	**.205*** **	**.603*** **
Chow Test	F	.353	.508	1.854	.418	.576
	Sig.	.553	.476	.174	.518	
Re-purchase Intention	Search	.043	**-.332*** **	**-.158***	**.317*** **	**.536*** **
	Experience	.070	**-.217*** **	***-.109(+)***	**.338*** **	**.614*** **
	Credence	***.168(+)***	**-.221***	-.096	**.252***	**.553*** **
Chow Test	F	.644	.838	.087	.236	.583
	Sig.	.526	.433	.917	.790	
Between Groups	1 -1 0	.728	.212	.756	.690	
	0 1 -1	.404	.899	.897	.504	
	1 0 -1	.264	.387	.703	.730	
Re-purchase Intention	Group 1	**.121***	**-.228*** **	**-.119***	**.284*** **	**.609*** **
	Group 2	.042	**-.233*** **	-.073	**.228*** **	**.691*** **
	Group 3	.090	**-.345*** **	-.076	**.193****	**.449*** **
Chow Test	F	.210	.844	.091	.538	.619
	Sig.	.810	.431	.913	.584	
Between Groups	1 -1 0	.533	.427	.772	.864	
	0 1 -1	.834	.637	.880	.328	
	1 0 -1	.668	.207	.681	.427	

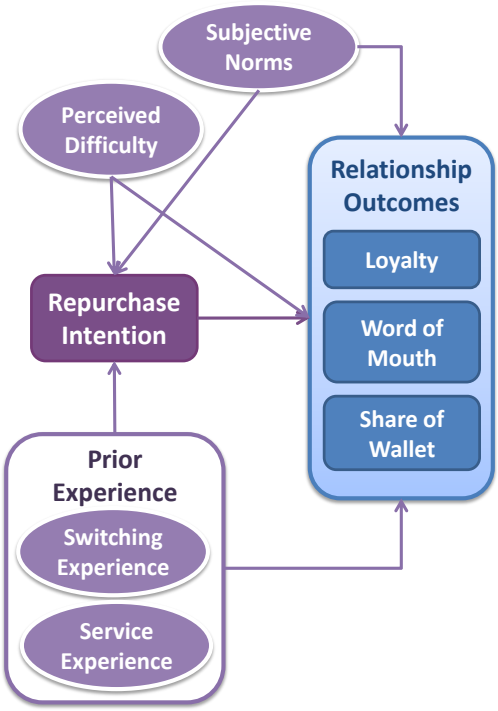
***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

RELATIONSHIP OUTCOMES ACROSS SERVICES

In the third and last set of analysis, the repurchase intentions, subjective norms, perceived difficulty, prior switching experience and prior service experience (independent variables) were regressed on relationship outcomes (dependent

variables). As mentioned above, in order to test these relationships multiple regressions and Chow tests were used and the results are being presented in the following sections.

Figure 51: Conceptual Model Part III – Relational Bonds, Subjective Norms, Perceived Difficulty, Prior Experience, Repurchase Intentions and Relationship Outcomes.



Generally, the results are being presented in the table below. The detailed regression results together with the Chow test results are being presented for each of the dependent variables in the below sections.

Table 90: Regression Results Relationship Outcomes across all Services

	Loyalty	WoM	SoW
Subjective Norms	**.070***	**.261*****	.017
Perceived Difficulty	-.003	.070	-.052
Switching Experience	**-.119*****	.033	**-.349*****
Service Experience	**.242*****	**.282*****	-.059
Re-purchase Intention	**.528*****	**.312*****	**.215*****
R-Square	**.530*****	**.377*****	**.196*****

***p<.001; **p<.01; *p<.05; (+) p<.10;
All values reported are standardised beta coefficients.

LOYALTY

Customer loyalty was hypothesised to be determined by repurchase intentions, subjective norms, perceived difficulty and the two prior experience variables (switching and service experience). All of these constructs were found to have a direct effect on customer loyalty, apart from perceived difficulty, which was found to have an indirect effect on customer loyalty through repurchase intentions. In particular, regression results showed that subjective norms ($\beta = .070$, $p < .05$), switching experience ($\beta = -.119$, $p < .001$), service experience ($\beta = .242$, $p < .001$) and repurchase intentions ($\beta = .528$, $p < .001$) can directly influence customer loyalty across all services, which confirms hypotheses H41a, H51a, H56a and H60a. The results in the table below show that 53% of the customer loyalty variance can be explained by repurchase intentions, subjective norms and prior experience ($R^2 = .530$, $p < .001$). Out of these variables, repurchase intentions had the strongest effect on customer loyalty followed by service experience, which was again an interesting result.

Table 91: Regression results Loyalty

	Loyalty
Subjective Norms	**.070***
Perceived Difficulty	-.003
Switching Experience	**-.119****
Service Experience	**.242****
Re-purchase Intention	**.528****
R-Square	**.530****

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

The only 'not supported' hypothesis was between perceived difficulty and loyalty (H46a). This contradicts the results in Olsen's (2007) research. However, based on a meta-analysis, it was found that 51% of the studies which examined this relationship found that there is no direct effect between perceived control and behaviour (Notani, 1998; Olsen, 2007). This study also confirms this result. Additionally, Olsen (2007) also reported that the majority of these studies have found that the relationship between

perceived difficulty and behaviour is mediated by intentions. Performing the Sobel's test for the mediating effect, this was also supported in the current study for all the relationship outcomes. Thus, we reach the conclusion that the perceived difficulty can influence directly repurchase intentions and indirectly the relationship outcomes through repurchase intentions (please see the section 'mediating effects' for all the results).

Table 92: Indirect effect of Perceived Difficulty to Relationship Outcomes

Perceived Difficulty		
	Effect	p
To Loyalty		
Indirect effect through Intention	**-0.374**	**0.000**
R-Square	**0.215**	**0.000**
To WoM		
Intention	**-0.209**	**0.000**
R-Square	**0.224**	**0.000**
To SoW		
Intention	**-0.005**	**0.000**
R-Square	**0.214**	**0.000**

The regression results showed that subjective norms can positively influence customer loyalty (β = .070, $p < .05$). This is also supported by Olsen (2007) who found this relationship significant. This means that strong social norms can influence customers' loyalty. Additionally, repurchase intentions was also found to strongly influence customer loyalty (β = .528, $p < .001$). In line with the expectancy-value theory and four-stage loyalty theory, the link between intentions to loyalty was found to be the strongest one (Jacoby & Chestnut, 1978; Oliver, 1999). This means that the higher the repurchase intention is, the higher the loyalty will be.

Finally, prior experience was also found to have an influence on customer loyalty (β = -.119, $p < .001$). Higher switching experience was found to have a negative influence on customer loyalty, which is reasonable. When the customer switches a lot across different service providers, then this customer has fewer opportunities to maintain a faithful relationship with one service provider, which will in turn affect negatively customer loyalty. Additionally, service experience was found to positively influence customer loyalty (β = .242, $p < .001$). This means that the better prior service

experience the customer had with the provider, the more loyal s/he will be. This is in line with Brakus, Schmitt and Zarantonello (2009) results, who were the first to conceptualise this construct (brand experience) and found that it is positively related to loyalty. They supported that positive experience as an outcome of different stimulations can lead to enjoyable outcomes which can strongly influence future customer loyalty (Brakus, Schmitt & Zarantonello, 2009). These results support the importance of incorporating the prior experience into the model.

Table 93: Loyalty hypotheses across all services

Hypotheses	Relationships	Results
H41a	Subjective Norms → Loyalty	**Supported**
H45a	Perceived difficulty → Loyalty	Not Supported
H49a	Switching Experience → Loyalty	**Supported**
H53a	Service Experience → Loyalty	**Supported**
H56a	Repurchase Intention → Loyalty	**Supported**

Based on Chow test results, only the relationship between subjective norms and loyalty and the relationship between service experience and loyalty were found to vary across different service typologies. The first relationship (subjective norms and loyalty) was found to vary between search and experience services ($F = 2.380$, $p = .030$), and the second one (service experience and loyalty) between hedonic and utilitarian services ($F = 7.058$, $p = .008$). These results support partially hypotheses H41b and H56b, but they do not support hypotheses H46b, H51b and H60b. This means that the strength of the relationships between 1) perceived difficulty and loyalty, 2) switching experience and loyalty, and 3) repurchase intentions and loyalty, is universal across service types.

Table 94: Loyalty hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I	H/U	S/E/C	1/2/3
H45b	Subjective Norms → Loyalty	**P. Supported**	✗	✗	✓	✗
H46b	Perceived difficulty → Loyalty	Not Supported	✗	✗	✗	✗
H49b	Switching Experience → Loyalty	Not Supported	✗	✗	✗	✗
H53b	Service Experience → Loyalty	**P. Supported**	✗	✓	✗	✗
H56b	Repurchase Intention → Loyalty	Not Supported	✗	✗	✗	✗

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Subjective norms in relation to customer loyalty were found to be significant for search services (β = .138, p < .05), but not significant for experience services. This can be explained on the grounds that in experience services where the risk is higher than in search services, customers cannot rely so much on social norms in relation to their loyalty patterns. In these circumstances customers rely more on their own experiences. On the other hand, when customers can evaluate the outcome of the service before the consumption, then the risk is much lower and it is easier for them to comply with the social norms.

Table 95: Loyalty Chow Test Results - Variations across Services

		Re-purchase Intention	Subjective Norms	Perceived Difficulty	Switching Experience	Service Experience	R-Square
Loyalty	Collective	**.480*** **	.060	-.023	-.083	**.222*** **	**.408*** **
	Individual	**.550*** **	**.074(+)*(.55)**	.004	**-.085***	**.262*** **	**.599*** **
Chow Test	F	.130	.120	.138	.000	.511	.533
	Sig.	.719	.729	.710	.991	.475	
Loyalty	Hedonic	**.376*** **	.017	-.023	**-.170** **	**.382*** **	**.492*** **
	Utilitarian	**.611*** **	**.099** **	.013	**-.087***	**.154*** **	**.565*** **
Chow Test	F	2.779	1.833	.250	1.634	7.058	.538
	Sig.	.096	.176	.618	.202	.008	
Loyalty	Search	**.500*** **	**.136***	.043	**-.151***	**.260*** **	**.472*** **
	Experience	**.486*** **	-.057	-.054	**-.138***	**.309*** **	**.559*** **
	Credence	**.504*** **	.020	.016	**-.240** **	**.255** **	**.556*** **
Chow Test	F	.092	2.380	.534	.702	.130	
	Sig.	.912	.094	.587	.496	.878	
Between Groups	1 -1 0	0.696	.030	.322	.998	.619	.544
	0 1 -1	.746	.452	.530	.281	.744	
	1 0 -1	.990	.267	.823	.286	.931	
Loyalty	Group 1	**.534*** **	.029	.030	**-.157** **	**.329*** **	**.662*** **
	Group 2	**.569*** **	.095	-.045	-.024	**.169** **	**.535*** **
	Group 3	**.590*** **	**.144***	.067	-.096	**.164** **	**.492*** **
Chow Test	F	1.329	1.002	.752	1.422	1.549	
	Sig.	.266	.368	.472	.242	.214	
Between Groups	1 -1 0	.498	.321	.400	.095	.139	.585
	0 1 -1	.104	.773	.233	.345	.936	
	1 0 -1	.393	.176	.659	.558	.118	

***p<.001; **p<.01; *p<.05; (+) p<.10
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Finally, service experience in relation to customer loyalty was found to be significant for hedonic services (β = .382, p < .001) and utilitarian services (β = .154, p < .001). However, the strength of this relationship was found to be much stronger for hedonic services rather than utilitarian services. The underlying rationale is that the experiences that can lead to higher levels of loyalty are positive experiences stimulated by pleasurable outcomes (Brakus, Schmitt & Zarantonello, 2009). Adding the nature of hedonic services (fun and enjoyable services) to those outcomes makes the link between service experience and loyalty even stronger. On the other hand, in utilitarian service this link is significant but the nature of the service (practical and functional services) does not reinforce this link as much as it does in hedonic services.

WORD OF MOUTH

Word of mouth was hypothesised to be influenced by repurchase intentions, subjective norms, perceived difficulty, switching experience and service experience. The regression results showed that subjective norms (β = .261, p < .001), service experience (β = .282, p < .001) and repurchase intentions (β = .528, p < .001) can directly influence word of mouth across all services; and this confirms hypotheses H42a, H57a, and H61a. Out of these variables, repurchase intentions had the strongest effect on word of mouth, followed by service experience and subjective norms. The other two more negative variables, perceived difficulty and switching experience, were not found to have a direct influence on word of mouth, but only indirectly through repurchase intentions. The results in the table below show that 37.7% of word of mouth variance can be explained by those variables (R^2 = .377, p < .001).

Table 96: Regression results Word of Mouth

	WoM
Subjective Norms	**.261*** **
Perceived Difficulty	.070
Switching Experience	.033
Service Experience	**.282*** **
Re-purchase Intention	**.312*** **
R-Square	**.377*** **

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

The first direct significant relationship was found between subjective norms and word of mouth. This is in line with Sheth and Parvatiyar (1995), who suggested that subjective norms can be passed on directly to word of mouth; especially, when the norms are strong, word of mouth can be highly influenced. The rationale is that when the customer is strongly influenced by what the people say, s/he can talk in a more confident way about the positive aspects of the service provider, because s/he feels that this provider is socially accepted. This is also confirmed by the qualitative results, when the majority of the respondents reported that they would be more willing and confident to recommend the provider (e.g. a restaurant) who other people, important to them, approve of, rather than their own favourite provider. This happens because they feel that this is the 'safest' option, in that it is the most socially accepted one, and they would like not to take the risk and recommend their personal choice. This behaviour is explained in that they are afraid that their personal choice might not comply with what is socially accepted, so they want to reduce this risk by recommending the provider that is accepted by their social environment.

The other two direct significant relationships were found between service experience and word of mouth, and repurchase intentions and word of mouth. Those links are obvious since the more positive service experiences the customer has and the higher the customer's repurchase intentions are, the more likely it is that s/he will recommend that provider to others. More specifically, the relationship between repurchase intentions and word of mouth has been well established in the marketing literature and it is supported by several researches (e.g. Mittal, Pankaj & Tsiros, 1999; Bloemer, Ruyter & Wetzels, 1999; Molinari, Abratt & Dion, 2008).

Table 97: Word of Mouth hypotheses across all services

Hypotheses	Relationships	Results
H42a	Subjective Norms → Word of Mouth	**Supported**
H46a	Perceived difficulty → Word of Mouth	Not Supported
H50a	Switching Experience → Word of Mouth	Not Supported
H54a	Service Experience → Word of Mouth	**Supported**
H57a	Repurchase Intention → Word of Mouth	**Supported**

The regression results showed that the two negative variables, perceived difficulty and switching experience, do not significantly influence word of mouth. As mentioned in chapter 3, to the researcher's knowledge the relationship between perceived difficulty and word of mouth has not been empirically examined yet. Thus, further investigation by performing Sobel test showed that perceived difficulty can negatively influence word of mouth through repurchase intentions. Additionally, the negative effect of switching experience was found to influence indirectly word of mouth through repurchase intentions. This means that when customers perceive repurchasing difficult while at the same time they switch a lot across different providers, then their repurchase intentions will decrease and consequently they might engage into negative word of mouth. The underlying rationale is that switchers or customers, who consider it difficult to repurchase from the same provider, try to justify their low repurchase intentions by convincing themselves and others that the service provider is untrustworthy.

Table 98: Indirect effect of Perceived Difficulty and Switching Experience

To WoM	Perceived Difficulty		Switching Experience	
	Effect	p	Effect	p
Indirect effect through Intention	**-0.209**	**0.000**	**-0.097**	**0.001**
R-Square	**0.224**	**0.000**	**0.022**	**0.003**

The Chow test results showed that from all the significant relationships the only one that is moderated by the service type is the relationship between repurchase intentions and word of mouth (F = 2.281, p = .033). All the other relationships were found to be universal across different service types.

Table 99: Word of Mouth hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I	H/U	S/E/C	1/2/3
H42b	Subjective Norms → Word of Mouth	Not Supported	×	×	×	×
H46b	Perceived difficulty → Word of Mouth	Not Supported	×	×	×	×
H50b	Switching Experience → Word of Mouth	Not Supported	×	×	×	×
H54b	Service Experience → Word of Mouth	Not Supported	×	×	×	×
H57b	Repurchase Intention → Word of Mouth	**P. Supported**	×	×	✓	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

The relationship between repurchase intentions and word of mouth was found to vary between search (β = .171, p = .05) and credence services (β = .472, p = .001). The relationship is stronger for credence services than it is for search services. The rationale might be that it is more likely that other customers seek advice for services with credence values, where they cannot evaluate the outcome, rather than search services where the customer can evaluate the outcome even before the consumption. Thus, it is more likely that the customer will recommend a credence service based on his/her repurchase intentions than a search service.

Table 100: Word of Mouth Chow Test Results - Variations across Services

		Re-purchase Intention	Subjective Norms	Perceived Difficulty	Switching Experience	Service Experience	R-Square
WoM	Collective	**.313**	**.217**	.100	-.024	**.304**	**.353*** **
	Individual	**.303**	**.290**	.050	.032	**.271**	**.399*** **
Chow Test	F	.724	1.797	.423	.538	.104	.382
	Sig.	.395	.181	.516	.464	.748	
WoM	Hedonic	**.219****	**.307*** **	.085	.001	**.342*** **	**.404*** **
	Utilitarian	**.380*** **	**.250*** **	.055	.000	**.184*** **	**.360*** **
Chow Test	F	.908	.251	.096	.000	2.616	.391
	Sig.	.341	.617	.756	.989	.106	
WoM	Search	**.171***	**.236*** **	.097	-.107	**.398*** **	**.330*** **
	Experience	**.314*** **	**.256*** **	.064	.049	**.287*** **	**.415*** **
	Credence	**.472*** **	**.190***	.088	-.049	.129	**.386*** **
Chow Test	F	2.281	.158	.074	1.109	1.790	.418
	Sig.	.104	.854	.928	.331	.168	
Between Groups	1 -1 0	.331	.801	.727	.144	.330	
	0 1 -1	.187	.575	.780	.394	.314	
	1 0 -1	.033	.731	.981	.702	.062	
WoM	Group 1	**.335*** **	**.330*** **	.057	.029	**.224****	**.432*** **
	Group 2	**.253****	**.236*** **	-.001	.032	**.283*** **	**.320*** **
	Group 3	**.349*** **	**.332*** **	.079	-.108	**.184****	**.374*** **
Chow Test	F	1.130	.125	.270	1.334	.494	.407
	Sig.	.324	.882	.763	.265	.611	
Between Groups	1 -1 0	.260	.621	.598	.968	.493	
	0 1 -1	.174	.737	.479	.141	.335	
	1 0 -1	.840	.869	.815	.153	.783	

***p<.001; **p<.01; *p<.05; (+) p<.10
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

SHARE OF WALLET

Share of wallet, as part of the relationship outcome, was also hypothesised to be influenced by repurchase intentions, perceived difficulty, switching and service experience across all services. Testing these hypotheses, it was found that switching experience (β = -.349, $p < .001$) and repurchase intentions (β = .215, $p < .001$) can directly influence share of wallet across all services, which confirms hypotheses H53a and H62a. Switching experience had the strongest effect on share of wallet, followed by repurchase intentions. However, perceived difficulty and service experience were found to influence share of wallet only indirectly through repurchase intentions. Finally, subjective norms in relation to share of wallet were hypothesised to be moderated by the service type, which was found to be true for search experience and credence services. The results in the table below show that 19.6% of share of wallet variance can be explained by these variables (R^2 = .196, $p < .001$).

Table 101: Regression results Share of Wallet

	SoW
Subjective Norms	.017
Perceived Difficulty	-.052
Switching Experience	**-.349*** **
Service Experience	-.059
Re-purchase Intention	**.215*** **
R-Square	**.196*** **

***p<.001; **p<.01; *p<.05; (+) p<.10
All values reported are standardised beta coefficients.

Perceived difficulty and prior service experience were not found to have a direct effect on share of wallet. These relationships have not been examined previously in the literature, and thus these results are mainly exploratory. Thus, further investigation on the basis of Sobel test showed that these relationships are mediated by repurchase intentions. This means that the percentage of the money that a customer spends in a service provider is not related directly to perceived difficulty and previous service experience, but indirectly through repurchase intentions.

Table 102: Indirect effect of Perceived Difficulty and Switching Experience

To SoW	Perceived Difficulty		Service Experience	
	Effect	p	Effect	p
Indirect effect through Intention	-0.005	0.000	0.005	0.000
R-Square	0.214	0.000	0.293	0.000

The regression results showed that switching experience has a negative direct effect on share of wallet. This is reasonable, because customers with more switching experiences tend to spend less money relatively on a specific service provider, as they share their wallet with other service providers. This is also supported by Keaveney (1995), who emphasises that switching behaviours are very damaging for the profitability of a service provider and their market share. Additionally, repurchase intentions have a direct effect on share of wallet. This means that the higher the willingness of customers to repurchase from the same service provider, the higher percentages of money they will spend on this specific provider will be. The underlying rationale is that customers who intend to purchase again, they tend to purchase more and more, which consequently leads to higher share of wallet (Cooil et al., 2007; Keiningham, Perkins-Munn & Evans, 2003; Liu, 2007).

Table 103: Share of Wallet hypotheses across all services

Hypotheses	Relationships	Results
H47a	Perceived Difficulty → Share of Wallet	Not Supported
H51a	Switching Experience → Share of Wallet	**Supported**
H55a	Service Experience → Share of Wallet	Not Supported
H58a	Repurchase Intention → Share of Wallet	**Supported**

The Chow test results showed that the service type moderate the following relationships: 1) subjective norms and share of wallet between experience and credence services, 2) switching experience and share of wallet for search, experience and credence services, and 3) repurchase intentions and share of wallet for collective/individual services, hedonic/utilitarian services and search, experience and credence services.

Table 104: Share of Wallet hypotheses based on service types

Hyp.	Relationships	Results	Service Types			
			C/I	H/U	S/E/C	1/2/3
H43	Subjective Norms → Share of Wallet	**P. Supported**	×	×	✓	×
H47b	Perceived Difficulty → Share of Wallet	Not Supported	×	×	×	×
H51b	Switching Experience → Share of Wallet	**P. Supported**	×	×	✓	×
H55b	Service Experience → Share of Wallet	Not Supported	×	×	×	×
H58b	Repurchase Intention → Share of Wallet	**P. Supported**	✓	✓	✓	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

Subjective Norms:

The first variation was found between experience and credence services ($F = 2.970$, $p = .016$), because of the direct influence of subjective norms to share of wallet. This relationship was found to be positively significant in credence services ($\beta = .238$, $p < .01$) but not significant in experience services. This means that in services that it is difficult for the customer to evaluate the outcome even after the consumption, people who are important to that customer can influence his/her spending on this service provider. Thus, when that customer feels that the service provider is socially accepted and approved, s/he feels more confident to spend more money on this provider. However, in experience services that the customer can evaluate the outcome after the consumption, customers adjust their spending on their own evaluation and not on what the other say.

Switching Experience:

The second variation was found across search, experience and credence services ($F = 3.575$, $p = .029$), for the relationship between switching experience and share of wallet. This relationship was found to be negatively significant in search ($\beta = -.216$, $p < .01$) and experience services ($\beta = -.401$, $p < .001$) but not significant in credence services. This means that in highly risky services that is very difficult for the customer to evaluate the outcome of the service, the influence of switching experience on share of wallet is not enough. However, in less risky services, where the customer can evaluate the outcome of the service (before or after the transaction), the switching experience can negatively influence the amount of money that the customer spends on a provider.

This is stronger in experience services than search services and this is reasonable since in experience services the customer has the opportunity to cosume more during the transaction (e.g. restaurants or hairdresser) and thus, the share of wallet can be influenced more in comparison to search services, where the price is mainly fixed. This means that in search and experience services the more the customer is switching across providers, the less s/he will be able to spend in one service provider, with a stronger effect in experience services (where the control over share of wallet is weaker).

Table 105: Share of Wallet Chow Test Results - Variations across Services

		Re-purchase Intention	Subjective Norms	Perceived Difficulty	Switching Experience	Service Experience	R-Square
SoW	Collective	**.318*** **	.029	-.004	**-.309*** **	-.121	**.215*** **
	Individual	***.145(+)***	-.012	**-.153*** **	**-.169** **	.009	**.112*** **
Chow Test	F	4.641	.224	2.187	3.505	1.780	.248
	Sig.	.032	.636	.140	.062	.183	
SoW	Hedonic	**.396*** **	-.017	**-.134*** **	**-.337*** **	-.040	**.310*** **
	Utilitarian	***.140(+)***	.008	.001	**-.269*** **	-.001	**.107*** **
Chow Test	F	10.314	.085	2.215	1.734	.167	.276
	Sig.	.001	.770	.137	.188	.683	
SoW	Search	**.344*** **	-.010	-.037	**-.216** **	-.032	**.193*** **
	Experience	**.435*** **	-.092	-.094	**-.401*** **	-.001	**.389*** **
	Credence	-.048	**.238***	.053	-.123	.071	.078
Chow Test	F	4.896	2.970	.569	3.575	.223	.384
	Sig.	.008	.053	.567	.029	.801	
Between Groups	1 -1 0	.497	.415	.631	.038	.812	
	0 1 -1	.002	.016	.289	.017	.653	
	1 0 -1	.015	.086	.546	.536	.505	
SoW	Group 1	**.249***	.044	**-.183***	-.121	.005	**.187*** **
	Group 2	.111	-.105	-.096	**-.198***	-.032	**.086***
	Group 3	**.259** **	.089	-.016	**-.218** **	-.059	**.137*** **
Chow Test	F	1.091	1.607	.863	.410	.116	.166
	Sig.	.337	.202	.422	.664	.890	
Between Groups	1 -1 0	.216	.157	.480	.476	.768	
	0 1 -1	.219	.090	.549	.862	.855	
	1 0 -1	.985	.759	.193	.410	.633	

***p<.001; **p<.01; *p<.05; (+) p<.10;
The values across the groups reported are standardised beta coefficients;
The significant results of the **Chow Test** are highlighted in
[1]**Between-group differences**: 10-1 = difference between group 1 and 3; 1-10= difference between group 1 and 2; 01-1= difference between group 2 and 3

Repurchase intentions:

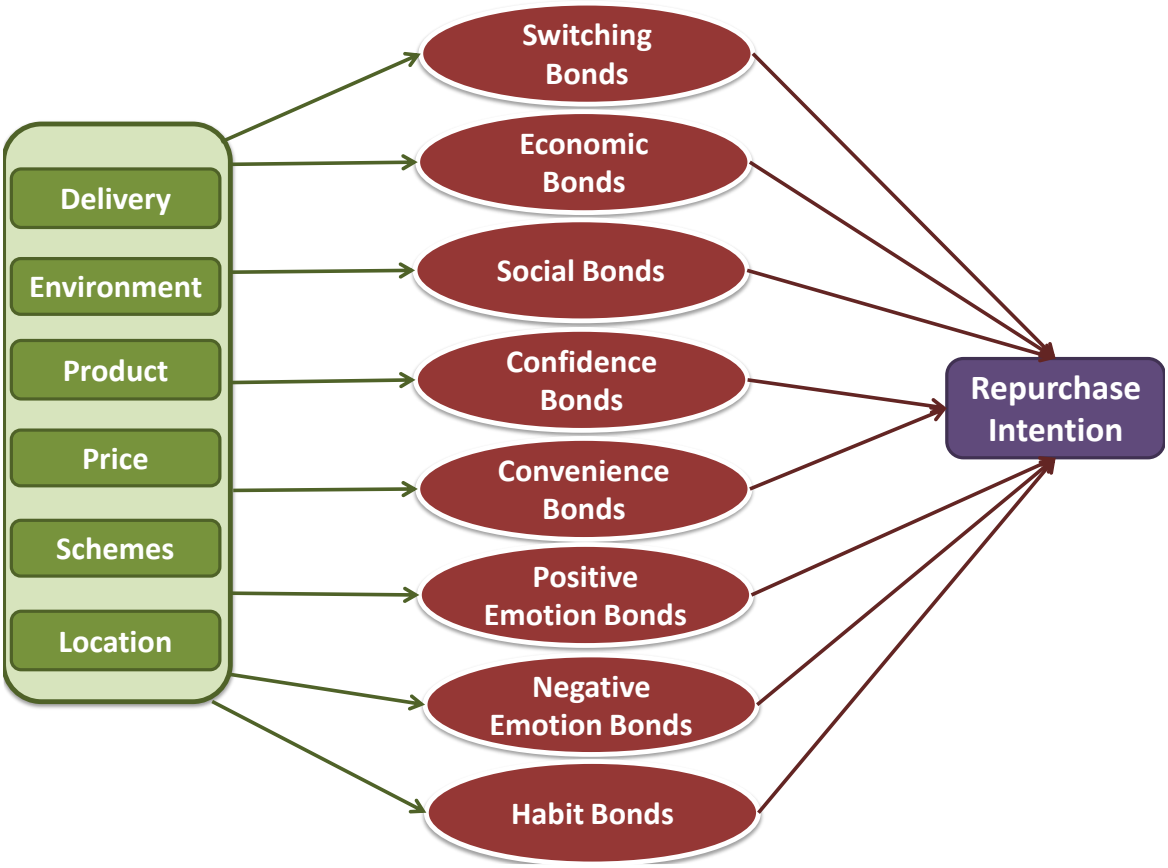
Interestingly, repurchase intentions in relation to share of wallet, was found to vary across three service typologies: between collective and individual services ($F = 4.641$, $p = .032$), between hedonic and utilitarian services ($F = 10.314$, $p = .001$), and across search, experience and credence services ($F = 4.896$, $p = .008$). The Chow test results showed that the more customers are willing to repurchase from a service provider the higher share of wallet they have, mainly for collective ($\beta = .318$, $p < .001$) and hedonic services ($\beta = .396$, $p < .001$). However, this relationship was not found to be so strong in individual ($\beta = .145$, $p < .10$) and utilitarian ($\beta = .140$, $p < .10$) services. Hedonic services are promoting more affective feelings during the consumption, leading the customer to act more on impulse rather than cognition (Bolton, Lemon & Verchoef, 2004; Khan & Dhar, 2010). This way, customers are going to be more vulnerable and could spend more money during the consumption, especially, in hedonic services. Additionally, in collective services, where there is group of customers sharing the same goal, customer-to-customer influence, when it is positive, can strengthen the link between repurchase intentions and share of wallet.

Finally, it was found that the relationship between repurchase intentions and share of wallet is stronger in experience services ($\beta = .435$, $p < .001$) than in search services ($\beta = .344$, $p < .001$), and not significant in credence services. As explained earlier, in experience services there are more opportunities for the customer to spend more money during the transaction rather than in search services. Thus, the more willing the customer is to repurchase from the provider, the higher the share of wallet will be for these services. On the other hand, in more risky services, like credence services, this link is not so important, because it would be difficult for the customer to evaluate the outcome of the transaction and judge his/her spending only based on his/her intentions.

MEDIATING EFFECTS

To test whether there are any mediating effects in the model, the Sobel test was conducted and the results are briefly presented in the following sections. The first part of the analysis is illustrating the mediating effect of all the relational bonds between the service actions and repurchase intentions.

Figure 52: Mediating Effect of Relational Bonds



Service delivery was found to influence indirectly repurchase intentions through all the relational bonds, except for the switching costs. Service product and service environment were also found to influence indirectly repurchase intentions through most of the relational bonds, expect for switching costs and economic bonds.

Table 106: Mediating effect of Relational Bonds (part I)

Indirect effect of Service Actions To Intention

	Service Delivery		Service Product		Service Environment	
	Effect	p	Effect	p	Effect	p
TOTAL effect	0.304	0.000	0.389	0.000	0.273	0.000
Switching	-0.003	0.624	-0.004	0.615	-0.003	0.607
Economic	**-0.021**	**0.054**	-0.014	0.100	-0.010	0.107
Social	**0.080**	**0.002**	**0.077**	**0.003**	**0.057**	**0.006**
Confidence	**0.108**	**0.000**	**0.129**	**0.000**	**0.087**	**0.000**
Convenience	**0.022**	**0.021**	**0.030**	**0.022**	**0.021**	**0.022**
Positive	**0.131**	**0.000**	**0.141**	**0.000**	**0.116**	**0.000**
Negative	**0.103**	**0.000**	**0.126**	**0.000**	**0.076**	**0.000**
Habit	**0.044**	**0.001**	**0.059**	**0.000**	**0.043**	**0.000**
Direct effect	**0.102**	**0.034**	**0.131**	**0.014**	0.051	0.221
R-Square	**0.427**	**0.000**	**0.429**	**0.000**	**0.424**	**0.000**

Price, on the other hand, was found to influence indirectly repurchase intentions through most of the relational bonds, except for switching costs, economic bonds and habit bonds. Reward schemes were also found to have an indirect effect to repurchase intentions through five relational bonds, except for switching costs, economic bonds and convenience bonds. Finally, location was found to have an indirect effect to repurchase intentions through most of the relational bonds, except for switching costs and economic bonds.

Table 107: Mediating effect of Relational Bonds (part II)

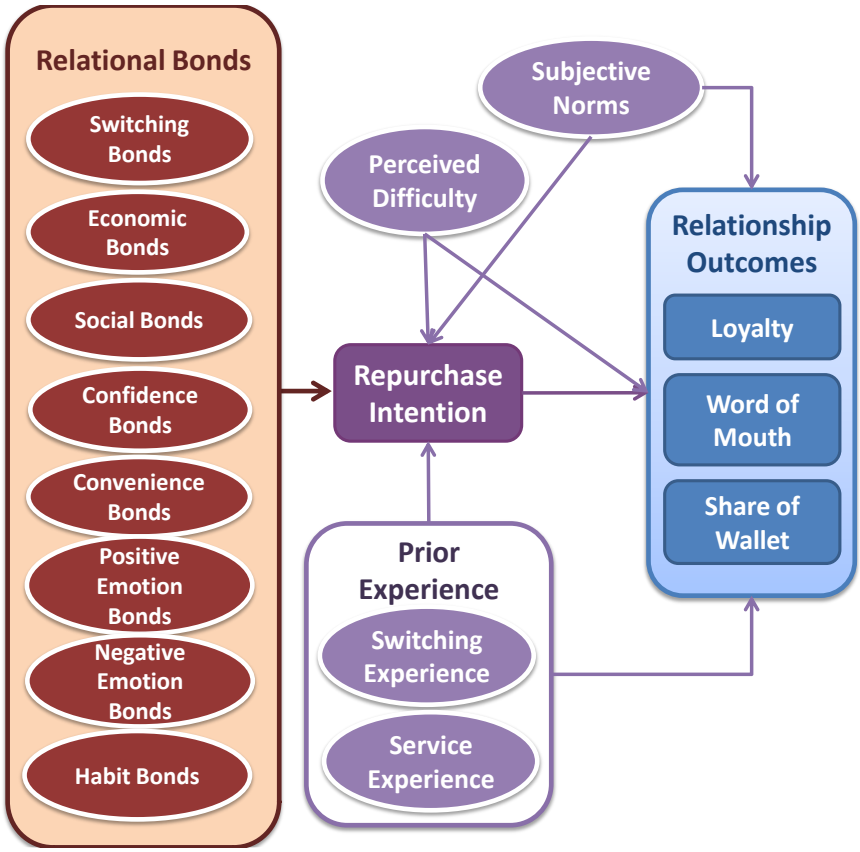
Indirect effect of Service Actions To Intention

	Price		Schemes		Location	
	Effect	p	Effect	p	Effect	p
TOTAL effect	0.171	0.000	0.172	0.000	0.172	0.000
Switching	-0.001	0.668	-0.002	0.610	0.001	0.715
Economic	-0.007	0.136	-0.027	0.151	0.000	0.938
Social	**0.027**	**0.013**	**0.032**	**0.017**	**0.026**	**0.014**
Confidence	**0.046**	**0.000**	**0.065**	**0.000**	**0.027**	**0.011**
Convenience	**0.012**	**0.050**	0.011	0.074	**0.028**	**0.023**
Positive	**0.052**	**0.000**	**0.073**	**0.000**	**0.052**	**0.000**
Negative	**0.078**	**0.000**	**0.054**	**0.001**	**0.061**	**0.000**
Habit	0.016	0.071	**0.030**	**0.004**	**0.029**	**0.003**
Direct effect	0.045	0.186	-0.019	0.633	0.023	0.4945
R-Square	**0.424**	**0.000**	**0.423**	**0.000**	**0.423**	**0.000**

The common element among these results is that switching costs and economic bonds were not found to have a mediating effect between service actions and repurchase intentions. This is an interesting outcome and indicates that in the relationship development stage these two bonds are not strong enough. As mentioned before, the procedural costs and economic bonds can be important in the first stages of a relationship, however as the relationship evolves, these bonds start to lose their power, while at the same time other relational bonds such as social, confidence convenience emotional and habit bonds, are stronger.

The second part of the analysis is concerned with the mediating effect of repurchase intention. Switching costs were not found to have any indirect effect through repurchase intentions, to loyalty, word of mouth and share of wallet. Economic bonds, on the other hand, found to have an indirect effect only to share of wallet through repurchase intentions. The reasoning behind this result is apparent, as the higher economic bonds can increase the share of wallet, when customers' repurchase intentions are high.

Figure 53: Mediating Effect of Repurchase Intentions



Additionally, social bonds were found to have an indirect influence on word of mouth and share of wallet through repurchase intentions, but not on loyalty. However, it was found that it has a direct positive effect on loyalty. Regarding the rest of the relational bonds, it was found that all of them (confidence, convenience, habit and emotional bonds, both positive and negative) can indirectly influence all the relationship outcomes (loyalty, word of mouth, and share of wallet) through repurchase intentions. This means that repurchase intentions have a strong mediating effect on the relationship between relational bonds and relationship outcomes.

Table 108: Mediating effect of Repurchase Intentions (part I)

	Switching Cost		Economic		Social		Confidence	
	Effect	p	Effect	p	Effect	p	Effect	p
To Loyalty								
TOTAL effect	-0.030	0.499	-0.009	0.877	-0.026	0.618	**0.169**	**0.000**
Indirect via Intention	-0.030	0.499	-0.009	0.877	-0.026	0.618	**0.169**	**0.000**
Direct effect	**0.269**	**0.000**	**0.240**	**0.007**	**0.631**	**0.000**	**0.484**	**0.000**
R-Square	**0.048**	**0.000**	**0.024**	**0.002**	**0.180**	**0.000**	**0.306**	**0.000**
To WoM								
TOTAL effect	0.024	0.206	0.007	0.794	**0.074**	**0.002**	**0.147**	**0.000**
Indirect via Intention	0.024	0.206	0.007	0.794	**0.074**	**0.002**	**0.147**	**0.000**
Direct effect	**0.118**	**0.003**	**0.209**	**0.000**	**0.301**	**0.000**	**0.269**	**0.000**
R-Square	**0.032**	**0.000**	**0.036**	**0.000**	**0.138**	**0.000**	**0.289**	**0.000**
To SoW								
TOTAL effect	0.001	0.155	**0.001**	**0.030**	**0.003**	**0.000**	**0.005**	**0.000**
Indirect via Intention	0.001	0.155	**0.001**	**0.030**	**0.003**	**0.000**	**0.005**	**0.000**
Direct effect	**0.010**	**0.000**	0.000	0.938	**0.008**	**0.000**	**0.004**	**0.020**
R-Square	**0.079**	**0.000**	0.010	0.062	**0.100**	**0.000**	**0.232**	**0.000**

Finally, the mediating effect of repurchase intentions was also examined for the relationship between subjective norms, perceived difficulty and prior experience with all the relationship outcomes. Subjective norms as analysed in the previous sections have a direct effect on loyalty and word of mouth without an indication of an indirect effect through repurchase intentions. Although the direct relationship between subjective norms and share of wallet, the Sobel test results showed that this relationship is mediated from repurchase intentions. This means that the customers can

be influenced by the people who are important to them regarding their spending, only when their repurchase intentions are high.

Table 109: Mediating effect of Repurchase Intentions (part II)

	Convenience Effect	p	Positive Effect	p	Negative Effect	p	Habit Effect	p
To Loyalty								
TOTAL effect	**0.166**	**0.001**	**0.122**	**0.011**	**-0.327**	**0.000**	**0.152**	**0.001**
Indirect via Intention	**0.166**	**0.001**	**0.122**	**0.011**	**-0.327**	**0.000**	**0.152**	**0.001**
Direct effect	**0.213**	**0.004**	**0.492**	**0.000**	-0.040	0.516	**0.333**	**0.000**
R-Square	**0.102**	**0.000**	**0.223**	**0.000**	**0.190**	**0.000**	**0.181**	**0.000**
To WoM								
TOTAL effect	**0.150**	**0.000**	**0.096**	**0.000**	**-0.179**	**0.000**	**0.145**	**0.000**
Indirect via Intention	**0.150**	**0.000**	**0.096**	**0.000**	**-0.179**	**0.000**	**0.145**	**0.000**
Direct effect	-0.042	0.361	**0.392**	**0.000**	-0.010	0.799	0.077	0.061
R-Square	**0.089**	**0.000**	**0.270**	**0.000**	**0.189**	**0.000**	**0.146**	**0.000**
To SoW								
TOTAL effect	**0.003**	**0.000**	**0.005**	**0.000**	**-0.005**	**0.000**	**0.004**	**0.000**
Indirect via Intention	**0.003**	**0.000**	**0.005**	**0.000**	**-0.005**	**0.000**	**0.004**	**0.000**
Direct effect	**0.007**	**0.001**	**-0.004**	**0.031**	0.002	0.152	**0.009**	**0.000**
R-Square	**0.106**	**0.000**	**0.158**	**0.000**	**0.192**	**0.000**	**0.180**	**0.000**

The indirect relationship between perceived difficulty and relationship outcomes has been presented in detail in the previous sections. To sum up, it was found that although there is not a direct relationship between perceived difficulty and relationship outcomes (as it was hypothesised), repurchase intentions can significantly mediate this relationship. Thus, it can be concluded that perceived difficulty can influence indirectly and negatively loyalty, word of mouth, and share of wallet through repurchase intentions.

Although the direct relationship between switching experience and word of mouth was not confirmed, Sobel's test results indicate that this relationship can be mediated from repurchase intentions. Finally, with respect to the relationships between switching experience and loyalty, and switching experience and share of wallet, they were not found to be mediated by repurchase intentions. However, these relationships as described in the previous sections have a significant direct effect.

Table 110: Mediating effect of Repurchase Intentions (part III)

	Subjective Norms		Perceived Difficulty		Switching Experience		Service Experience	
	Effect	p	Effect	p	Effect	p	Effect	p
To Loyalty								
TOTAL effect	0.056	0.234	**-0.374**	**0.000**	-0.039	0.559	**0.220**	**0.000**
Indirect via Intention	0.056	0.234	**-0.374**	**0.000**	-0.039	0.559	**0.220**	**0.000**
Direct effect	**0.248**	**0.000**	0.038	0.514	**-0.262**	**0.007**	**0.299**	**0.000**
R-Square	**0.067**	**0.000**	**0.215**	**0.000**	**0.033**	**0.000**	**0.329**	**0.000**
To WoM								
TOTAL effect	0.015	0.446	**-0.209**	**0.000**	**-0.097**	**0.001**	**0.138**	**0.000**
Indirect via Intention	0.015	0.446	**-0.209**	**0.000**	**-0.097**	**0.001**	**0.138**	**0.000**
Direct effect	**0.331**	**0.000**	**0.098**	**0.007**	0.051	0.399	**0.224**	**0.000**
R-Square	**0.149**	**0.000**	**0.224**	**0.000**	**0.022**	**0.003**	**0.350**	**0.000**
To SoW								
TOTAL effect	**0.002**	**0.000**	**-0.005**	**0.000**	-0.001	0.277	**0.005**	**0.000**
Indirect via Intention	**0.002**	**0.000**	**-0.005**	**0.000**	-0.001	0.277	**0.005**	**0.000**
Direct effect	0.003	0.140	0.001	0.735	**-0.022**	**0.000**	**-0.004**	**0.003**
R-Square	**0.048**	**0.000**	**0.214**	**0.000**	**0.151**	**0.000**	**0.293**	**0.000**

Ultimately, service experience was found to influence indirectly all the relationship outcomes (loyalty, word of mouth, and share of wallet) through repurchase intentions. This means that although share of wallet was not found to be directly influenced by service experience, repurchase intentions can mediate this relationship. To conclude, these relationships between relationship outcomes and subjective norms, perceived difficulty and prior experience which were not found to have a direct effect and consequently they do not confirm the initial hypotheses, were found to be mediated by repurchase intentions. This means that either directly or indirectly, all of the constructs in the conceptual model are significantly related, validating the strength of the proposed conceptual model.

SUMMARY

In this chapter the results from the main quantitative study are presented. The hypotheses have been tested and the findings are discussed. Before the conclusions, which are presented in the next chapter, summary tables with all the hypotheses are

provided below, including the outcomes of the hypotheses (whether they are supported or not), and in which service categorisation the supported hypothesis were found to vary. The first two tables present the results between relational bonds and service actions, and relational bonds and repurchase intentions.

Table 111: Hypotheses Part I Summary across all services

Hypotheses	Relationships	Results
H1a	Delivery → Switching Costs	Not supported
H2a	Product → Switching Costs	**Supported**
H3a	Environment → Switching Costs	**Supported**
H4	Price → Switching Costs	***Partially Supported***
H5a	Rewards → Switching Costs	Not Supported
H6	Location → Switching Costs	***Partially Supported***
H7a	Switching Costs → Repurchase Intention	Not Supported
H8a	Price → Economic Bonds	Not Supported
H9a	Rewards → Economic Bonds	**Supported**
H10a	Economic Bonds → Repurchase Intentions	Not Supported
H11a	Delivery → Social Bonds	**Supported**
H12a	Product → Social Bonds	**Supported**
H13a	Environment → Social Bonds	**Supported**
H14a	Social Bonds → Repurchase Intentions	Not Supported
H15a	Delivery → Confidence Bonds	**Supported**
H16a	Product → Confidence Bonds	**Supported**
H17a	Environment → Confidence Bonds	Not Supported
H18a	Confidence Bonds → Repurchase Intentions	**Supported**
H19a	Delivery → Convenience Bonds	Not Supported
H20a	Product → Convenience Bonds	**Supported**
H21a	Environment → Convenience Bonds	Not Supported
H22a	Location → Convenience Bonds	**Supported**
H23	Convenience Bonds → Repurchase Intentions	***Partially Supported***
H24a	Delivery → Positive Emotions	**Supported**
H25a	Product → Positive Emotions	**Supported**
H26a	Environment → Positive Emotions	**Supported**
H27a	Delivery → Negative Emotions	Not Supported
H28a	Product → Negative Emotions	**Supported**
H29a	Environment → Negative Emotions	Not Supported
H30a	Price → Positive Emotions	Not Supported
H31a	Price → Negative Emotions	**Supported**
H32a	Rewards → Positive Emotions	Not Supported
H33a	Rewards → Negative Emotions	**Supported**
H34a	Positive Emotions → Repurchase Intentions	**Supported**
H35a	Negative Emotions → Repurchase Intentions	**Supported**
H36a	Product → Habit Bonds	**Supported**
H37a	Environment → Habit Bonds	Not Supported
H38a	Location → Habit Bonds	Not Supported
H39a	Habit Bonds → Repurchase Intentions	**Supported**

Table 112: Hypotheses Part I Summary – based on service type

Hyp.	Relationships	Results	Service Types			
			C/I[1]	H/U[2]	S/E/C[3]	1/2/3[4]
H1b	Delivery → Switching Costs	**P. Supported**	×	×	✓	×
H2b	Product → Switching Costs	**P. Supported**	✓	×	×	×
H3b	Environment → Switching Costs	**P. Supported**	×	×	×	✓
H4	Price → Switching Costs	**P. Supported**	×	✓	✓	×
H5b	Rewards → Switching Costs	Not Supported	×	×	×	×
H6	Location → Switching Costs	**P. Supported**	×	✓	×	×
H7b	Switching Costs → Repurchase Intention	Not Supported	×	×	×	×
H8b	Price → Economic Bonds	Not Supported	×	×	×	×
H9b	Rewards → Economic Bonds	Not Supported	×	×	×	×
H10b	Economic Bonds → Repurchase Intentions	**P. Supported**	×	×	✓	×
H11b	Delivery → Social Bonds	**P. Supported**	✓	×	×	✓
H12b	Product → Social Bonds	Not Supported	×	×	×	×
H13b	Environment → Social Bonds	**P. Supported**	✓	×	×	✓
H14b	Social Bonds → Repurchase Intentions	Not Supported	×	×	×	×
H15b	Delivery → Confidence Bonds	**P. Supported**	✓	×	✓	✓
H16b	Product → Confidence Bonds	Not Supported	×	×	×	×
H17b	Environment → Confidence Bonds	**P. Supported**	✓	×	×	✓
H18b	Confidence Bonds → Repurchase Intentions	**P. Supported**	✓	✓	×	×
H19b	Delivery → Convenience Bonds	**P. Supported**	×	×	✓	×
H20b	Product → Convenience Bonds	Not Supported	×	×	×	×
H21b	Environment → Convenience Bonds	Not Supported	×	×	×	×
H22b	Location → Convenience Bonds	Not Supported	×	×	×	×
H23	Convenience Bonds → Repurchase Intentions	**P. Supported**	×	✓	×	×
H24b	Delivery → Positive Emotions	**P. Supported**	✓	×	×	×
H25b	Product → Positive Emotions	Not Supported	×	×	×	×
H26b	Environment → Positive Emotions	Not Supported	×	×	×	×
H27b	Delivery → Negative Emotions	Not Supported	×	×	×	×
H28b	Product → Negative Emotions	Not Supported	×	×	×	×
H29b	Environment → Negative Emotions	Not Supported	×	×	×	×
H30b	Price → Positive Emotions	Not Supported	×	×	×	×
H31b	Price → Negative Emotions	**P. Supported**	×	×	×	✓
H32b	Rewards → Positive Emotions	**P. Supported**	×	×	✓	×
H33b	Rewards → Negative Emotions	Not Supported	×	×	×	×
H34b	Positive Emotions → Repurchase Intentions	Not Supported	×	×	×	×
H35b	Negative Emotions → Repurchase Intentions	**P. Supported**	✓	✓	×	×
H36b	Product → Habit Bonds	**P. Supported**	✓	×	×	✓
H37b	Environment → Habit Bonds	**P. Supported**	✓	×	×	✓
H38b	Location → Habit Bonds	**P. Supported**	✓	×	✓	✓
H39b	Habit Bonds → Repurchase Intentions	**P. Supported**	×	✓	✓	✓

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

The second set of tables presents the relationships between subjective norms and relationship outcomes, perceived difficulty and relationship outcomes, switching experience and relationship outcomes and service experience and relationship outcomes.

Table 113: Hypotheses Part II Summary across all services

Hypotheses	Relationships	Results
H40a	Subjective Norms → Repurchase Intention	**Supported**
H41a	Subjective Norms → Loyalty	**Supported**
H42a	Subjective Norms → Word of Mouth	**Supported**
H43	Subjective Norms → Share of Wallet	***Partially Supported***
H45a	Perceived difficulty → Repurchase Intention	**Supported**
H46a	Perceived difficulty → Loyalty	Not Supported
H47a	Perceived difficulty → Word of Mouth	Not Supported
H48a	Perceived Difficulty → Share of Wallet	Not Supported
H50a	Switching Experience → Repurchase Intention	**Supported**
H51a	Switching Experience → Loyalty	**Supported**
H52a	Switching Experience → Word of Mouth	Not Supported
H53a	Switching Experience → Share of Wallet	**Supported**
H55a	Service Experience → Repurchase Intention	**Supported**
H56a	Service Experience → Loyalty	**Supported**
H57a	Service Experience → Word of Mouth	**Supported**
H58a	Service Experience → Share of Wallet	Not Supported
H60a	Repurchase Intention → Loyalty	**Supported**
H61a	Repurchase Intention → Word of Mouth	**Supported**
H62a	Repurchase Intention → Share of Wallet	**Supported**

Table 114: Hypotheses Part II Summary – based on service type

Hyp.	Relationships	Results	Service Types			
			C/I	H/U	S/E/C	1/2/3
H40b	Subjective Norms → Repurchase Intention	Not Supported	×	×	×	×
H41b	Subjective Norms → Loyalty	**P. Supported**	×	×	✓	×
H42b	Subjective Norms → Word of Mouth	Not Supported	×	×	×	×
H43	Subjective Norms → Share of Wallet	**P. Supported**	×	×	✓	×
H45b	Perceived difficulty → Repurchase Intention	Not Supported	×	×	×	×
H46b	Perceived difficulty → Loyalty	Not Supported	×	×	×	×
H47b	Perceived difficulty → Word of Mouth	Not Supported	×	×	×	×
H48b	Perceived Difficulty → Share of Wallet	Not Supported	×	×	×	×
H50b	Switching Experience →Repurchase Intention	Not Supported	×	×	×	×
H51b	Switching Experience → Loyalty	Not Supported	×	×	×	×
H52b	Switching Experience → Word of Mouth	Not Supported	×	×	×	×
H53b	Switching Experience → Share of Wallet	**P. Supported**	×	×	✓	×
H55b	Service Experience → Repurchase Intention	Not Supported	×	×	×	×
H56b	Service Experience → Loyalty	**P. Supported**	×	✓	×	×
H57b	Service Experience → Word of Mouth	Not Supported	×	×	×	×
H58b	Service Experience → Share of Wallet	Not Supported	×	×	×	×
H60b	Repurchase Intention → Loyalty	Not Supported	×	×	×	×
H61b	Repurchase Intention → Word of Mouth	Not Supported	×	×	✓	×
H62b	Repurchase Intention → Share of Wallet	**P. Supported**	✓	✓	✓	×

[1]**C/I** = Collective vs Individual Services
[2]**H/U** = Hedonic vs Utilitarian Services
[3]**S/E/C** = Search vs Experience vs Credence Services
[4]**1/2/3** = Group 1 vs Group 2 vs Group 3 Services

CHAPTER 6: CONCLUSIONS

INTRODUCTION

In the previous chapter the results of the main quantitative study were presented together with a brief discussion about each of them. This chapter starts with the main conclusions driven by the results. Subsequently, the main theoretical contributions and managerial contributions of the study are being pointed out. Finally, the limitations of the study are going to be discussed together with some ideas for future research.

A SERVICE VARIATION MODEL

In order to achieve the aim of this thesis, a number of objectives were defined in Chapter 1 and they were accomplished as discussed in the previous chapters. The first objective of this study was:

To develop a general conceptual model that can explain variation in customer relationship antecedents, mediators and outcomes across different types of services.

The first step in achieving these objectives was to review the different conceptual models in relationship marketing. After reviewing the literature it was apparent that there is a need for a conceptual model that can explain the variation of customer relationships across services. Thus, a preliminary qualitative research was conducted on the basis of sixty in-depth interviews to identify if service differences exist and get insights on the key components of the framework from a customer perspective. In the early stages of the interviewing process it became very clear that customer relationships are indeed service-context specific and a theory is needed to incorporate these differences. Therefore, after analysing the interviews the results directed the

researcher to revisit the literature in order to conceptualise a framework that could better explain customer relationships across different types of services. Theory of Planned Behaviour (TPB) was found through the qualitative research to offer a good theoretical platform of this framework, as many of its concepts emerged in the qualitative research stage. TPB is a well established theory in social psychology that explains solidly repeat behaviours in many contexts. The study did not merely apply this theory in the customer relationships contexts. It tackled some of the criticism of TPB's and, based on the qualitative findings, it enhanced TPB into a new conceptual model applicable to the service variation context. The adopted model was empirically tested through a quantitative research in a random sample in London providing new insights on customer retention.

BUILDING RELATIONAL BONDS

The second objective of this thesis was:

To identify which services actions influence relational bonds.

In order to achieve this objective, it was important first *to identify the relational bonds which are relevant to the service context and then examine how these bonds can be built though different service actions*. These relational bonds were identified in the preliminary qualitative study and then they were conceptualised on the basis of the literature. These relational bonds are: switching costs, economic bonds, social bonds, confidence bonds, convenience bonds, positive emotional bonds, negative emotional bonds, and habit bonds. This study is the first that attempts to bring together all these relational bonds and examines them empirically across different service types. To date, most of the researches in services marketing focus merely on the positive side of bonds – relational benefits – and most of them are limited to three benefits (e.g. Gwinner *et al*., 1998: confidence, social and special treatment benefits; Paul et al., 2009: functional, psychological and social bonds). Thus, one of the main contributions of this

study is that it brings together eight attitudinal concepts that can either positively or negatively tie service relationships.

To examine how each of these bonds can be built, it was crucial to identify which service actions -initiated from the company- can influence these bonds. These service actions were again identified primarily in the preliminary qualitative study and then they were conceptualised on the basis of the literature. They are: the service quality attributes (delivery, product and environment), price, reward schemes and location of the service. A substantive finding of this research is that each of the relational bonds can be built by different service actions. The regression results of the study suggest that across all services, social bonds (30.5%) and positive emotional bonds (30.5%) can be explained better by services actions, and more specifically by the three service quality attributes (delivery, product and environment). Services actions showed a good predictive power also for confidence bonds (24.3%) and economic bonds (23.4%), but less power for convenience (12.9%) and negative emotional bonds (12.3%). These are the bonds that managers can better control through service actions. The smallest power of services actions was towards the switching costs (6.9%) and habit bonds (6.6%). This small amount of variance is not that surprising, if we take into account that after a certain point in time, where the relationship has started to build, these two variables out of the eight, are influenced more by the individual rather than the relationship with the service provider.

Overall, the service actions that were found to influence the most the relational bonds were the three service actions attributes (delivery, product and environment), with the service product influencing all bonds apart from economic bonds. Service product had a strong effect on confidence bonds (33.1%), whereas service delivery was found to influence mainly social (28.7%) and positive emotional bonds (24.1%). Compared to the other two attributes, service environment did not have such a strong influence on relational bonds, with the strongest one (16.7%) directed towards positive emotional bonds. As it was expected, location is related strongly to convenience bonds (27.4%), and this link is also supported by several researches (e.g. Jones, Mothersbaugh & Beatty, 2003; Berry, Seiders & Grewal, 2002). However, an interesting finding of this

study, not previously explored, is that location was found to influence switching bonds (-21.4%) and negative emotional bonds (-9.1%) both in a negative way. This adds value to what Paul et al. (2009) research and the qualitative research suggest, namely that service location should not be neglected by researchers as a determinant of repeat buying.

The services actions that were found to influence the least relational bonds were: 1) price, which was found to influence only negative emotions (-11.4%), and 2) reward schemes which were found to influence only economic bonds, but strongly (44.9%). This is not unreasonable, as it is agreeable that price and incentives can influence customers' attitudes on the lower levels of relationship development, which occurs in the first steps of a relationship (e.g. Gwinner, Gremler & Bitner, 1998; Liljander & Roos, 2002; Kinard & Capella, 2006). Thus, it can be concluded that when the relationship starts to evolve and repurchase behaviours are in motion, price and rewards are not crucial determinants of relational bonds across all services.

After meeting the second objective of the thesis, the next step was:

To identify differences across different types of services in terms of service actions' effect on relational bonds.

The following sections try to meet the third objective of this thesis by focusing on how the aforementioned relationships vary across the four service typologies.

COLLECTIVE VS INDIVIDUAL

Overall, it was found that there are 9 relationships which vary between collective and individual services. Five of these relationships were found to be much stronger in ***individual services***: 1) the first 3 differences were found between service delivery and

social, confidence and positive emotional bonds, and 2) the next 2 differences were found between service product and switching costs and habit bonds. The rest four of the nine relationships, were found to be much stronger in ***collective services***: 1) the first 3 differences were found between service environment and social, confidence and habit bonds, and 2) the last difference was found between location and habit bonds.

Therefore, it can be concluded that services actions have a stronger effect on individual services rather than on collective services, with the main significant differences focusing on service quality attributes. In particular, it is found that service delivery and product are stronger in ***individual services***, whereas service environment is stronger in ***collective services***. Price and reward schemes did not seem to have any major differences across the two types of services, whereas the influence of location on habits was found to be stronger in collective services. This is not a 'formal' service typology, and there is no prior research that tested the moderated effect of collective versus individual services, but based on the preliminary qualitative results these findings are not surprising. When the service is consumed collectively it is apparent that other customers are going to be influenced by the environment and the ambience where the service is taking place. On the other hand, when the service is consumed individually and the customer is not influenced by other customers during the transaction, then that customer might pay more attention to the interaction with the employee or the features of the product.

In ***collective services***, the relational bonds which were found to be mostly influenced by services actions were positive emotional bonds (36.8%) and social bonds (34.7%). In ***individual services***, confidence bonds (30.4%) and economic bonds (26.2%) were found to be more strongly influenced by service actions. Confidence that the service will be performed well and monetary benefits from the use of the service are mainly driven by the service itself. On the other hand, how affective the customer feels and how well s/he interacts with the company, are bonds which are mainly driven by relationship itself. Thus, to sum up, these results indicate that the relational bonds which are more product-oriented, such as confidence bonds and economic bonds, are more important to individual services, whereas bonds which are more relationship-

oriented, such as social bonds and positive emotional bonds, are more important to collective services.

Finally, an interesting result was that habits bonds seem to differentiate a lot between collective and individual services. In individual services, habits are mainly influenced by service product characteristics (e.g. reliability, customisation etc.), but in collective services habits are influenced by both the environment and the location of the service. These results imply that the new proposed construct in this study, the habitual bonds, can explain some differences between collective and individual services better than other relational bonds. Thus, this study proposes that habit bonds can play an important role in repeat buying across different services and further investigation of this construct would be a very interesting direction for future research.

HEDONIC VS UTILITARIAN

In this service typology, few relationships were found to vary significantly between hedonic and utilitarian services. Overall, 4 relationships were found to vary between the two services: 1) the relationships between price – switching cots and location – social bonds were found to be stronger in ***utilitarian services***, and 2) the relationships between location – switching costs and schemes – habit bonds were found to be stronger in ***hedonic services***. An interesting remark is that although service quality attributes (delivery, product and environment) were found to have different effects on collective and individual services, they were not found to differ between hedonic and utilitarian service. On the other hand, the other three service actions, price, reward schemes and location, were found to vary more between hedonic and utilitarian services rather than collective and individual services.

Generally, it seems that the services actions in relation to bonds that have a stronger effect in ***hedonic services*** are: service delivery, and environment. On the contrary, service product and price were found to have a stronger effect on ***utilitarian services***.

The underlying rationale is that price and product are reflecting the more cognitive aspects of the service and they are also more prominent in utilitarian services (Ng, Russell-Bennett & Dagger, 2007). Additionally, in hedonic services the affective characteristics of the service which can make the customer feel pleasant can be mainly generated by the customer-company interactions and the atmosphere created by the company (Mano & Oliver, 1993).

In relation to bonds, it was found that in ***hedonic services*** social bonds (35.4%) and positive relational bonds (33%) had the stronger impact on services actions. On the other hand, it was found that in ***utilitarian services*** confidence (27.5%) and economic bonds (25.2%) are better explained by service actions. It is interesting that the same two bonds social and positive emotional bonds were found to be stronger in collective services, and confidence and economic bonds in individual services. This is also reasonable in this categorization, in that social and positive emotional bonds are more closely related to the affective aspects of a service (hedonic services), whereas confidence and economic bonds are more closely related to the cognitive aspects of a service (utilitarian services) (Ng, Russell-Bennett & Dagger, 2007).

SEARCH, EXPERIENCE AND CREDENCE

In the third typology, 8 differences were found overall across search experience and credence services: 1) in ***search services*** the significantly stronger relationships were found between price – switching costs, price – habit bonds, reward schemes – positive emotions, and location – habit bonds, 2) in ***experience services*** one significantly stronger relationship was found between service delivery – switching costs, and 3) in ***credence services*** three significantly stronger relationships were found between service delivery – confidence bonds, service delivery – convenience bonds and reward schemes – habit bonds.

On the basis of these results and the overall significant scores across the three services, it can be concluded that in search services the services actions that can influence more the relational bonds are price, reward schemes and location. The underlying rationale is that these actions are based on information that is easily available to customers. Obtaining full information in order to assess the utility outcome prior to purchase is an important part of the search services (Hsieh, Chiu & Chiang, 2005), and thus it is rational that the aforementioned actions are much more important to these kind of services. On the other hand, service delivery was found to influence strongly relational bonds for experience and credence service types, and service product mainly for credence services. This is also reasonable as in services with higher levels of risk, such as credence services, customers are going to depend more on the product characteristics, such as reliability and equipment. Additionally, in experience services customers are forming their evaluation during the consumption which makes the service delivery particularly important.

From the relationships which were found to significantly differ, the relational bonds that can be explained better by services actions in 1) ***search services*** are convenience bonds (19.5%) and switching bonds (15.4%), in 2) ***experience services*** are positive emotional bonds (32.1%) and habit bonds (21.9%), and in 3) ***credence services*** is confidence bonds (40.9%). The latter showed the highest R-squared score (40.9%), which is highly supported also by the qualitative study results. Many of the respondents reported that the main reason they keep visiting their dentist is because they feel confident that their dentist knows what s/he is doing. It is agreeable in service literature (e.g. Crocker 1986; Zeithaml, 1981; Zeithaml & Bitner, 2000; Hsieh, Chiu & Chiang, 2005) that higher levels of confidence help customer reduce the risk associated to the service, and this is particularly important in credence services.

An interesting result was also the universal strong effect of social bonds across all three service types (30.1% for search services, 27.3% for experience services and 28% for credence services). Social bonds were not found to vary significantly across the three services, but those bonds were found to be highly influenced by service actions across all three service types. This is in line with Hsieh, Chiu and Chiang (2005)

results, who found that social bonds are equally important for search, experience and credence goods/services. This means that the level of risk or certainty of the result is not strong enough to moderate the relationship between service actions and social bonds. On the contrary, this relationship between service actions and social bonds was found to be moderated by the level of the service customisation and contact (Bowen's groups), and to vary between collective and individual services.

Similar to the collective and individual typology, the relational bond that was found again to significantly vary across the three service types was habit bonds. Service price and location were found to influence habit bonds mainly in search services, and reward schemes were found to influence habit bonds mainly in credence services. In social psychology it is accepted that consistent context and similar cues can trigger automatic responses (Verplanken & Orbell, 2003). In the context of services, this consistency can be provided by the price and location which are the two actions that cannot be easily changed over time. At the same time, price and location is information that can be obtained prior to purchase and this is particularly important in search services. Thus, it is reasonable that price and location can influence habit bonds mainly in search services. On the other hand, in credence services, where the customer does not have the opportunity to evaluate the outcome even after the consumption, the only cue that can trigger automatic responses is a consistent reward scheme that can drive repeated buying. Thus, in credence services it is very important to provide a very well structured reward scheme in order to increase habitual attitudes.

GROUP 1, 2 AND 3

This typology was found to have the most variations in the relationships between service actions and relational bonds, among all the four service typologies. Eleven differences were found, from which:

1) four were found to be stronger in ***group 1*** (high-customisation, high-contact) services, which are the relationships between service delivery – confidence bonds,

service product – habit bonds, price – convenience bonds and reward schemes – habit bonds,

2) three were found to be stronger in ***group 2*** (semi-customisation, moderate-contact) services, which are the relationships between service delivery – social bonds, service environment – switching bonds and price – negative bonds, and

3) four were found to be stronger in ***group 3*** (standardised, moderate-contact) services, which are the relationships between service environment – social bonds, service environment – confidence bonds, service environment – habit bonds and location – habit bonds.

Overall, it can be concluded that service delivery can mainly influence relational bonds more in customised services ***(group 1 and 2***) rather than in standardised services, whereas service environment and location have a stronger effect on relation bonds more in standardised services (***group 3***) rather than in customised ones. The underlying rationale is that in services with higher levels of contact and customisation, it is apparent that delivery which involves higher levels of customer-employee interaction (Paul et al., 2009) can affect more customers' attitudes. On the other side, Devlin (1998) supports that in standardised services more attention is paid on making the location and the environment more suitable to the customers. These service types compared to the more customised ones, do not have the opportunity to differentiate in many service actions, and thus one, focusing on location and environment, can build closer bonds with the customers and create a competitive advantage more easily (Wu, 2011).

Furthermore, based on the overall predictive power of services actions confidence was stronger (34.1%) for ***group 1***, economic bonds (35.5%) for ***group 2***, and social bonds (39.3%) for ***group 3***. It is interesting that social bonds are explained with a big percentage of 39.3% by services actions in more standardised services with moderate contact. The same result is also found in Paul et al. (2009) study, where they found that social benefits are stronger in the third typology of Bowen's groups (group 3). The reasoning behind this might be that improving social bonds might be the main differentiated element when all competitors provide the same service and they cannot

differentiate a lot in their offering (Paul et al., 2009). Thus, social bonds might be particularly important in such services. However, the results showed that social bonds are also important to the other two groups (group 1: 25.3% and group 2: 27.1%). This means that building strong social bonds is important to all service types and particularly to group 3 service type.

In group 1, services actions had a high predictive power on confidence bonds (34.1%). This is also reasonable as in highly customised and high contact services the need for the customers to feel confident is very important and enhanced service actions, such as service delivery and reliability, can increase that confidence. However, high predictive power on confidence bonds was also found for group 2 (24%) and 3 (26.4%), which is again in line with Paul et al. (2009) result. They measured confidence as part of the psychological benefits and found that they are important in all service types with higher percentages in group 1. Finally, economic bonds were found to be particularly important to group 2 services. The main difference of group 2 in relation to 1 and 3 is that it is object-oriented rather than people-oriented service. This means that the focus is on the service itself (e.g. banks and dry cleaners) and thus bonds which are related more to the service directly such as economic bonds seem to be more important in such services.

Again, in this typology the relational bonds that seem to vary the most across the three service types are habit bonds. Service product and reward schemes in relation to habit bonds were found to be stronger in high-customised, high-contact services, whereas environment and location in relation to habit bonds were found stronger in standardised, moderate-contact services. This means that the influence of more product-dependent actions (such as rewards and service product) can trigger automatic responses more effectively in highly customised services. On the other hand, the influence of more context-related actions (environment and location) can trigger automatic responses more effectively in standardised services.

VARIATIONS ACROSS TYPOLOGIES

To sum up, the above sections meet the second and the third objectives of this study by identifying the main service actions that can influence the relational bonds and the main differences of these relationships across different types of services. Most of the variations across the service types were found in Bowen's groups service typology, followed by the collective versus individual services, and the search-experience-credence service typology. This means that the relationship between service actions and relational bonds is highly influenced by the way the service is delivered to the customer (high/low customisation, high/low contact) as well as the context in which the service is consumed (collectively or individually). In addition, the risk involved in evaluating the outcome of the service (search/experience/credence) can influence the strength of the relationship between service actions and relational bonds, but the underlying perceived values of the service (hedonic versus utilitarian values) do not influence significantly this relationship. Thus, the results imply that this first part of the conceptual model has successfully led to the assertion that there are many variations across different services in relation to service actions and relational bonds. Interestingly, habit bonds were found to have the highest variation across all four typologies. However, in general, magnitude of variable variations across services was specific to the typology used, as outlined above.

DRIVERS OF REPURCHASE BEHAVIOURS

The fourth objective of this thesis was:

To identify the drivers of repeated purchase behaviour

In order to achieve this objective, Theory of Planned Behaviour was used as a theoretical foundation and the following drivers of repeated purchase were identified

through the multi-grounded theory results in combination to the relevant literature: all the aforementioned relational bonds, subjective norms, perceived difficulty, switching experience and service experience. These drivers were examined in relation to repurchase intentions and relationship outcomes (loyalty, word of mouth and share of wallet). Relational bonds in this context represent the different attitudinal dispositions and tendencies that can influence repeated intentions to repurchase. Based on the results, relational bonds can be classified into three categories: 1) **universal relational bonds** that transcend service categories 2) **service specific relational bonds** and 3) **inconsequential relational bonds**.

Across all services, it was found that four out of the eight relational bonds can influence directly repurchase intentions which represent the ***universal relational bonds*** and these are: negative emotional bonds (-22.5%), positive emotional bonds (11.3%), confidence bonds (16.1%) and habit bonds (12.5%). Negative emotional bonds were found to have the strongest effect on repurchase intentions followed by confidence bonds. On the other hand, switching costs, economic bonds, social bonds and convenience bonds were not found to directly influence repurchase intentions universally across all services. However, three of them, economic, social and convenience bonds, were found to significantly influence repurchase intentions only in certain types of services (***service specific relational bonds***). This is an interesting finding and implies that these relational bonds are context specific, and thus they can drive customer relationships only under certain service conditions. Lastly, switching costs were not found to have a direct effect on repurchase intentions across all services, and there were only some marginal significant results for some specific service types (***inconsequential relational bonds***). This result is in line with Jones, Mothersbaugh and Beatty (2000) research, who found that there is no direct effect of switching costs on repurchase intentions. They have reported that the underlying reasoning is that "a main effect approach is not sufficient to capture the complex processes underlying" the relationship between switching costs and repurchase intentions (Jones, Mothersbaugh & Beatty, 2000, p. 268). Jones et al. (2000) speculate that this relationship is moderated by the level of customer satisfaction, rather than service type. According to them "only when satisfaction falls below a certain level do consumers even begin to

consider or be affected by the existence of switching" (Jones, Mothersbaugh & Beatty, 2000, p. 268). However, there is no empirical evidence to support this claim.

Apart from relational bonds, the framework of this study proposed four other drivers of repeated buying which are: subjective norms, perceived difficulty, switching experience and service experience. The last two constructs, switching experience and service experience, were proposed in order to represent the prior experience in the theoretical base of Planned Behaviour Theory. This idea came from both the qualitative results and the criticism of the TPB that it is not incorporating the past behaviour in the model as an explanatory variable (Albarracin et al., 2001; Ajzen, 2011). All four variables were found to influence directly repurchase intentions, providing evidence that the model can work well across all services. The predictive power of repurchase drivers on repurchase intention was strong at 54.5%. The strongest impact on repurchase intentions was found to be generated by perceived difficulty (28.3%), confirming the initial TPB that behavioural control can directly affect intentions. Interestingly service experience was also found to have a strong predictive power on intentions (24.4%). This is a newly introduced construct, adapted from the new conceptualised construct 'brand experience' by Brakus, Schmitt and Zarantonello (2009).

Furthermore, repurchase intentions, together with subjective norms, perceived difficulty, switching experience and service experience were examined in relation to ***relationship outcomes***: loyalty, word of mouth and share of wallet. Those relationship outcomes are the most frequently used constructs in relationship and services marketing literature, because they can explain well enough the strength of customer relationships and they are closely related to the profitability of the company (e.g. Eisingerich & Bell, 2007; Hennig-Thurau, Gwinner & Gremler, 2002; Oliver, 1999; Berry, 1995). All the repurchase drivers were found to influence at least two of these relationship outcomes, apart from perceived difficulty. Although perceived difficulty was not found to have a direct effect on relationship outcomes, it was found that it has an indirect effect through repurchase intentions on all of relationship outcomes. There is a big debate in the social psychology literature, regarding the direct effect of

perceived difficulty on behavioural outcomes. The results of this thesis support the majority of the studies (around 51%), which have found that perceived difficulty is directly related to intentions but not to behaviours (Notani, 1998; Olsen, 2007).

Generally, the proposed model seems to have a high predictive validity across all services. To sum up, repurchase drivers can explain 54.5% of customers' repurchase intentions, 53% of customer loyalty, 37.7% of word of mouth and 19.6% of share of wallet.

After explaining the overall importance of repurchase drivers, the next step is:

To identify the variations across different types of services of the potency of relational drivers to repeated purchase behaviour.

The following sections demonstrate how this last objective was met successfully by this thesis, illustrating the main findings on each service typology.

COLLECTIVE VS INDIVIDUAL

Overall there were only three relationships that were found to significantly vary between collective and individual services, and these were between confidence bonds – repurchase intentions, negative emotional bonds – repurchase intentions and repurchase intentions – share of wallet. Both of the relational bonds (confidence and negative) were found to have a stronger relationship with repurchase intentions in ***individual service***. In addition, the overall effect of relational bonds on repurchase intentions was found to be stronger in ***individual services*** rather than in ***collective services***. This implies that in individual services relational bonds can better explain repurchase intentions (64.4%) compared to collective services, where this predictive power is slightly lower (40.7%).

The predictive power of the rest of repurchase drivers (intentions, norms, perceived difficulty and prior experience) on loyalty (59.9%) and word of mouth (39.9%) was also found to be higher in ***individual services***. However, the predictive power of the same drivers on share of wallet (21.5%) was found to be higher in ***collective services***. This is reasonable as in collective services the presence of other customers might influence each other to spend more. A common example that many respondents mentioned during the interview, was the influence of the other customers, mainly friends, peers and relatives, on the amount of money they spend. When they were asked how much money they spend for example in a movie theatre or a restaurant, many mentioned that it really depends on whom they are going to that place with. Additionally, they mentioned that in most cases if they had a good experience in that place before and they liked it and it is easy for everybody to have access, then they tend to spend more time and money there.

HEDONIC VS UTILITARIAN

Interestingly, although this typology had the fewest variations in the relationship between service actions and relational bonds, it had the most variations in the relationship between relational bonds and repurchase intentions. The bonds that were found to be more important in ***utilitarian services*** in relation to repurchase intentions were the confidence, convenience and negative emotional bonds. All of these bonds are more closely related to the cognitive characteristics of the service, and thus it is reasonable that they have a bigger impact in utilitarian services (Ng, Russell-Bennett & Dagger, 2007). On the other hand, habit bonds were found to be more important in relation to repurchase intentions in ***hedonic services***. Automatic responses have more chances to be activated by hedonic values that promote fun and enjoyment, rather than from utilitarian services. Furthermore, utilitarian services are more focused on the cognitive process of consumption, something that cannot easily promote an unconscious mental process and trigger automatic responses which can lead to higher repeat purchase intentions.

The last two variations that were found to be significant in this typology are reflected in the relationship between repurchase intentions – share of wallet and service experience – loyalty. Both of these were found to be stronger in ***hedonic services***, something which was expected because the affective values of a service, such as pleasure and fun, can create more opportunities for the customer to spend willingly more money, and increase their loyalty (Brakus, Schmitt & Zarantonello, 2009).

Overall, the results indicate that the predictive power of the repurchase drivers on repurchase intention is higher in ***utilitarian services*** (60.3%), than in ***hedonic services*** (50.9%). Additionally, repurchase intentions, norms, perceived difficulty and prior experience seem to explain slightly better customer loyalty in ***utilitarian services*** (56.5%) than in hedonic services (49.2%). On the other hand, the same drivers seem to explain better word of mouth (40.4%) and share of wallet (31%) in ***hedonic*** rather than in utilitarian services (where the ratios are 36% and 10.7% respectively).

SEARCH, EXPERIENCE AND CREDENCE

This service typology revealed the most variations in the relationships between repurchase drivers and relationship outcomes (5 variations), but only one variation in the relationships between relational bonds and intentions. In ***search services*** the stronger relationships were found between: subjective norms – loyalty and habit – repurchase intentions. In ***experience services*** the stronger relationships were found between: repurchase intentions – share of wallet and switching experience – share of wallet. Finally, in ***credence services*** the stronger relationships were found between: repurchase intentions – word of mouth and subjective norms – share of wallet. In this typology only habit bonds seem to vary across search, experience and credence services in relation to repurchase intention, having the highest predictive power in ***search services***. The underlying reasoning is that search services provide higher level

of consistency and lower levels of risk, something which creates more opportunities for cues that can trigger automatic responses (Limayem, Hirt & Cheung, 2007).

Interestingly, this typology was found to moderate stronger the link between the repurchase drivers and outcomes, which indicates that moving from the intentions to the outcomes, either attitudinal or behavioural, the level of risk and uncertainty that the service is providing plays an important role in services relationships. Overall, the predictive power of repurchase drivers on the repurchase intentions and relationship outcomes was found to be stronger in ***experience services***, followed by ***credence services*** and then by ***search services***. The underlying reasoning is that when the risk and uncertainty of the service outcome is higher (as it is in experience and credence services), then the importance of repurchase drivers is also higher.

GROUP 1, 2 AND 3

In the last typology only one variation was found across the relationships between repurchase drivers and intentions. This relationship between habit bonds and repurchase intentions was found to be stronger in more standardised services ***(group 3)***. This outcome was also expected as explained before because standardised services provide consistency which can more easily trigger automatic responses (Limayem, Hirt & Cheung, 2007).

Overall, the predictive power of repurchase drivers (relational bonds, subjective norms, perceived difficulty and prior experience) on the repurchase intentions was found to be stronger in ***group 2*** (69.1%). However, the predictive power of repurchase drivers (repurchase intentions, subjective norms, perceived difficulty and prior experience) on relationship outcomes was found to be stronger in ***group1***. Interestingly though, no significant variation was found between repurchase drivers and relationship outcome. This implies that the level of customisation and contact does not play an important role in the link between intentions and outcomes. However, an interesting observation is

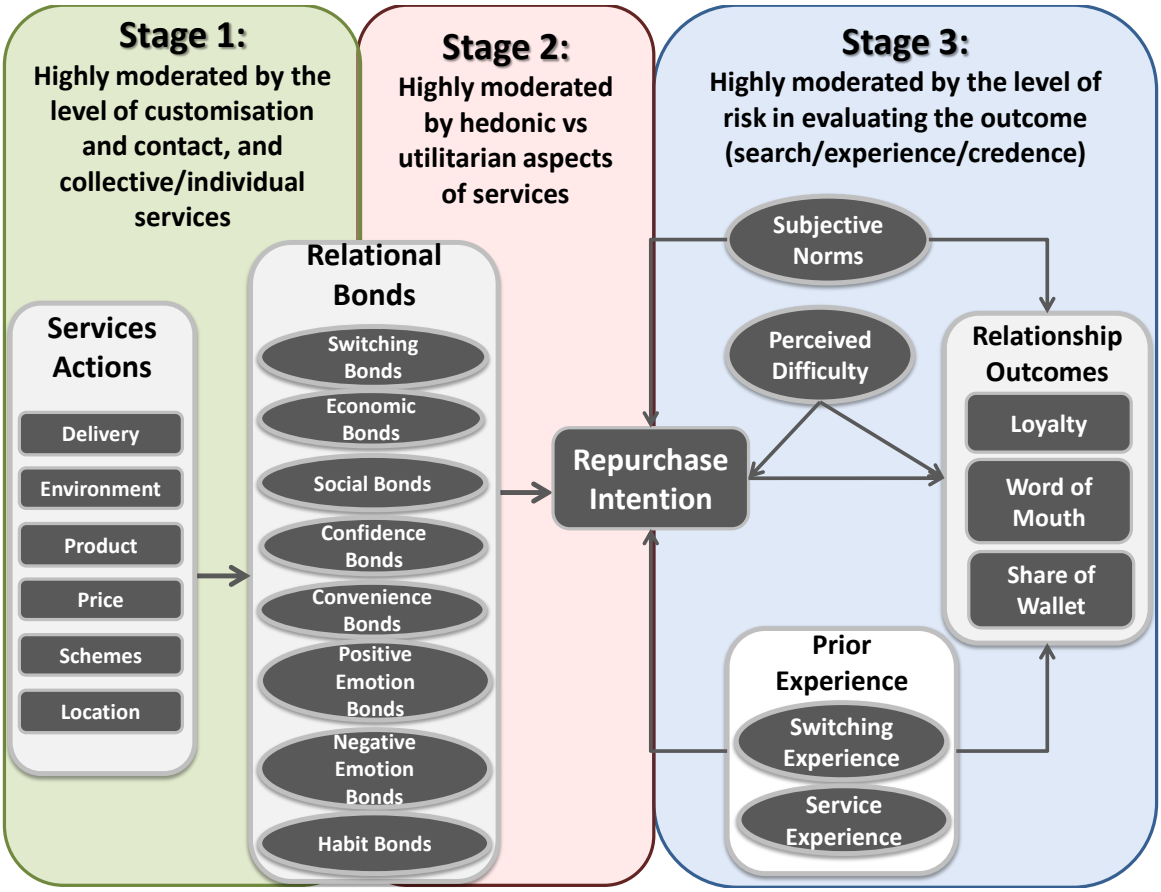
that this typology had the largest number of variations regarding the link between services actions and relational bonds. This indicates that customisation and frequency of contact can successfully explain how relational bonds are being built across different services. Yet, after the point where bonds have been formulated, the level of customisation and contact seems to have a universal effect across all services.

VARIATIONS ACROSS TYPOLOGIES

Generally, it can be concluded that although most of the repurchase drivers (subjective norms, perceived difficulty, prior experience and repurchase intentions) were found to be universally associated to repurchase behaviours across all service typologies, the most important drivers, relational bonds, were found to fit in three categories: 1) **universal relational bonds** that transcend service categories 2) **service specific relational bonds** and 3) **inconsequential relational bonds**. Additionally, it was found that although most of the relationships in the model work universally, the strength of those relationships is moderated in many cases by the service type, as outlined above.

Interestingly, based on the variations across the different service typologies, it can be also concluded that the proposed service model can be separated into three stages: **1)** the link from service actions to relational bonds, **2)** the link from relational bonds to repurchase intentions and **3)** the link from intention, norms and prior experience to relationship outcomes.

Figure 54: Service Variation Model in Customer Relationships



As shown on the figure above, the results indicate that the link from services actions to relational bonds is highly moderated by Bowen's group and collective/individual service typologies. This means that the level of customisation and contact, as well as whether the service is consumed collectively or individually can influence the relationship between services actions and relational bonds. Moving from this stage to the relationships between relational bonds and repurchase intentions, the results indicate that the affective or cognitive aspects of the service can moderate these relationships. Thus, the predictive power of relational bonds on repurchase intentions might vary on the basis of whether the service is hedonic or utilitarian. Lastly, in the third stage the links from repurchase intentions, subjective norms, perceived difficulty and prior experience to relationship outcomes are highly moderated by the level of risk involved in evaluating the outcome of the service consumption. Therefore, these relationships vary significantly across search, experience and credence service typology.

The nature of the relationships in each stage could explain why each of the service typology might have a stronger effect in different stages. For example, it is reasonable that the way service actions are going to be delivered to customers and the way customers are going to perceive those actions, will vary strongly according to how customised the service is, if the level of contact between the employees and the customer is high and if the customer is the only one involved in the transaction or there are other customers as well. Thus, Bowens' groups and collective/individual service typologies that are more concerned with how the service is delivered to the customer (the mode of service delivery) will have a higher impact on the link from actions to bonds (Ng et al., 2007). Although this link from service actions to relational bonds indicates a unidirectional chain of causation in figure 54, it should be acknowledged that a possible reverse chain of causation can exist from relational bonds to service actions. However, the cross-sectional research design of the study limits the predictability of possible causal effect relationships, which is further discussed in the limitation section.

On the other hand, hedonic versus utilitarian services reflect more the process and purpose of consumption, whether it is affective or cognitive (Ng et al., 2007). This means that the link from bonds to intentions can highly depend on the affective or cognitive aspect of a service, especially if we take into account that some of the bonds are more cognitive-related concepts and some other are more affective-related concepts. These results indicate that the characteristics and nature of the service do play an important role in service relationships. However it has to be recognised that an idiosyncratic element in each classification exist and each individual may use different parameters to classify services. To date there is not a service classification system developed out of the customers' perceptions of service benefits, uses and differential weighting applied. While the current frameworks classify services on the basis of the service-characterisictics they may not match the perception of different types of customers. As it will be discussed in limitation section there may be a need or a research opportunity for a segment-specific perceptual classification scheme that takes into account customers' idiosyncrasies and the different levels of service relationship.

Interestingly, one of the relational bonds that was found to vary significantly across the service typologies, in both stages 1 and 2, was habit bonds. This indicates that automatic responses vary considerably with respect to the nature of the service in both stages starting from actions to bonds and then bonds to actions. Another interesting observation is that although habit bonds were found to be more important in collective, hedonic and group 3 services in both stages (1 and 2), they were found to be more important in experience, credence and group 1 services only in stage 1, and more important in search and group 2 services only in stage 2. Practically, this means that marketers who work in collective, hedonic or standardised services (group 3) should pay attention to building automatic responses in all stages of the relationship development. However, marketers who work in experience, credence and highly customised services should focus all their resources on building automatic responses especially in the first stage though the appropriate service actions. On the other hand, in search and semi-customised services more focus should be given on the second stage of the relationship in order to strengthen customers' automatic responses.

Finally, the link from intention to actual outcomes is mainly affected by the search, experience and credence typology. This outcome can also be explained on the basis of the nature of this typology, which is mainly concerned with the evaluation of the service outcome (Hsieh, Chiu & Chiang, 2005). The more difficult it is for the customer to evaluate the outcome of the transaction, the higher the risk involved in the transaction, which implies that moving from intentions to actual outcomes will vary on the grounds of this evaluation.

THEORETICAL CONTRIBUTION

The new proposed theoretical framework of this research, which has been developed on the findings of the preliminary qualitative research and then empirically tested through a quantitative research, has a number of strong, differentiating characteristics which contribute to both theoretical and managerial knowledge.

Firstly, this study provides an original insight to the variations of customer relationships based on the nature of the service, as the conceptual model is mainly grounded on an initial qualitative research, using constructs that appear central to services marketing and relationship marketing literature. All the existing models in relationship marketing that take into account the nature of the service, are limited only to one service typology (e.g. Paul et al., 2009; Hsieh, Chiu & Chiang, 2005). This is the first study that takes into account four different service typologies, with each underlying different service characteristics. Thus, one of the main contributions to services marketing literature is that this framework is the first to separate context specific variables from universal variables related to service relationships and the first which attempts to test customer relationships in four different service typologies. This provides a strong theoretical base and a better understanding of which variables are more relevant and important in each service type.

Apart from the most well known service typologies which are hedonic/utilitarian, search/experience/credence, and Bowen's group service typologies, this study revisits a previously neglected typology and provide valuable insights of its importance in service relationships. This typology is the collective versus individual service typology, which was found to moderate significantly the link between service actions and relational bonds. Together with the moderating effects of the other typologies, the findings of the current thesis offer new insights in services marketing. These new insights lead to some changes in how services relationships should be examined (both theoretically and empirically), by identifying three sequential stages in the services relationship development process, which are influenced differently according to the specific service context that these relationships are taking place.

Whetten (1989) states that a contextually based theoretical proposition is vital in order to bound the research. It is only within specific context that answers to questions and meanings can be provided (Morgan & Smircich, 1980; Whetten, 1989). This is particularly important in marketing and even more crucial in relationship marketing as it is highly context dependent (Sheth & Sisodia, 1999; Veloutsou et al., 2002).

Relationships are developed in specific contexts which determine their main characteristics, magnitude and strength and under different contexts, distinct types of relationships will emerge (Veloutsou et al., 2002). The framework developed in this thesis aids in this respect and contributes to a more integrative and comprehensive theoretical perspective on services relationships.

The comprehensiveness of this framework is mainly based on the inclusion of all the relevant factors that can influence and build repurchase behaviours in services, which were grounded in the qualitative study, conceptualised on the basis of the literature and tested through the quantitative study. In addition, this framework is highly integrative as it is the first that brings together a complete set of relational bonds and a complete set of services actions. Most of the studies in the literature focus on a very limited number of relational bonds (three most of the times; e.g. Paul et al., Hennig-Thurau et al., 2000; Hsieh, Chiu & Chiang, 2005) and service actions (mainly service quality). This is the first study that brings together most of the relevant service actions and the first to empirically examine how these actions can build relational bonds. Also, as mentioned before, this thesis contributes to our knowledge, by integrating both the positive and the negative aspects of bonds. The tendency in the literature to date is to focus mainly on the relationship benefits, which can explain the positive influence on repeated purchase. The negative side of repeated purchase has been mainly examined focusing on customer dissolution. However, in order to understand how relationships are being built, it is very important to understand all the factors (negative and positive) that can contribute to this relationship development. Hence, this study brings together both the negative and positive sides of relational ties and provides a better understanding and a more holistic view of customer relationships.

Finally, the results of the research prove that the two new proposed constructs in the context of services relationships, habit bonds and prior experience, can add value to theoretical base of customer relationships and improve our understanding on how other parameters can explain service relationships. As explained in the theoretical background, transaction cost theory indicates that these two constructs can be also explained by opportunistic behaviours and the ex post logic that exist in every

transaction. Thus, in the conceptual model habit was proposed as the unconscious mental process that can create strong bonds with the company and it was found that it was the one bond that varies the most across different service types. This proves how important is to take into consideration habitual responses in specific service contexts. In addition, incorporating into the model switching experience and service experience, as two variables that together can explain the influence of prior experience, proved to add high explanatory power to the model (as indicated by R-squares). These two constructs enhances our comprehensiveness and provides a more holistic view of customer relationship development.

To sum up, it can be concluded that service relationship development is context specific and the nature of the service plays a vital role in order to understand and explain customers' relationship behaviours. Although, this has been long recognised in the literature, this research is one of the few that tries to unveil this complex phenomenon and the first to empirically test it under more than one service typologies. In addition to the aforementioned theoretical contributions this study has very important managerial implications which can lead to changes on how practitioners are planning their services strategies and provides an interesting insight to a contemporary audience.

MANAGERIAL CONTRIBUTION

In addition to the theoretical contribution, this thesis provides the managers with an exceptional guidance on how to determine the strategy of the company including segmentation, targeting and positioning of the service. Overall, the thesis identifies how management is able to better determine the most appropriate service strategies based on specific service characteristics that can lead to the highest returns on marketing and thus allow for a more effective allocation of limited service resources. To break this down, the research offers to service managers: 1) a clear understanding of the relational bonds which are important in services, 2) how these relational bonds

can be enhanced by different service actions, 3) what other drivers can influence repeated purchasing and 4) what is the importance of the above in their specific service context.

Firstly, this framework helps managers in general to understand and have a clear guidance of what different types of relational bonds exist that can drive repeated purchase behaviours. In addition to relational bonds, this research identifies other important drivers of repeated purchase behaviours such as the influence of subjective norms and perceived difficulty, as well as prior experience. By having a good knowledge of the main drivers of repurchase, managers can decrease the perplexity and risk of neglecting important drivers. Most importantly, this research offers useful information to managers not only regarding the positive but also the negative drivers of repurchase. For example, negative emotions, perceived difficulty and switching experience can negatively influence repurchase across all services which is crucial for the managers to monitor in order to avoid dissolution. Using surveys, feedback and complain management mechanisms, service providers should focus more on the negative drivers that can affect their customers' desire to repurchase from them in the future. Focusing on the negative drivers apart from the positive ones, which is the main norm in services, managers can identify whether the customers feel frustrated towards the service or it is difficult for them to repurchase it or they simply like to switch across different service providers. For example, many respondents reported in the qualitative study that they visit more than one cafe/bars, restaurants, hair salons, or movie theatres at the same period of time, or that they have switched many mobile providers and dentists across a period of time. The fact that they have the option to experience different services and compare the pros and cons of each one and eventually choose their preferred one, makes them behave differently in comparison to using solely one service provider. On the other hand many respondents stated that it is very difficult for them to revisit their preferred dentist, hairdresser, restaurant and movie theatre mainly because of relocation or change in their lifestyle.

This information can be used so as managements' strategic efforts could be focused on identifying the negative nature of the drivers that can influence repurchase intentions

so that they can allocate their resources accordingly to avoid and/or recover such incidents. Additionally, acknowledging all these drivers, especially the negative drivers, can be proven an extremely useful tool in contemporary practice, since most of the managers rely on limited attitudinal based information for segmenting and targeting their customers accordingly; in most of the cases their segmentation strategies is based on demographic characteristics.

In particular, the relational bonds can serve as strategic investment categories whereas the service actions can provide useful information on how to implement such strategies. Based on the results it was found that bonds like emotional bonds, confidence bonds and habit bonds are very important for all service types; thus managers should ensure their strategies by involving such bonds in the consumption process. To influence these bonds, firms might offer reliable, value-added services (service product), in a clean and neat environment (service environment), with well-informed employees who can treat customers fairly and with compassion (service delivery). This was also evident in the qualitative research where many respondents pointed out that the fact that the office of the dentist was clean and neat, and the dentist was taking them through the whole process providing relevant information that could be understandable by them, would make them feel more confident and relaxed and that was one of the main reason of revising that dentist again. Also, for movie theatres and restaurants many respondents expressed their positive emotions and their confidence towards their provider supporting them by the fact that the environment was clean and the employees were very fair and professional. Having this knowledge, managers can target their marketing efforts by effectively manipulating the controllable actions of relational bonds.

Additionally, all service managers should ensure and monitor their customers' prior service experience. Asking them regularly about their sensations, feelings, cognitions and behavioural responses (service experience) in relation to their past transactions can give managers a good indication of whether the customer would intent to repurchase from them or not. Monitoring also how difficult it is for their customers to repurchase from them, as well as how often they switch service providers, is also useful

information which can help adjust their strategies accordingly. Thus, criteria such as switching experience, prior service experience and perceived difficulty can be added in companies monitoring strategic tools (e.g. questionnaires) which can add value and a better understanding to the predictive power of their customer repurchase intentions. Additionally, these criteria can also serve as segmentations characteristics, together with the relationship outcomes of the proposed model (loyalty, word of mouth, share of wallet). For example, customers with higher levels of loyalty, most probably have positive prior service experience - they do not switch a lot across providers. On the other hand, customers who promote more positive word of mouth, apart from good prior service experience, are, most probably, highly influenced by people who are important to them. Finally, customers with high share of wallet in all probability have the least switching experiences. This information can be very useful to managers in order to understand how their customers act, and thus segment them accordingly.

Finally, in relation to all the above, the main managerial implications of this framework is the importance of the nature of the service, and how service managers can use this as an advantage in order to build stronger customer relationships in their service-specific context. The framework demonstrates which specific service actions can lead to repeated purchase behaviours and provide managers with a comprehensive, clear and context specific classification of repurchase drivers. Most of the frameworks regarding customer relationships to date offered a very general guide of building relationships. However, in real life managers need a context specific classification in order to evaluate which service actions could effectively influence repeated purchase in the service they operate in (for example a bank, an airline, a restaurant etc.). Having a clear guidance of which context-specific drivers are more important and how they can lead to repurchase behaviours can increase the effectiveness of targeting the right customers and allocating more effectively the service resources.

Practically, a very important driver of repurchase intentions in collective, hedonic, search and standardised services (group 3) is habit bonds. This means that marketers in such service contexts should pay attention to building automatic responses if they would like to increase their customers' intentions to repurchase. However, the main

question would be how they can trigger these automatic responses. Guided from the findings of this research, it is proposed that managers who work in collective and more standardised services could more effectively trigger automatic responses by putting more emphasis on the environment of the service as well as the easy access of the service. Additionally, managers, who work in more hedonic services, could trigger automatic responses by providing effective reward schemes and easy access to the service for their customers. Finally, managers, who work in services with high search attributes, could increase habit bonds by providing again easy access to the service but also having a consistently satisfactory price or value for money.

In addition, managers that work in services with high utilitarian values, semi-customised, object-oriented and individually consumed (e.g. dry cleaners) should focus on avoiding negative emotional responses from the customers, because in these services negative emotions can highly influence repurchase intentions. To decrease or avoid any negative emotional responses, the managers in these services need to pay attention to their pricing strategies, as well as their product offering. On the other hand, positive emotional responses should be prioritised by service managers in experience services with high levels of customisation (e.g. hair salons) or hedonic services (e.g. restaurant). This is also highly supported by the qualitative results where the initial response of most of the respondents in the question why you keep visiting this cafe/bar, restaurant or hair salon was 'because I really like it'. Thus, to achieve higher positive emotional responses in these services, managers should allocate most of their resources on hiring or training their employees to deliver the service at high standards (expertise, motivation, fairness, empathy) and on improving their product offering (value-added services, best equipment, customisation, assortment, reliability). Finally, relational bonds such as economic, confidence and convenience bonds should also be acknowledged by managers in utilitarian and individual service (e.g. banks and dentists) as they can influence customers' future repeated purchases. Managers could enhance 1) economic bonds though effective reward schemes, 2) confidence bonds through high levels of service delivery and product offering and 3) convenience bonds through high levels of product offering and easy locational access.

Yet, all service managers, possibly except for those in utilitarian services, would need to recognize that social bonds are not so important to customers' intention in relation to their repurchase intentions. This is also in line with Paul et al. (2009) finding who claim that social bonds "may still serve to differentiate a provider when all competitors adequately meet the customer's needs" in relation to the rest of the relational bonds. However, with respect to our findings, social bonds can be highly influenced by many service actions, which at the same time serve as determinants of other relational bonds. Thus, managers should prioritize their services marketing actions to strategically target these bonds that can have the highest impact on repurchase intentions and take into account which other relational bonds could enhance these actions at the same time. In this way they can use economies of scales and effectively allocate their resources.

To sum up, the strength of linkages in each stage of the relationship (actions → bonds, bonds → intentions, intentions → outcomes) can help service providers better understand the most effective service actions in providing higher levels of relational bonds that can influence the relationship outcomes in each service context. This offers a very good guidance to all managers on how to plan their service strategies and allocate their resources, as well as which drivers of customer relationships they should focus on when monitoring and measuring these relationships.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Although this thesis makes a theoretical and managerial contribution to our knowledge of customer relationships in different service types, there are several limitations and future research suggestions which are worth mentioning. First, the empirical evaluation of this framework should be interpreted with caution as it is the first attempt to understand a very complex procedure which underlies the variation of four service typologies in customer relationships. It is suggested that this model should be tested in other parts of the world with additional samples in order to confirm the proposed framework's applicability and reliability of the results in other cultural contexts. As

mentioned in the methodology, this research has taken into account all the essential measures to ensure the validity and the reliability of the data collection and analysis in order to increase the generalisability of the results; the sampling technique was carefully designed and follows a random sampling in London.

However, although London is one of the most cosmopolitan and multicultural cities in the world, which offers a variety of respondents in the sample, the framework should be tested in other cities outside UK as well. Different cultural contexts might influence the strength of the results, so it would be an interesting idea to test this framework in other countries and maybe compare and contrast whether there are any differences. Especially, regarding the collective versus individual dichotomy of services, it would be interesting to examine how these two different services vary in more individualistic cultural context, such as the United States of America, in comparison to the more collectivistic cultural contexts, such as China. Thus, future research could examine the moderating effect of culture in the proposed framework.

Secondly, more services could be used to represent each of the service types. Although all seven services were carefully selected to represent each of the service types used in the study, future work could replicate the findings of the current research in perhaps even more extreme number of service settings.

Thirdly, this study used cross-sectional and self-reported data and in spite of the fact that it was based on two different tests and that no issue of common method variance came up, one should be cautious about assigning causality. Relationships is a dynamic phenomenon and as such, it would be useful theoretically and managerially to understand the mechanisms which influence different relationship outcomes through longitudinal data. Hence, future research can further enhance the framework by collecting longitudinal data. Another limitation that comes with all cross-sectional research designs is that it does not provide a good basis for establishing reversed or reciprocal causality. Some of the links proposed based on the result could possibly go either way (i.e. the link between service actions and relational bonds), however the research design of this study limits the predictability of such effects. Thus, future

research could examine the reverse or reciprocal causality of such links using longitudinal research design and testing them through formative measurement models that can be tested using structural equation modelling.

Another limitation that should be acknowledged comes from the service typologies. Although extra care was taken in choosing the most established service classifications in the literature (Hirschman & Holbrook, 1982; Mano & Oliver, 1993; Nelson, 1974; Darby & Karni, 1973; Bowen, 1990) it should be recognised that a service classificatory pattern may emerge also on the way consumers think of services and use services. Thus, there is a need for a new classification system that explains differences in the consumer decision process and at the same time can be used as a strategy guide for managers. Such a service classification does not exist and it was not the focus of the thesis to develop one. However, the need for a further refined service classification that takes into account these factors has been recognised in the literature from several researchers (e.g. Cook, Goh & Chung, 1999; Anderson, Pearo & Widener, 2008). Therefore, the results of this thesis (especially the different importance of each classification on each of the relationship stages) could be used in order to direct future research and construct a new service classification system that correlates service characteristics to customers' perceptions. In this way a new segment-specific perceptual classification scheme could be developed that could be used in services marketing, especially in business-to-customer settings.

Finally, relationship outcomes in this research were measured by customer loyalty, word of mouth and share of wallet. However, there might be other relationship outcomes directly caused by repurchase intentions which could be included in the model. Thus, further research could focus on the different relationship outcomes which could further explain customers' repurchase behaviours. Obviously, measuring actual behaviours of customers is extremely difficult in the B2C service marketing context, but it could provide higher predictive validity and future research should try to include actual behaviours. Future research could also examine the relationships in the model under some segmented variables such as low versus high relational customers, low versus high switching experience or low versus high satisfaction. Finally, it would be

interesting to examine this framework, after being adjusted accordingly, in the retail setting, and find the variations across different retail product types.

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APPENDENCES

APPENDIX 1: RELATIONAL BONDS

Definitions of negative, neutral and positive bonds:

	Negative perception, varying strength	**Neutral perception, weak**	**Positive perception, varying strength**
Economic Bond	Monetary relational investments or special pricing prevent desired exit.	There are relational investments or special pricing but they do not affect the customer's perception of motivation to stay in the relationship.	The customer perceives being tied to the supplier due to relational investments or special pricing, but perceives the relationship as beneficial and the situation positive.
Legal bond	The customer is bound by an agreement that prevents desired exit.	The customer is formally tied by an agreement. This does not affect the customer's perception of motivation to stay in the relationship. The eventual sanctions for breach of contract, or waiting for the contract to end are not perceived as important.	Customer perceives benefits from the legal agreement and perceives that the marketer is bound by it, thus benefiting the customer.
Knowledge bond	The customer is in a learning relationship and it is perceived too costly and time consuming to teach another provider to deliver same level of service, even though exit is desired.	Neutral or no perception of knowledge creation or learning.	Customer has taught the provider to provide service to the customer's liking. Familiarity reduces risk and increases comfort levels, and the customer is motivated to stay in the relationship.
Social bond	Even if there is a negative perception of the supplier's contact person/s, the perception cannot act as a tie, therefore negative social bonds cannot exist.	Neutral or no perception of social relations between the customer and the provider.	Personal relations are perceived as positive and important, and the customer is motivated to stay in the relationship.
Technical bond	The customer has invested in relationship specific technology (or knowledge of it),	Neutral or no perception of relationship specific technology (or knowledge of it)	Familiar technology reduces risk and increases comfort levels, thus making the customer

	which prevents desired exit.	between the customer and the provider or the investment is not perceived as important.	motivated to stay in the relationship.
Psychological, Emotional, value, cultural, Language bond	Even if there is a negative perception of the supplier's values, culture, language compatibility or if there are negative emotions, these cannot act as ties, therefore negative psychological, emotional, value, cultural or language bonds cannot exist.	Neutral or no perception of the supplier's values, culture or language compatibility, neutral or no emotions attached to the relationship.	The customer feels emotionally attached to the supplier or perceives value, culture or language compatibility with the supplier, and is thus motivated to stay in the relationship.
Time bond	The service hours or speed of service delivery of the supplier prevent the customer from desired exit.	Neutral or no perception of the supplier's service hours or speed of service delivery.	Customer perceives convenience and time saving benefits, and is thus motivated to stay in the relationship.
Structural bond	The supplier provides value added service that is not available elsewhere or the customer has reached a preferred service level based on the relationship history. It would be expensive to build a relationship history and reach the service level elsewhere, which prevents desired exit. Structural bonding can incorporate time, knowledge and economic bonds.	Neutral or no perception of the service level or the relationship history (i.e. relational investments) required for reaching the level.	The special service level and structure are perceived as valuable and important, and the customer is motivated to stay in the relationship.
Geographical bond	Service location is (by far) the most convenient or there is a geographical monopoly, which prevents desired exit.	Neutral or no perception of the location vis-à-vis the alternatives.	The customer prefers a local provider instead of others, and is thus motivated to stay in the relationship. (NB This is close to value or cultural bonds than geographical bonds.)

Source: Arantola, 2002, p. 102-3

APPENDIX 2: INTERVIEW GUIDE

Interviews' Guide

[each of the interview was adapted for the service provider that the interview was about]

I. Services Providers and Relationship Outcomes:

1. Which provider/s are you visiting/using?
    a. Do you use/visit more than one? Why?

2. How long have you been visiting/using this/these providers?
3. How often do you visit/use them?

4. On average, every time that you are visiting/using this provider how much money do you spend?

Service Providers Name	Frequency	Duration	Money

5. Can you think of any providers that you used to go in the past but not anymore?
    a. More than one?
    b. Could you explain to me the reasons that you stopped visiting them?

II. Reasons of Repurchase:

6. What is the main reason that makes you want to repurchase from each of the service providers that you have mentioned?

Service Provider	Reason of repurchase

7. Which one of the above do you prefer to repurchase from the most?

8. [if there are more than one providers] – Why you prefer more X provider from Y?
    a. What does X offers you (either in a emotional or utility level) that makes you feel in favour of it?

9. If I would ask you now to choose one of those providers which one would be?
    a. Why?

10. What could make you or force you stop your relationship with this provider?

11. I will mention the name of the provider that you have told me and I would like you to discuss with me the main reasons for stop revisiting each of them

Service Provider	Reasons for ending a relationship

12. Which one of the aforementioned providers you most probably would stop going? Why?

Switching Cost [in the case they have mentioned switching costs as one of the reasons to repurchase or to stop repurchasing]

13. Are you feeling trapped or obliged to visit any of the aforementioned providers?
    a. If yes, why?

14. Are you willing to look for another provider?

15. Generally do you like to switch places?
    a. Why?

Social Influence [if they have mentioned that in the reasons to repurchase or not]

16. Generally are you influenced from others people opinion regarding this service?
    a. If yes, which ones can influence you, and in what extend?

17. Have anybody influenced you to start using or to continue using this service provider?
    a. If yes, who and in which ways

18. Do you generally influence other people opinions about this service provider?
    a. If yes, who and how?

Attitudes [when they have mentioned them as main reasons of repurchasing]

19. Could you describe me what you feel when you think of this provider?

20. What are you feeling before visiting this provider?

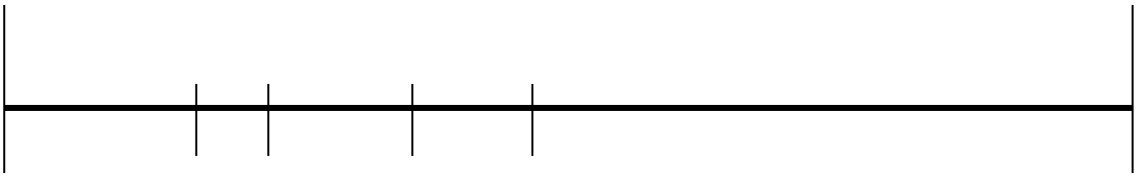
21. What are you feeling during consumption?

22. What are your feelings after the consumption?

[Note: in many instances the researcher would ask the respondents to rate or evaluate the main reasons that they have given in a scale of 1 to 7, especially if they mentioned many providers, in order to cross check the data afterwards and understand better the comparisons between the services]

History of the relationship

23. Could you please describe me briefly the relationship that you have with your service provider from day one till now?
    a. E.g. how you found out about this provider, why did you go for there the first time, the second, the third, why you still keep going there and what have changed over time?



[notes on the graph for the evolution of the relationship]

24. How you would describe your relationship with this provider now?

25. Have you ever faced any kind of problems or complaints with the service provider?
    a. If yes, could you please describe me your experience, if the problem was resolved, how you felt etc.

III. Future Intentions and Loyalty:

26. Would you recommend any of the aforementioned providers?
    a. Which ones
    b. Why
    c. And to whom

27. If tomorrow a person that you really like and is not leaving in the town will come, and s/he asks you to tell her/him a place/provider to go (without you), which one would you say? And why?

28. From which provider you are going to keep repurchasing in the future?

29. If they were to increase their price? Would you go?

30. Do you think there is space for improving this service
    a. If yes, what would you recommend?

31. If for any reason your preferred provider is not available to serve you, what would you do
    a. Would you go to another provider? Why?
    b. Would it change your opinion of your provider?
32. Would you like to add anything in relation to this/these providers?

[at this point the respondents were asked to rate if possible the service actions that they have mentioned in the interview for the service providers that they have mentioned].

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APPENDIX 3: BOWEN'S GROUP DEFINITIONS AND EXAMPLES

	Group 1	Group 2	Group 3	Author
Definition	The group in which customers perceived employees to be important. They also perceived customization and customer contact to be the highest among the three taxonomic groups. Based on this description, Group 1 can be named "High-Contact, Customized, Personal Services."	Group 2 produced the lowest rating on customer contact and importance of employees. Its rating on customization fell below those of the other two groups and, as anticipated, it was the only group perceived by the consumers to be directed at things. Group 2 can be named "Moderate Contact, Semi-Customized, Non-Personal Services."	Was perceived to be the least customized of the three groups. The importance of employees and employee customer contact received fairly low ratings when compared with Group 1. Group 3 was perceived to have service directed at people and can be named "Moderate Contact, Standardized Services." Among standardized services speed, consistency, and price savings are usually important to the customer (Lovelock 1984).	Bowen, J. (1990). Development of a Taxonomy of Services to Gain Strategic Marketing Insights."Journal of the Academy of Marketing Science 18 (Winter), pp. 43-49.
Examples	Restaurants, Hotels, Medical Clinic, Hospital Plus: Beauticians, real estate agencies, legal services, interior decorating, and dental services	Photofinishing Plus: appliance repair, shoe repair, and laundry and dry cleaning services	Cafeteria, Fast Food, Budget Hotel, movie theatres, theme amusement parks Plus: spectator sports, budget airlines, and exercise clinics.	
Definition	Directed at people and characterized by high customer contact with individually customized service solutions	Services directed at an individual's property, where moderate to low customer contact is the norm and the service can be customized only slightly	Services typically directed at people that provide standardized service solutions and have moderate customer contact	Gwinner, K. P., Gremler, D. D., & Bitner, M. J. (1998). Relational benefits in service industries: the customer's perspective. Journal of the Academy of Marketing Science, 26, pp. 101–114
Examples	Financial consulting, medical care, travel agency, and hair care services	Shoe repair, retail banking, pest control, and pool maintenance	Airlines, movie theatres, cafeterias, and grocery stores	
Definition	Those directed at people and characterized by a high degree of customer contact with highly	Those directed at objects for which low customer contact is the norm and the service	Those directed at people with standardized service solutions and moderate customer contact ("type	Paul, M., Hennig-Thurau, T., Gremler, D.D.,

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APPENDIX 4: SERVICE QUESTIONNAIRE

Please read the following definitions and rate each of the services.

Definition:

"Collective services" are those services that are delivered and consumed simultaneously by a large number of consumers at one point in time, in one location. On the other hand, **"individual services"** are those that are delivered and consumed by one customer at a time.

Collective vs Individual Services	Highly Collective	Collective	Slightly Collective	Neither Collective nor Individual	Slightly Individual	Individual	Highly Individual
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian / Pet Care	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

Definition:

"Utilitarian services" are those that *primarily* provide solutions for customer's functional and practical needs and they mainly consumed for the utility that they provide. A service with high utilitarian values is mainly consumed for the core product that this service is providing. On the other hand, **"Hedonic services"** are those that provide solutions for more emotional or psychological needs e.g. fun, interaction, enjoyment, relaxation etc. This is because such services are consumed *primarily* to fulfil the customer's pursuit of pleasure in their lives. A service with high hedonic values is mainly consumed for the emotional fulfilment that comes from the core product, but not for the core product itself.

Utilitarian vs Hedonic Services	Highly Utilitarian	Utilitarian	Slightly Utilitarian	Neither Utilitarian nor Hedonic	Slightly Hedonic	Hedonic	Highly Hedonic
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

Definition:

"Search services" are those services that the customer can obtain full information and asses the utility outcome prior to purchase. So when a service has high Search values the customer is able to judge the service performance before purchasing it.

Search Values	**Very High** Search Values	**High** Search Values	**Slightly High** Search Values	**Average** Search Values	**Slightly Low** Search Values	**Low** Search Values	**Very Low or No** Search Values
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

Definition:

"Experience services" are those services that you can asses and measure the outcome only during or after the consumption. So when a service has high Experience values the customer is able to judge the service performance only during or after the consumption.

Experience Values	**Very High** Experience Values	**High** Experience Values	**Slightly High** Experience Values	**Average** Experience Values	**Slightly Low** Experience Values	**Low** Experience Values	**Very Low or No** Experience Values
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

Definition:

"Credence services" are those services that it is difficult to measure or asses the outcome even after the consumption. So when a service has high Credence values the customer is not able to judge the service performance even after the consumption, mainly because s/he doesn't have the knowledge to do so.

Credence Values	**Very High** Credence Values	**High** Credence Values	**Slightly High** Credence Values	**Average** Credence Values	**Slightly Low** Credence Values	**Low** Credence Values	**Very Low or No** Credence Values
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

Definition:

There are different levels of customer contact for different services. "**High Contact services"** are those when the interaction between the customer and the company (mainly the employees) is very high, and "**Low Contact services"** are those when there is not a lot interaction, if any at all, between the customer and the company.

Levels of contact	**Very High** Contact	**High** Contact	**Slightly High** Contact	**Moderate** Contact	**Slightly Low** Contact	**Low** Contact	**Very Low or No** Contact
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

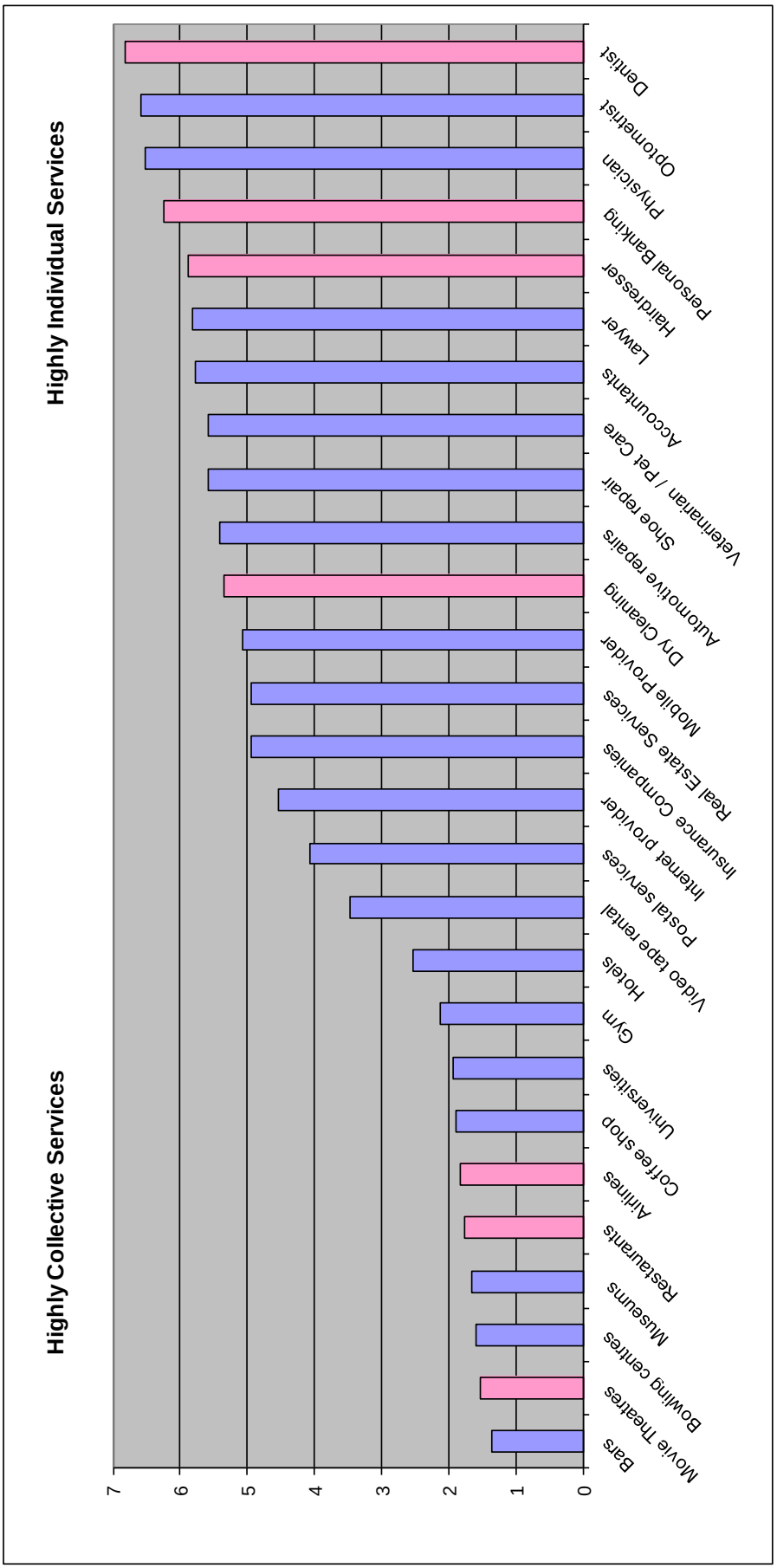
Definition:

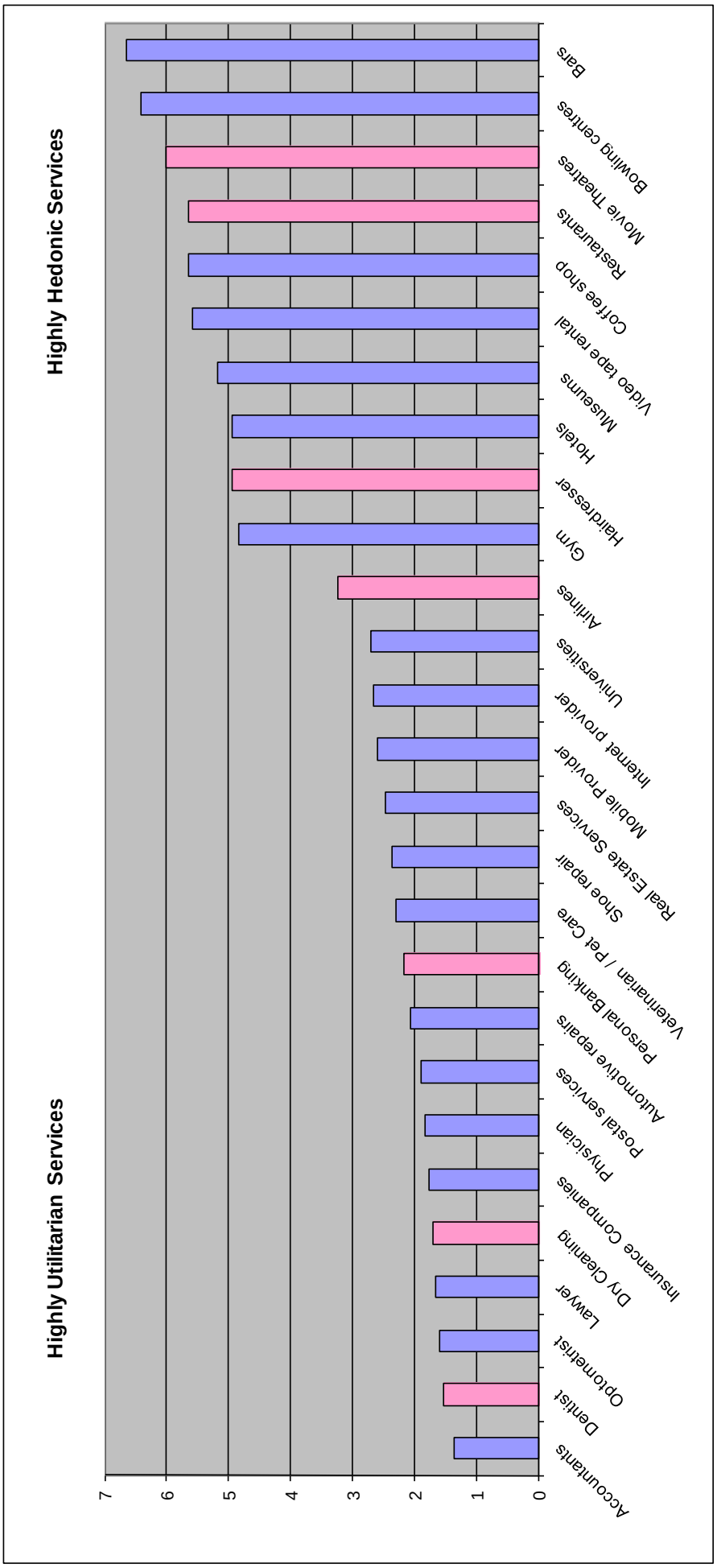
"Customised services" are those services that are tailored and designed to meet the customer's specific requirements, allowing modifications for individualized needs and preferences. **"Standardised services"** are the opposite of customised services and provide identical service solutions to all the customers.

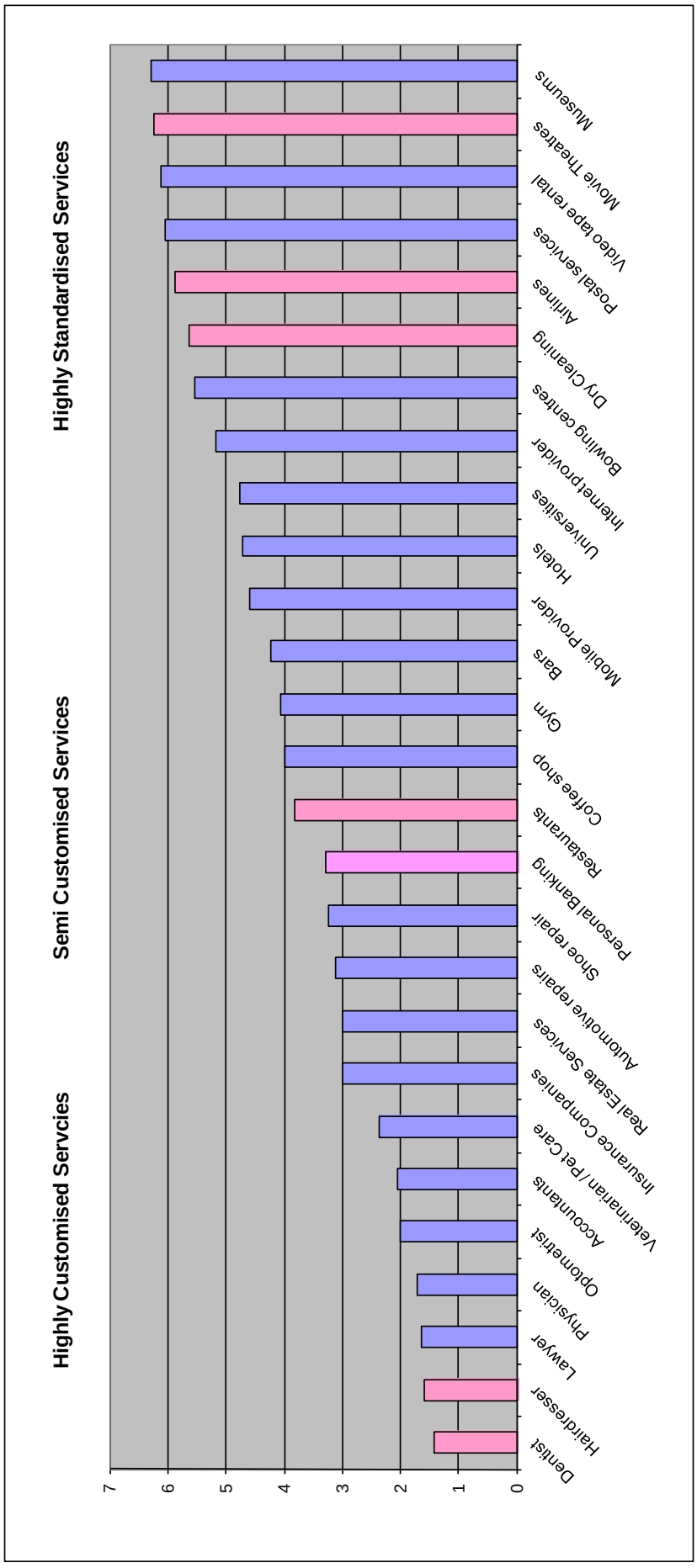
Customised vs Standardised Services	**Highly** Customised	Customised	**Slightly** Customised	**Neither** Customised **nor** Standardised	**Slightly** Standardised	Standardised	**Highly** Standardised
1. Accountants	1	2	3	4	5	6	7
2. Airlines	1	2	3	4	5	6	7
3. Automotive repairs	1	2	3	4	5	6	7
4. Bars	1	2	3	4	5	6	7
5. Bowling centres	1	2	3	4	5	6	7
6. Coffee shop	1	2	3	4	5	6	7
7. Dentist	1	2	3	4	5	6	7
8. Dry Cleaning	1	2	3	4	5	6	7
9. Gym	1	2	3	4	5	6	7
10. Hairdresser	1	2	3	4	5	6	7
11. Hotels	1	2	3	4	5	6	7
12. Insurance Companies	1	2	3	4	5	6	7
13. Internet provider	1	2	3	4	5	6	7
14. Lawyer	1	2	3	4	5	6	7
15. Mobile Provider	1	2	3	4	5	6	7
16. Movie Theatres	1	2	3	4	5	6	7
17. Museums	1	2	3	4	5	6	7
18. Optometrist	1	2	3	4	5	6	7
19. Personal Banking	1	2	3	4	5	6	7
20. Physician	1	2	3	4	5	6	7
21. Postal services	1	2	3	4	5	6	7
22. Real Estate Services	1	2	3	4	5	6	7
23. Restaurants	1	2	3	4	5	6	7
24. Shoe repair	1	2	3	4	5	6	7
25. Universities	1	2	3	4	5	6	7
26. Veterinarian	1	2	3	4	5	6	7
27. Video tape rental	1	2	3	4	5	6	7

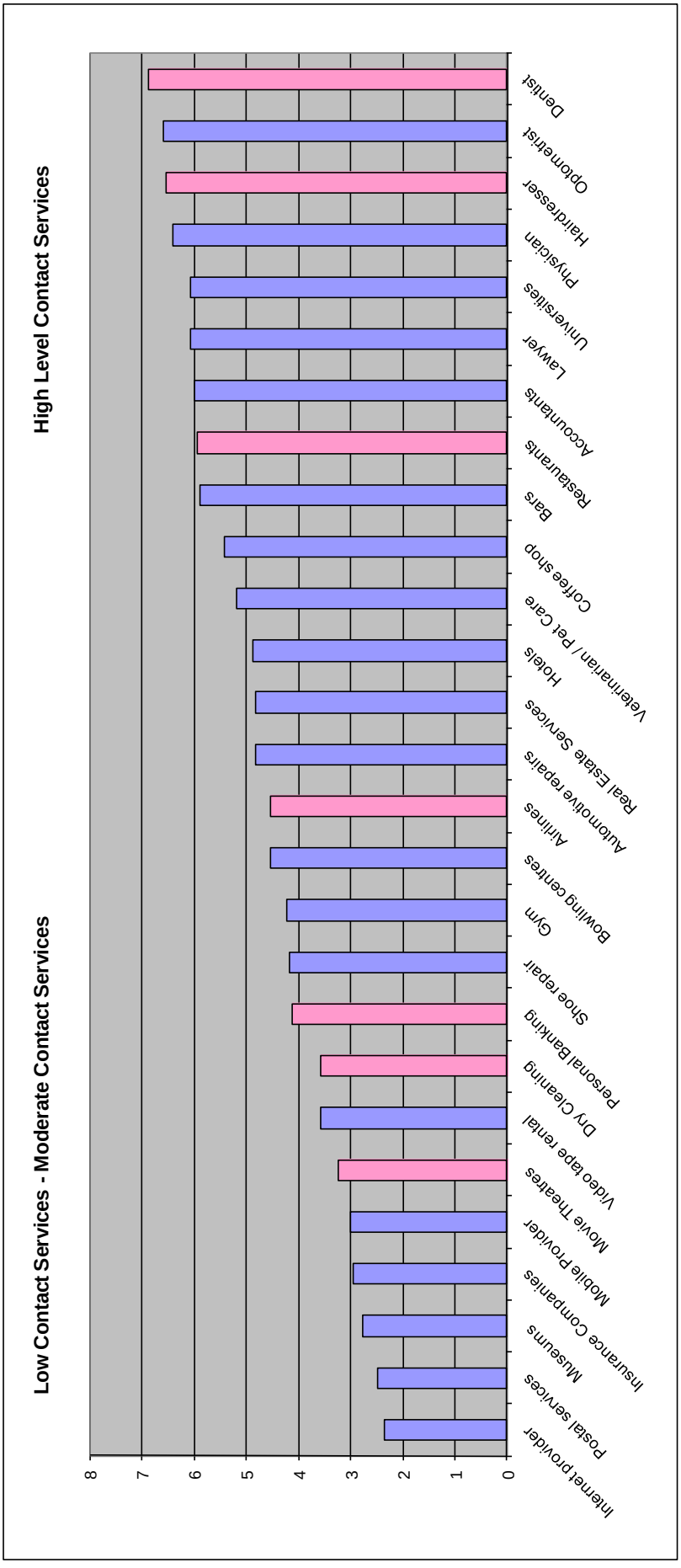
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APPENDIX 5: RESULTS FROM RATERS




Highly Hedonic Services
Highly Utilitarian Services
0
1
2
3
4
5
6
7
Accountants
Dentist
Optometrist
Lawyer
Dry Cleaning
Insurance Companies
Physician
Postal services
Automotive repairs
Personal Banking
Veterinarian / Pet Care
Shoe repair
Real Estate Services
Mobile Provider
Internet provider
Universities
Airlines
Gym
Hairdresser
Hotels
Museums
Video tape rental
Coffee shop
Restaurants
Movie Theatres
Bowling centres
Bars


Highly Customised Servcies
Semi Customised Services
Highly Standardised Services
Dentist
Hairdresser
Lawyer
Physician
Optometrist
Accountants
Veterinarian / Pet Care
Insurance Companies
Real Estate Services
Automotive repairs
Shoe repair
Personal Banking
Restaurants
Coffee Shop
Gym
Bars
Mobile Provider
Hotels
Universities
Internet provider
Bowling centres
Dry Cleaning
Airlines
Postal services
Video tape rental
Movie Theatres
Museums
0
1
2
3
4
5
6
7


High Level Contact Services
Low Contact Services - Moderate Contact Services
Internet provider
Postal services
Museums
Insurance Companies
Mobile Provider
Movie Theatres
Video tape rental
Dry Cleaning
Personal Banking
Shoe repair
Gym
Bowling centres
Airlines
Automotive repairs
Real Estate Services
Hotels
Veterinarian / Pet Care
Coffee shop
Bars
Restaurants
Accountants
Lawyer
Universities
Physician
Hairdresser
Optometrist
Dentist
0
1
2
3
4
5
6
7
8

APPENDIX 6: QUESTIONNAIRE

Please see below all 7 questionnaires for the aforementioned services: Airlines, Bank, Dentist, Dry Cleaner, Hair Salon, Movie Theatre and Restaurant.

(Please see at the next page)

AIRLINE QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

---

1) Which airline do you most frequently use? _____

2) This airline is:

i. The only one I use
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this airline? ____**years** _____**months**

4) In the past 12 months, approximately how often have you used this airline? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific airline**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7
Getting excellent value for the amount of money you spend	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other airline offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific airline:**

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new airline will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new airline will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new airline	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new airline	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other airlines	1	2	3	4	5	6	7
It is difficult to compare among the other competing airlines	1	2	3	4	5	6	7
Comparing the benefits of my airline with the benefits of other airlines takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new airlines	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new airline	1	2	3	4	5	6	7
Getting used to how another airline works/operates would be easy	1	2	3	4	5	6	7
My airline knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning to use the services/features offered by a new airline would take time	1	2	3	4	5	6	7
Switching airlines involves an unpleasant sales process (e.g. from the time I find a new airline until I book a ticket)	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new airline	1	2	3	4	5	6	7
The process of starting up with a new airline is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new airline	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my airline	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new airline would mean losing points (credits) I have accumulated with my airline	1	2	3	4	5	6	7
My airline offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My airline provides discounts for loyal customers	1	2	3	4	5	6	7
Using this airline has become automatic to me	1	2	3	4	5	6	7
Using this airline is natural to me	1	2	3	4	5	6	7
Using this airline happens without thinking	1	2	3	4	5	6	7
I have been using this airline for a long time	1	2	3	4	5	6	7
Using this airline has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this airline	1	2	3	4	5	6	7
I have developed a friendship with this airline	1	2	3	4	5	6	7
The employees in the airline know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my airline	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am using this airline	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong	1	2	3	4	5	6	7
I have more confidence the service (e.g. fight, booking, check-in) will be performed correctly by this airline	1	2	3	4	5	6	7
I have less anxiety when I use this airline than other airlines	1	2	3	4	5	6	7
It is more convenient to use this airline than other airlines	1	2	3	4	5	6	7
It makes me save time and effort when I use this airline rather than other airlines	1	2	3	4	5	6	7
It allows me to lessen my effort when using this airline rather than other airlines	1	2	3	4	5	6	7
It is easier to use this airline rather than other airlines	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your airline**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me using this airline	1	2	3	4	5	6	7
… would disapprove of me using this airline	1	2	3	4	5	6	7
… consider that it is important that I continue using this airline	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop using this airline	1	2	3	4	5	6	7
… expect me to continue using this airline	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped using this airline	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of using this airline again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could use this airline again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between airlines a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other airlines	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing airlines,** have you tried in the **last 2 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This airline makes a _____ impression on my visual sense or other senses	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This airline induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I use this airline	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this airline	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this airline is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this airline?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue using this airline	1	2	3	4	5	6	7
The next time I need to use an airline, I would choose this airline	1	2	3	4	5	6	7
I would consider this airline as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on airlines generally per year? £_____

13) On average the money that you spent on this specific airline represent _____% of your total expenditure on airlines.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

My relationship with this airline…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to use this airline was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to use this airline	1	2	3	4	5	6	7
I am a loyal customer of this airline	1	2	3	4	5	6	7
I have developed a good relationship with this airline	1	2	3	4	5	6	7
If I had to do it over again, I would choose this airline	1	2	3	4	5	6	7
I encourage friends and relatives to use this airline	1	2	3	4	5	6	7
I recommend this airline whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of airline comes up in conversation, I go out of my way to recommend this airline	1	2	3	4	5	6	7
I have actually recommended this airline to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

BANK QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
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If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

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1) Which bank do you most frequently use for your personal transactions? _____

2) This bank is:

i. The only one I use
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this bank? ____**years** _____**months**

4) In the past 2 months, approximately how often have you had transactions with this bank? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific bank**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very good financial deals	1	2	3	4	5	6	7
Getting excellent value for the amount of money you spend	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other bank offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific bank:**

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new bank will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new bank will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new bank	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new bank	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other banks	1	2	3	4	5	6	7
It is difficult to compare among the other competing banks	1	2	3	4	5	6	7
Comparing the benefits of my bank with the benefits of other banks takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new banks	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new bank	1	2	3	4	5	6	7
Getting used to how another bank works/operates would be easy	1	2	3	4	5	6	7
My bank knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning to use the services offered by a new bank would take time	1	2	3	4	5	6	7
Switching banks involves an unpleasant sales process	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new bank	1	2	3	4	5	6	7
The process of starting up with a new bank is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new bank	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my bank	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new bank would mean losing points (credits) I have accumulated with my bank	1	2	3	4	5	6	7
My bank offers me benefits/ good financial deals to encourage future purchasing	1	2	3	4	5	6	7
My bank provides benefits or good financial deals for loyal customers	1	2	3	4	5	6	7
Using this bank has become automatic to me	1	2	3	4	5	6	7
Using this bank is natural to me	1	2	3	4	5	6	7
Using this bank happens without thinking	1	2	3	4	5	6	7
I have been using this bank for a long time	1	2	3	4	5	6	7
Using this bank has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this bank	1	2	3	4	5	6	7
I have developed a friendship with this bank	1	2	3	4	5	6	7
The employees in the bank know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my bank	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am doing my transactions this bank	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this bank	1	2	3	4	5	6	7
I have less anxiety when I do my transactions with this bank than with other banks	1	2	3	4	5	6	7
It is more convenient to use this bank than other banks	1	2	3	4	5	6	7
It makes me save time and effort when I use this bank rather than other banks	1	2	3	4	5	6	7
It allows me to lessen my effort when using this bank rather than other banks	1	2	3	4	5	6	7
It is easier to use this bank rather than other banks	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your bank**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me using this bank	1	2	3	4	5	6	7
… would disapprove of me using this bank	1	2	3	4	5	6	7
… consider that it is important that I continue using this bank	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop using this bank	1	2	3	4	5	6	7
… expect me to continue using this bank	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped using this bank	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of using this bank again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could use this bank again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between banks a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other banks	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing banks,** have you tried in the **last 2 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This bank makes a _____ impression on my visual sense or other senses	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This bank induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I use this bank	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this bank	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this bank is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this bank?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue using this bank	1	2	3	4	5	6	7
The next time I need to use an bank, I would choose this bank	1	2	3	4	5	6	7
I would consider this bank as my first choice	1	2	3	4	5	6	7

12) In the last 2 months, on average how much money have you spent on banking services (e.g. interest on loans, bank charges, services charges, credit card charges, overdrafts)? £_____

13) On average the money that you deposit on this specific bank represent _____% of your total deposits on banks.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to use this bank was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to use this bank	1	2	3	4	5	6	7
I am a loyal customer of this bank	1	2	3	4	5	6	7
I have developed a good relationship with this bank	1	2	3	4	5	6	7
If I had to do it over again, I would choose this bank	1	2	3	4	5	6	7
I encourage friends and relatives to use this bank	1	2	3	4	5	6	7
I recommend this bank whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of banks comes up in conversation, I go out of my way to recommend this bank	1	2	3	4	5	6	7
I have actually recommended this bank to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

DENTIST QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

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1) Which dentist do you most frequently visit? _____

2) This dentist is:

i. The only one I visit
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this dentist? ____**years** _____**months**

4) In the past 2 years, approximately how many times have you visited this dentist? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific dentist**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer (e.g. general, cosmetic and orthodontic etc.)	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7
Getting excellent value for the amount of money you spend	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need him/her	1	2	3	4	5	6	7
Offering products or services that no other dentist offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific dentist:**

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new dentist will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new dentist will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new dentist	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new dentist	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other dentists	1	2	3	4	5	6	7
It is difficult to compare among the other competing dentists	1	2	3	4	5	6	7
Comparing the benefits of my dentist with the benefits of other dentists takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new dentists	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new dentist	1	2	3	4	5	6	7
Getting used to how another dentist works/operates would be easy	1	2	3	4	5	6	7
My dentist knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning the services/facilities offered by a new dentist would take time	1	2	3	4	5	6	7
Switching dentists involves an unpleasant sales process	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new dentist	1	2	3	4	5	6	7
The process of starting up with a new dentist is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new dentist	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my dentist	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new dentist would mean losing points (credits) I have accumulated with my dentist	1	2	3	4	5	6	7
My dentist offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My dentist provides discounts for loyal customers	1	2	3	4	5	6	7
Visiting this dentist has become automatic to me	1	2	3	4	5	6	7
Visiting this dentist is natural to me	1	2	3	4	5	6	7
Visiting this dentist happens without thinking	1	2	3	4	5	6	7
I have been visiting this dentist for a long time	1	2	3	4	5	6	7
Visiting this dentist has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees (including the dentist)	1	2	3	4	5	6	7
I am familiar with the dentist and/or employee(s) of this dentist	1	2	3	4	5	6	7
I have developed a friendship with this dentist	1	2	3	4	5	6	7
The employees and/or my dentist know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my dentist	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am visiting this dentist	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong when I am at this dentist	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this dentist	1	2	3	4	5	6	7
I have less anxiety when I am at this dentist than other dentists	1	2	3	4	5	6	7
It is more convenient to go to this dentist than other dentists	1	2	3	4	5	6	7
It makes me save time and effort when I go to this dentist rather than other dentists	1	2	3	4	5	6	7
It allows me to lessen my effort when visiting this dentist rather than other dentists	1	2	3	4	5	6	7
It is easier to go to this dentist rather than other dentists	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your dentist**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me visiting this dentist	1	2	3	4	5	6	7
… would disapprove of me visiting this dentist	1	2	3	4	5	6	7
… consider that it is important that I continue visiting this dentist	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop visiting this dentist	1	2	3	4	5	6	7
… expect me to continue visiting this dentist	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped visiting this dentist	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of visiting this dentist again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could visit this dentist again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between dentists a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other dentists	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing dentists,** have you tried in the **last 5 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This dentist makes a _____ impression on my senses (smell, taste, sight, hearing and touch)	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This dentist induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I visit this dentist	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this dentist	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this dentist is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this dentist?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue going to this dentist	1	2	3	4	5	6	7
The next time I need to visit a dentist, I would choose this dentist	1	2	3	4	5	6	7
I would consider this dentist as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on dentists generally per year? £_____

13) On average the money that you spent on this specific dentist represent _____% of your total expenditure on dentists.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to go to this dentist was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to go to this dentist	1	2	3	4	5	6	7
I am a loyal customer of this dentist	1	2	3	4	5	6	7
I have developed a good relationship with this dentist	1	2	3	4	5	6	7
If I had to do it over again, I would choose this dentist	1	2	3	4	5	6	7
I encourage friends and relatives to go to this dentist	1	2	3	4	5	6	7
I recommend this dentist whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of dentists comes up in conversation, I go out of my way to recommend this dentist	1	2	3	4	5	6	7
I have actually recommended this dentist to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

DRY CLEANER QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

---

1) Which dry cleaner do you most frequently use? _____

2) This dry cleaner is:

i. The only one I use
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this dry cleaner? ____**years** _____**months**

4) In the past 12 months, approximately how often have you used this dry cleaner? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific dry cleaner**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7
Getting excellent value for the amount of money you spend	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other dry cleaner offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific dry cleaner:**

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new dry cleaner will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new dry cleaner will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new dry cleaner	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new dry cleaner	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other dry cleaners	1	2	3	4	5	6	7
It is difficult to compare among the other competing dry cleaners	1	2	3	4	5	6	7
Comparing the benefits of my dry cleaner with the benefits of other dry cleaners takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new dry cleaners	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new dry cleaner	1	2	3	4	5	6	7
Getting used to how another dry cleaner works/operates would be easy	1	2	3	4	5	6	7
My dry cleaner knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning to use the services offered by a new dry cleaner would take time	1	2	3	4	5	6	7
Switching dry cleaners involves an unpleasant sales process	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new dry cleaner	1	2	3	4	5	6	7
The process of starting up with a new dry cleaner is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new dry cleaner	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my dry cleaner	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new dry cleaner would mean losing points (credits) I have accumulated with my dry cleaner	1	2	3	4	5	6	7
My dry cleaner offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My dry cleaner provides discounts for loyal customers	1	2	3	4	5	6	7
Using this dry cleaner has become automatic to me	1	2	3	4	5	6	7
Using this dry cleaner is natural to me	1	2	3	4	5	6	7
Using this dry cleaner happens without thinking	1	2	3	4	5	6	7
I have been using this dry cleaner for a long time	1	2	3	4	5	6	7
Using this dry cleaner has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this dry cleaner	1	2	3	4	5	6	7
I have developed a friendship with this dry cleaner	1	2	3	4	5	6	7
The employees in the dry cleaner know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my dry cleaner	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am using this dry cleaner	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this dry cleaner	1	2	3	4	5	6	7
I have less anxiety when I use this dry cleaner than other dry cleaners	1	2	3	4	5	6	7
It is more convenient to use this dry cleaner than other dry cleaners	1	2	3	4	5	6	7
It makes me save time and effort when I use this dry cleaner rather than other dry cleaners	1	2	3	4	5	6	7
It allows me to lessen my effort when using this dry cleaner rather than other dry cleaners	1	2	3	4	5	6	7
It is easier to use this dry cleaner rather than other dry cleaners	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your dry cleaner**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me using this dry cleaner	1	2	3	4	5	6	7
… would disapprove of me using this dry cleaner	1	2	3	4	5	6	7
… consider that it is important that I continue using this dry cleaner	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop using this dry cleaner	1	2	3	4	5	6	7
… expect me to continue using this dry cleaner	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped using this dry cleaner	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of using this dry cleaner again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could use this dry cleaner again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between dry cleaners a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other dry cleaners	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing dry cleaners,** have you tried in the **last 2 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This dry cleaner makes a _____ impression on my senses (smell, taste, sight, hearing and touch)	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This dry cleaner induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I use this dry cleaner	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this dry cleaner	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this dry cleaner is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this dry cleaner?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue using this dry cleaner	1	2	3	4	5	6	7
The next time I need to use an dry cleaner, I would choose this dry cleaner	1	2	3	4	5	6	7
I would consider this dry cleaner as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on dry cleaners generally per year? £_____

13) On average the money that you spent on this specific dry cleaner represent _____% of your total expenditure on dry cleaners.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to use this dry cleaner was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to use this dry cleaner	1	2	3	4	5	6	7
I am a loyal customer of this dry cleaner	1	2	3	4	5	6	7
I have developed a good relationship with this dry cleaner	1	2	3	4	5	6	7
If I had to do it over again, I would choose this dry cleaner	1	2	3	4	5	6	7
I encourage friends and relatives to use this dry cleaner	1	2	3	4	5	6	7
I recommend this dry cleaner whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of dry cleaner comes up in conversation, I go out of my way to recommend this dry cleaner	1	2	3	4	5	6	7
I have actually recommended this dry cleaner to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

HAIR SALON QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

---

1) Which hair salon do you most frequently visit? _____

2) This hair salon is:

i. The only one I visit
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this hair salon? ____**years** _____**months**

4) In the past 12 months, approximately how many times have you visited this hair salon? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific hair salon**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7
Getting excellent value for the amount of money you spend	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other hair salon offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific hair salon:**

NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new hair salon will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new hair salon will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new hair salon	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new hair salon	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other hair salons	1	2	3	4	5	6	7
It is difficult to compare among the other competing hair salons	1	2	3	4	5	6	7
Comparing the benefits of my hair salon with the benefits of other hair salons takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new hair salons	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new hair salon	1	2	3	4	5	6	7
Getting used to how another hair salon works/operates would be easy	1	2	3	4	5	6	7
My hair salon knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning the services/facilities offered by a new hair salon would take time	1	2	3	4	5	6	7
Switching hair salons involves an unpleasant sales process	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new hair salon	1	2	3	4	5	6	7
The process of starting up with a new hair salon is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new hair salon	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my hair salon	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new hair salon would mean losing points (credits) I have accumulated with my hair salon	1	2	3	4	5	6	7
My hair salon offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My hair salon provides discounts for loyal customers	1	2	3	4	5	6	7
Going to this hair salon has become automatic to me	1	2	3	4	5	6	7
Going to this hair salon is natural to me	1	2	3	4	5	6	7
Going to this hair salon happens without thinking	1	2	3	4	5	6	7
I have been going to this hair salon for a long time	1	2	3	4	5	6	7
Going to this hair salon has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this hair salon	1	2	3	4	5	6	7
I have developed a friendship with this hair salon	1	2	3	4	5	6	7
The employees in the hair salon know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my hair salon	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am going to this hair salon	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong when I am at that hair salon	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this hair salon	1	2	3	4	5	6	7
I have less anxiety when I am at this hair salon than other hair salons	1	2	3	4	5	6	7
It is more convenient to go to this hair salon than other hair salons	1	2	3	4	5	6	7
It makes me save time and effort when I go to this hair salon rather than other hair salons	1	2	3	4	5	6	7
It allows me to lessen my effort when going to this hair salon rather than other hair salons	1	2	3	4	5	6	7
It is easier to go to this hair salon rather than other hair salons	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your hair salon**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me going to this hair salon	1	2	3	4	5	6	7
… would disapprove of me going to this hair salon	1	2	3	4	5	6	7
… consider that it is important that I continue going to this hair salon	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop going to this hair salon	1	2	3	4	5	6	7
… expect me to continue going to this hair salon	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped going to this hair salon	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of going to this hair salon again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could go to this hair salon again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between hair salons a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other hair salons	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing hair salons,** have you tried in the **last 2 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This hair salon makes a _____ impression on my senses (touch, sight, smell, taste and hearing)	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This hair salon induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I go to this hair salon	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this hair salon	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this hair salon is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this hair salon?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue going to this hair salon	1	2	3	4	5	6	7
The next time I need to go to a hair salon, I would choose this hair salon	1	2	3	4	5	6	7
I would consider this hair salon as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on hair salons generally per year? £_____

13) On average the money that you spent on this specific hair salon represent _____% of your total expenditure on hair salons.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to go to this hair salon was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to go to this hair salon	1	2	3	4	5	6	7
I am a loyal customer of this hair salon	1	2	3	4	5	6	7
I have developed a good relationship with this hair salon	1	2	3	4	5	6	7
If I had to do it over again, I would choose this hair salon	1	2	3	4	5	6	7
I encourage friends and relatives to go to this hair salon	1	2	3	4	5	6	7
I recommend this hair salon whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of hair cut and/or hair colour comes up in conversation, I go out of my way to recommend this hair salon	1	2	3	4	5	6	7
I have actually recommended this hair salon to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

MOVIE THEATRE QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

---

1) Which movie theatre do you most frequently go to? _____

2) This movie theatre is:

i. The only one I go to
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this movie theatre? **____years** **_____months**

4) In the past 6 months, approximately how many times have you been at this movie theatre? **____times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific movie theatre**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*	*Worse than expected*	*Slightly worse than expected*	*Exactly **as expected***	*Slightly better than expected*	*Better than expected*	*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other movie theatre offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific movie theatre:**

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
witching to a new movie theatre will probably involve hidden costs/charges	1	2	3	4	5	6	7
witching to a new movie theatre will probably result in some unexpected hassle	1	2	3	4	5	6	7
don't know what I'll end up having to deal with while switching to a new movie heatre	1	2	3	4	5	6	7
am likely to end up with a bad deal financially if I switch to a new movie theatre	1	2	3	4	5	6	7
cannot afford the time to get the information to fully evaluate other movie theatres	1	2	3	4	5	6	7
is difficult to compare among the other competing movie theatres	1	2	3	4	5	6	7
omparing the benefits of my movie theatre with the benefits of other movie theatres akes too much time/effort, even when I have the information	1	2	3	4	5	6	7
will take a lot of time/effort to get the information I need to feel comfortable valuating new movie theatres	1	2	3	4	5	6	7
ven after switching, it would take effort to "get up to speed" with a new movie theatre	1	2	3	4	5	6	7
etting used to how another movie theatre works/operates would be easy	1	2	3	4	5	6	7
y movie theatre knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
earning to use the services/facilities offered by a new movie theatre would take time	1	2	3	4	5	6	7
witching movie theatres involves an unpleasant sales process	1	2	3	4	5	6	7
here are a lot of formalities involved in switching to a new movie theatre	1	2	3	4	5	6	7
he process of starting up with a new movie theatre is quick/easy	1	2	3	4	5	6	7
takes time to go through the steps of switching to a new movie theatre	1	2	3	4	5	6	7
will lose benefits of being a long-term customer if I leave my movie theatre	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new movie theatre would mean losing points (credits) I have accumulated with my movie theatre	1	2	3	4	5	6	7
My movie theatre offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My movie theatre provides discounts for loyal customers	1	2	3	4	5	6	7
Going to this movie theatre has become automatic to me	1	2	3	4	5	6	7
Going to this movie theatre is natural to me	1	2	3	4	5	6	7
Going to this movie theatre happens without thinking	1	2	3	4	5	6	7
I have been going to this movie theatre for a long time	1	2	3	4	5	6	7
Going to this movie theatre has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this movie theatre	1	2	3	4	5	6	7
I have developed a friendship with this movie theatre	1	2	3	4	5	6	7
The employees in the movie theatre know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my movie theatre	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am going to this movie theatre	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong when I am at this movie theatre	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this movie theatre	1	2	3	4	5	6	7
I have less anxiety when I am at this movie theatre than other movie theatres	1	2	3	4	5	6	7
It is more convenient to go to this movie theatre than other movie theatres	1	2	3	4	5	6	7
It makes me save time and effort when I go to this movie theatre rather than other movie theatres	1	2	3	4	5	6	7
It allows me to lessen my effort when going to this movie theatre rather than other movie theatres	1	2	3	4	5	6	7
It is easier to go to this movie theatre rather than other movie theatres	1	2	3	4	5	6	7

Please rate the extent to which the following words describe **your typical feelings toward the service you receive from your movie theatre**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me going to this movie theatre	1	2	3	4	5	6	7
… would disapprove of me going to this movie theatre	1	2	3	4	5	6	7
… consider that it is important that I continue going to this movie theatre	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop going to this movie theatre	1	2	3	4	5	6	7
… expect me to continue going to this movie theatre	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped going to this movie theatre	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of going to this movie theatre again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could go to this movie theatre again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between movie theatres a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other movie theatres	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing movie theatres,** have you tried in the **last 2 years?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This movie theatre makes a _____ impression on my senses (sight, hearing, smell, taste and touch)	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This movie theatre induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I go to this movie theatre	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this movie theatre	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this movie theatre is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this movie theatre?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue going to this movie theatre	1	2	3	4	5	6	7
The next time I need to go to a movie theatre, I would choose this movie theatre	1	2	3	4	5	6	7
I would consider this movie theatre as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on movie theatres generally per year? £_____

13) On average the money that you spent on this specific movie theatre represent _____% of your total expenditure on movie theatres.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to go to this movie theatre was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to go to this movie theatre	1	2	3	4	5	6	7
I am a loyal customer of this movie theatre	1	2	3	4	5	6	7
I have developed a good relationship with this movie theatre	1	2	3	4	5	6	7
If I had to do it over again, I would choose this movie theatre	1	2	3	4	5	6	7
I encourage friends and relatives to go to this movie theatre	1	2	3	4	5	6	7
I recommend this movie theatre whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of watching a movie comes up in conversation, I go out of my way to recommend this movie theatre	1	2	3	4	5	6	7
I have actually recommended this movie theatre to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

RESTAURANT QUESTIONNAIRE

Cass Business School
CITY UNIVERSITY LONDON

Dear Respondent – Madam or Sir,

This questionnaire is part of a PhD project at Cass Business School, City University, regarding the Customer Relationship Management. There are no sensitive questions, but you may still be assured that your answers – under provisions of Law and Codes of Research Ethics – are **ANONYMOUS and CONFIDENTIAL**.

It will take around **15 minutes**
There is **no right or wrong answer to these questions –** what really matters is your opinion based on your experience

All survey participants have the possibility to take part in a drawing for an **iPod touch (8GB)** worth of **£190** and a **Debenhams Voucher (£100)**.

If you would like to participate in the drawing, simply state your email address at the end of the questionnaire so we can contact you in case you won either the iPod or the Voucher!

We are grateful for your help!

---

1) Which restaurant do you most frequently go to? _____

2) This restaurant is:

i. The only one I go to
ii. One of 2
iii. One of 3
iv. One of 4
v. One of many

3) Approximately, for how long have you been a customer of this restaurant? ____**years** _____**months**

4) In the past 6 months, approximately how many times have you been at this restaurant? ____**times**

5) Please read and rate **ALL** of the following statements based on **your expectations with this specific restaurant**:

(NOTE: **1**=Much **worse** than expected
4= exactly **as expected**
7= much **better** than expected)

	*Much **worse** than expected*		*Worse than expected*		*Slightly worse than expected*		*Exactly **as expected***		*Slightly better than expected*		*Better than expected*		*Much **better** than expected*
Providing service reliably, consistently, and dependably	1	2	3	4	5	6	7
Having a great assortment of services to offer	1	2	3	4	5	6	7
Customizing the service for your specific needs to a large extent	1	2	3	4	5	6	7
Using the best equipment and/or ingredients	1	2	3	4	5	6	7
Having very low prices	1	2	3	4	5	6	7

(continue as in previous page)

	Much **worse** than expected	Worse than expected	Slightly worse than expected	Exactly **as expected**	Slightly better than expected	Better than expected	Much **better** than expected
Being always available when you need them	1	2	3	4	5	6	7
Offering products or services that no other restaurant offers	1	2	3	4	5	6	7
Offering many additional types of service beyond the basics	1	2	3	4	5	6	7
Having an effective rewards/loyalty scheme *(if applicable)*	1	2	3	4	5	6	7
Having employees behaving in a non-forced or non-fake manner	1	2	3	4	5	6	7
Having employees who really care about you	1	2	3	4	5	6	7
Having employees who provide excellent advice	1	2	3	4	5	6	7
Being exceptionally fair with customers	1	2	3	4	5	6	7
Not pressuring you	1	2	3	4	5	6	7
Having employees going out of their way to do a good job	1	2	3	4	5	6	7
Providing very fast service and/or having very short waiting times	1	2	3	4	5	6	7
Having exceptionally clean facilities	1	2	3	4	5	6	7
Having a great environment and/or atmosphere	1	2	3	4	5	6	7
Being very well located	1	2	3	4	5	6	7

6) Please read and rate **ALL** of the following statements based on your level of **disagreement/ agreement** with **this specific restaurant:**

NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new restaurant will probably involve hidden costs/charges	1	2	3	4	5	6	7
Switching to a new restaurant will probably result in some unexpected hassle	1	2	3	4	5	6	7
I don't know what I'll end up having to deal with while switching to a new restaurant	1	2	3	4	5	6	7
I am likely to end up with a bad deal financially if I switch to a new restaurant	1	2	3	4	5	6	7
I cannot afford the time to get the information to fully evaluate other restaurants	1	2	3	4	5	6	7
It is difficult to compare among the other competing restaurants	1	2	3	4	5	6	7
Comparing the benefits of my restaurant with the benefits of other restaurants takes too much time/effort, even when I have the information	1	2	3	4	5	6	7
It will take a lot of time/effort to get the information I need to feel comfortable evaluating new restaurants	1	2	3	4	5	6	7
Even after switching, it would take effort to "get up to speed" with a new restaurant	1	2	3	4	5	6	7
Getting used to how another restaurant works/operates would be easy	1	2	3	4	5	6	7
My restaurant knows my history and it would be a hassle to change to a new one	1	2	3	4	5	6	7
Learning to use the services/facilities offered by a new restaurant would take time	1	2	3	4	5	6	7
Switching restaurants involves an unpleasant sales process	1	2	3	4	5	6	7
There are a lot of formalities involved in switching to a new restaurant	1	2	3	4	5	6	7
The process of starting up with a new restaurant is quick/easy	1	2	3	4	5	6	7
It takes time to go through the steps of switching to a new restaurant	1	2	3	4	5	6	7
I will lose benefits of being a long-term customer if I leave my restaurant	1	2	3	4	5	6	7

(continue as in previous page)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
Switching to a new restaurant would mean losing points (credits) I have accumulated with my restaurant	1	2	3	4	5	6	7
My restaurant offers me discounts to encourage future purchasing	1	2	3	4	5	6	7
My restaurant provides discounts for loyal customers	1	2	3	4	5	6	7
Going to this restaurant has become automatic to me	1	2	3	4	5	6	7
Going to this restaurant is natural to me	1	2	3	4	5	6	7
Going to this restaurant happens without thinking	1	2	3	4	5	6	7
I have been going to this restaurant for a long time	1	2	3	4	5	6	7
Going to this restaurant has become a habit	1	2	3	4	5	6	7
I am recognized by certain employees	1	2	3	4	5	6	7
I am familiar with the employee(s) of this restaurant	1	2	3	4	5	6	7
I have developed a friendship with this restaurant	1	2	3	4	5	6	7
The employees in the restaurant know my name	1	2	3	4	5	6	7
I enjoy certain social aspects of the relationship with my restaurant	1	2	3	4	5	6	7
I feel welcomed as a customer	1	2	3	4	5	6	7
I feel less stress when I am going to this restaurant	1	2	3	4	5	6	7
I believe there is less risk that something will go wrong when I am at that restaurant	1	2	3	4	5	6	7
I have more confidence the service will be performed correctly by this restaurant	1	2	3	4	5	6	7
I have less anxiety when I am at this restaurant than other restaurants	1	2	3	4	5	6	7
It is more convenient to go to this restaurant than other restaurants	1	2	3	4	5	6	7
It makes me save time and effort when I go to this restaurant rather than other restaurants	1	2	3	4	5	6	7
It allows me to lessen my effort when going to this restaurant rather than other restaurants	1	2	3	4	5	6	7
It is easier to go to this restaurant rather than other restaurants	1	2	3	4	5	6	7

lease rate the extent to which the following words describe **your typical feelings toward the service you receive from your restaurant**:

…affectionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…friendly	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…peaceful	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…passionate	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…delighted	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…captivated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…connected	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…bonded	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…attached	**Not at all**	1	2	3	4	5	6	7	**Very Much**
...angry	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…frustrated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…irritated	**Not at all**	1	2	3	4	5	6	7	**Very Much**
…annoyed	**Not at all**	1	2	3	4	5	6	7	**Very Much**

7) Please rate ALL of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

People who matter to me (e.g. family, friends, relatives, peers)…	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
… would approve of me going to this restaurant	1	2	3	4	5	6	7
… would disapprove of me going to this restaurant	1	2	3	4	5	6	7
… consider that it is important that I continue going to this restaurant	1	2	3	4	5	6	7
… wouldn't mind if I decided to stop going to this restaurant	1	2	3	4	5	6	7
… expect me to continue going to this restaurant	1	2	3	4	5	6	7
… would probably make me feel guilty if I stopped going to this restaurant	1	2	3	4	5	6	7

8) Please rate **ALL** of the following statements:

Please rate the difficulty of going to this restaurant again	**Extremely Difficult**	1	2	3	4	5	6	7	**Extremely Easy**
If I wanted to, I am confident I could go to this restaurant again	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
Over the years, I have switched between restaurants a lot	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**
I occasionally try other restaurants	**Strongly Disagree**	1	2	3	4	5	6	7	**Strongly Agree**

9) How many **competing restaurants,** have you tried in the **last 6 moths?** _____

10) Please circle the number that better **fills in the gap** in the following statements, based on your experience:

This restaurant makes a _____ impression on my senses (smell, taste, sight, hearing and touch)	**Strong Negative**	1	2	3	4	5	6	7	**Strong Positive**
This restaurant induces _____ feelings and sentiments	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in _____ physical actions and behaviours when I go to this restaurant	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**
I engage in a _____ thinking when I encounter this restaurant	**Lot of Negative**	1	2	3	4	5	6	7	**Lot of Positive**
My overall experience with this restaurant is _____	**Very Negative**	1	2	3	4	5	6	7	**Very Positive**

11) Please rate **ALL** of the following statements based on your level of **disagreement/agreement**:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

How would you behave based on your experience with this restaurant?	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I would continue going to this restaurant	1	2	3	4	5	6	7
The next time I need to go to a restaurant, I would choose this restaurant	1	2	3	4	5	6	7
I would consider this restaurant as my first choice	1	2	3	4	5	6	7

12) On average how much money do you spend on restaurants generally per month? £_____

13) On average the money that you spent on this specific restaurant represent _____% of your total expenditure on restaurants.

14) Please rate **ALL** of the following statements:

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
My choice to go to this restaurant was a wise one	1	2	3	4	5	6	7
I think I did the right thing when I decided to go to this restaurant	1	2	3	4	5	6	7
I am a loyal customer of this restaurant	1	2	3	4	5	6	7
I have developed a good relationship with this restaurant	1	2	3	4	5	6	7
If I had to do it over again, I would choose this restaurant	1	2	3	4	5	6	7
I encourage friends and relatives to go to this restaurant	1	2	3	4	5	6	7
I recommend this restaurant whenever anyone seeks my advice	1	2	3	4	5	6	7
When the topic of dining out comes up in conversation, I go out of my way to recommend this restaurant	1	2	3	4	5	6	7
I have actually recommended this restaurant to my friends/family	1	2	3	4	5	6	7

DEMOGRAPHIC INFORMATION

A. Gender: Male ☐ Female ☐ **B.** Your occupation: _____ **C.** Your age: _____

D. What is your highest educational degree?

Primary School	☐	Undergraduate Degree	☐	Further education	
Secondary School	☐	Postgraduate Degree	☐	(Technical, professional)	☐
College	☐	MPhil or PhD	☐	Other	☐

E. What is your own yearly income?

Less than £10k ☐ £11-£30k ☐ £31-£50k ☐ £51-£70k ☐ £71K or more ☐

(NOTE: **1**=Strongly **Disagree** / **7=** Strongly **Agree**)

	Strongly **Disagree**	Disagree	Slightly Disagree	Undecided	Slightly Agree	Agree	Strongly **Agree**
I tried to answer this questionnaire to the best of my ability	1	2	3	4	5	6	7
I had great difficulty understanding most of the questions	1	2	3	4	5	6	7
I often think about the harm we are doing to the environment	1	2	3	4	5	6	7

If you would like to participate in the drawing please state your **email address** here: _____

GOOD LUCK!!!

THANK YOU VERY MUCH!

APPENDIX 7: MEASUREMENT – ITEMS FROM LITERATURE

Variable	Items/loadings	Author	Definition
Social Bonds	[Conceptual study]	**Arantola, 2002**	**Negative**: Even if there is a negative perception of the supplier's contact person/s, the perception cannot act as a tie, therefore negative social bonds cannot exist **Neutral** or no perception of social relations between the customer and the provider. **Positive**: personal relations are perceived as positive and important, and the customer is motivated to stay in the relationship.
Social Bonds			
Social Bonds	• Keeps in touch with me (.72) • Concerned with my needs (.73) • Employee helps me to solve my personal problems (.56) • Collects my opinion about services (.76) • I can receive greeting cards or gifts on special days (.63) • Offers opportunities for members to exchange opinions (.64)	**Lin, Weng, and Hsieh (2003)**	The social aspect of the relationship between customers and service providers may help to develop shared values and a psychological attachment and lead over time to commitment. (p. 108) Social bonds can also be derived from customer-to-customer interactions and friendships in addition to customer provider interactions [Zeithami and Bitner, 1996]. From the customer viewpoint, the result of the social bonding strategy. (p.106)
Social Bonds .85	• The e-tailer keeps in touch with me • The e-tailer knows me • I receive special treatment after I become a member • The communities sponsored by the e-tailer provide me product information • The e-tailer is concerned with my needs • The e-tailer collects my opinions about services • The e-tailer sends me greeting cards or gifts on special days • The e-tailer sponsors communities for customers • I can share my opinions on theWeb site	**Hsieh et al., 2005**	Social bonds are personal ties that pertain to service dimensions that offer interpersonal interactions, friendships (Beatty, Mayer, Coleman, Reynolds & Lee 1996; Wilson 1995), and identifications (Smith 1998; Turner 1970). Etailers may build social bonds with individual customers by recognizing them through e-mails personalized by name or two-way communications (Janoff 2000; Strauss & Frost 2001). Social bonds can also be built through customer-to-customer interactions and friendships (Zeithaml & Bitner 2000). (p. 77)

Social Benefits	• I am recognized by certain employees. (.69) • I enjoy certain social aspects of the relationship. (.52) • I have developed a friendship with the service provider. (.881) • I am familiar with the employee(s) that perform(s) the service. (.795) • They know my name. (.95)	**Hennig-Thurau, Gwinner, , & Gremler, (2002)**	Refers to the emotional part of the relation between customer and a single employee. The customer enjoys his or her positive relationship with the employee, "it's more fun to deal" (customer statement in Gwinner, Gremler & Bitner 1998, 104); and interprets his or her relationship with the respective employee as similar to friendship, "he's like a kind of friend now" (customer statement in Gwinner, Gremler & Bitner 1998, 104). (p. 375-576)
Social Benefits	• it creates a feeling of attachment to [COMPANY NAME] or other people there • it allows me to do something good for [COMPANY NAME] or others • it allows me to have enjoyable interactions with the employees or other customers • it helps to ensure that I can live in a thriving local community	**Paul et al., 2009**	There is no definition provided, but this social bond includes the concepts of: affiliation, altruism, communication and community
Social Benefits	• I am recognized by certain employees. (.82) • I am familiar with the employee(s) who perform(s) the service. (.74) • I have developed a friendship with the service provider. (.71) • They know my name. (.70) • I enjoy certain social aspects of the relationship (.52)	**Gwinner, Gremler & Bitner, 1998**	Social benefits have been presumed to include feelings of familiarity, personal recognition, friendship, rapport, and social support (Barnes 1994; Berry 1995).

APPENDIX 8: COMMON METHOD VARIANCE RESULT

		Delivery		Product		Environment		Price		Schemes		Location	
Delivery	Pearson Correlation	1											
	Sig. (2-tailed)												
	N / t-statistic	548											
Product	Pearson Correlation	.676	.674	1									
	Sig. (2-tailed)	.000	.000										
	N / t-statistic	548	21.435	548									
Environment	Pearson Correlation	.604	.601	.618	.615	1							
	Sig. (2-tailed)	.000	.000	.000	.000								
	N / t-statistic	548	17.675	548	18.332	548							
Price	Pearson Correlation	.408	.404	.460	.456	.358	.354	1					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000						
	N / t-statistic	548	10.424	548	12.099	548	8.963	548					
Schemes	Pearson Correlation	.419	.415	.400	.396	.358	.353	.312	.308	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000				
	N / t-statistic	548	10.787	548	10.200	548	8.951	548	7.679	548			
Location	Pearson Correlation	.325	.320	.364	.360	.401	.397	.198	.192	.117	.111	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.006	.006		
	N / t-statistic	548	8.018	548	9.124	548	10.214	548	4.704	548	2.748	548	

		Delivery		Product		Environment		Price		Schemes		Location	
Switching Cost	Pearson Correlation	.146	1.002	.158	1.002	.143	1.002	.040	1.002	.068	1.002	-.101	1.002
	Sig. (2-tailed)	.001	.001	.000	.000	.001	.001	.355	.356	.112	.112	.018	.018
	N / t-statistic	548	3.450	548	3.728	548	3.367	548	.924	548	1.591	548	-2.380
Economic	Pearson Correlation	.261	1.001	.180	1.001	.158	1.002	.107	1.002	.465	1.001	-.003	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.012	.012	.000	.000	.937	.938
	N / t-statistic	548	6.321	548	4.268	548	3.731	548	2.520	548	12.263	548	-.078
Habit	Pearson Correlation	.185	1.001	.227	1.001	.201	1.001	.082	1.002	.143	1.002	.156	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.055	.056	.001	.001	.000	.000
	N / t-statistic	548	4.400	548	5.445	548	4.799	548	1.918	548	3.365	548	3.682
Social	Pearson Correlation	.508	1.001	.470	1.001	.443	1.001	.239	1.001	.283	1.001	.248	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	13.771	548	12.440	548	11.544	548	5.739	548	6.893	548	5.987
Confidence	Pearson Correlation	.411	1.001	.462	1.001	.354	1.001	.202	1.001	.264	1.001	.124	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.004	.004
	N / t-statistic	548	10.538	548	12.166	548	8.839	548	4.824	548	6.398	548	2.927
Convenience	Pearson Correlation	.187	1.001	.254	1.001	.200	1.001	.126	1.002	.103	1.002	.328	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.003	.003	.015	.016	.000	.000
	N / t-statistic	548	4.455	548	6.141	548	4.757	548	2.969	548	2.427	548	8.094
Positive	Pearson Correlation	.491	1.001	.489	1.001	.449	1.001	.211	1.001	.269	1.001	.225	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	13.147	548	13.086	548	11.724	548	5.044	548	6.519	548	5.384
Negative	Pearson Correlation	-.277	1.002	-.314	1.002	-.219	1.002	-.245	1.002	-.154	1.002	-.198	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	-6.740	548	-7.715	548	-5.232	548	-5.897	548	-3.636	548	-4.725

		Switching Cost		Economic		Habit		Social		Confidence		Convenience	
Switching Cost	Pearson Correlation	1											
	Sig. (2-tailed)												
	N / t-statistic	548											
Economic	Pearson Correlation	.206	1.001	1									
	Sig. (2-tailed)	.000	.000										
	N / t-statistic	548	4.919	548									
Habit	Pearson Correlation	.324	1.001	.172	1.002	1							
	Sig. (2-tailed)	.000	.000	.000	.000								
	N / t-statistic	548	7.990	548	4.073	548							
Social	Pearson Correlation	.302	1.001	.255	1.001	.315	1.001	1					
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000						
	N / t-statistic	548	7.408	548	6.162	548	7.748	548					
Confidence	Pearson Correlation	.418	1.001	.266	1.001	.376	1.001	.527	1.001	1			
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000				
	N / t-statistic	548	10.736	548	6.439	548	9.461	548	14.490	548			
Convenience	Pearson Correlation	.212	1.001	.145	1.002	.424	1.001	.350	1.001	.310	1.001	1	
	Sig. (2-tailed)	.000	.000	.001	.001	.000	.000	.000	.000	.000	.000		
	N / t-statistic	548	5.058	548	3.419	548	10.932	548	8.721	548	7.621	548	
Positive	Pearson Correlation	.132	1.002	.274	1.001	.244	1.001	.463	1.001	.451	1.001	.180	1.001
	Sig. (2-tailed)	.002	.002	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	3.113	548	6.653	548	5.868	548	12.178	548	11.804	548	4.270
Negative	Pearson Correlation	.071	1.002	-.039	1.002	-.092	1.002	-.203	1.002	-.295	1.002	-.131	1.002
	Sig. (2-tailed)	.099	.099	.357	.357	.031	.031	.000	.000	.000	.000	.002	.002
	N / t-statistic	548	1.653	548	-.921	548	-2.165	548	-4.846	548	-7.220	548	-3.094

		Delivery		Product		Environment		Price		Schemes		Location	
Subjective Norms	Pearson Correlation	.215	1.001	.250	1.001	.142	1.002	.101	1.002	.155	1.002	-.055	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.001	.001	.018	.018	.000	.000	.198	.199
	N / t-statistic	548	5.147	548	6.037	548	3.339	548	2.369	548	3.656	548	-1.287
Perceived Difficulty	Pearson Correlation	-.118	1.002	-.147	1.002	-.133	1.002	-.054	1.002	-.007	1.002	-.239	1.002
	Sig. (2-tailed)	.006	.006	.001	.001	.002	.002	.210	.210	.865	.865	.000	.000
	N / t-statistic	548	-2.776	548	-3.478	548	-3.123	548	-1.255	548	-.170	548	-5.746
Switching Experience	Pearson Correlation	-.059	1.002	-.048	1.002	-.022	1.002	.026	1.002	.012	1.002	.023	1.002
	Sig. (2-tailed)	.167	.168	.261	.261	.599	.600	.549	.550	.783	.783	.593	.593
	N / t-statistic	548	-1.381	548	-1.125	548	-.525	548	.598	548	.275	548	.535
Customer Experience	Pearson Correlation	.432	1.001	.488	1.001	.422	1.001	.312	1.001	.263	1.001	.247	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	11.192	548	13.041	548	10.866	548	7.667	548	6.361	548	5.941
Intention	Pearson Correlation	.351	1.001	.408	1.001	.305	1.001	.220	1.001	.147	1.002	.212	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.001	.001	.000	.000
	N / t-statistic	548	8.758	548	10.429	548	7.470	548	5.266	548	3.470	548	5.071
Loyalty	Pearson Correlation	.464	1.001	.461	1.001	.419	1.001	.259	1.001	.237	1.001	.214	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	12.232	548	12.120	548	10.767	548	6.259	548	5.702	548	5.107
WOM	Pearson Correlation	.408	1.001	.408	1.001	.320	1.001	.301	1.001	.238	1.001	.099	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.021	.021
	N / t-statistic	548	10.421	548	10.438	548	7.884	548	7.367	548	5.722	548	2.312
SoW	Pearson Correlation	.141	1.002	.093	1.002	.055	1.002	-.050	1.002	.004	1.002	.100	1.002
	Sig. (2-tailed)	.001	.001	.029	.029	.196	.196	.245	.246	.932	.932	.020	.020
	N / t-statistic	548	3.321	548	2.183	548	1.294	548	-1.163	548	.085	548	2.339

		Switching Cost		Economic		Habit		Social		Confidence		Convenience	
Subjective Norms	Pearson Correlation	.282	1.001	.158	1.002	.192	1.001	.238	1.001	.308	1.001	.055	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.198	.199
	N / t-statistic	548	6.870	548	3.747	548	4.557	548	5.723	548	7.556	548	1.287
Perceived Difficulty	Pearson Correlation	.111	1.002	.017	1.002	-.167	1.002	-.037	1.002	-.153	1.002	-.209	1.002
	Sig. (2-tailed)	.010	.010	.689	.689	.000	.000	.393	.394	.000	.000	.000	.000
	N / t-statistic	548	2.599	548	.400	548	-3.949	548	-.853	548	-3.623	548	-4.993
Switching Experience	Pearson Correlation	-.409	1.003	-.018	1.002	-.311	1.002	-.185	1.002	-.191	1.002	-.176	1.002
	Sig. (2-tailed)	.000	.000	.679	.679	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	-10.472	548	-.414	548	-7.645	548	-4.394	548	-4.533	548	-4.186
Customer Experience	Pearson Correlation	.019	1.002	.186	1.001	.233	1.001	.319	1.001	.393	1.001	.191	1.001
	Sig. (2-tailed)	.664	.664	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	.434	548	4.431	548	5.605	548	7.868	548	9.971	548	4.550
Intention	Pearson Correlation	.129	1.002	.101	1.002	.375	1.001	.278	1.001	.473	1.001	.296	1.001
	Sig. (2-tailed)	.002	.002	.018	.018	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	3.045	548	2.364	548	9.434	548	6.747	548	12.536	548	7.239
Loyalty	Pearson Correlation	.218	1.001	.153	1.002	.404	1.001	.424	1.001	.534	1.001	.289	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	5.204	548	3.619	548	10.298	548	10.914	548	14.743	548	7.057
WOM	Pearson Correlation	.172	1.002	.190	1.001	.245	1.001	.349	1.001	.452	1.001	.109	1.002
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.010	.011
	N / t-statistic	548	4.072	548	4.517	548	5.899	548	8.687	548	11.815	548	2.566
SoW	Pearson Correlation	.274	1.001	.023	1.002	.289	1.001	.219	1.001	.208	1.001	.208	1.001
	Sig. (2-tailed)	.000	.000	.590	.590	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	6.653	548	.539	548	7.044	548	5.236	548	4.973	548	4.957

		Positive		Negative		Subjective Norms		Perceived Difficulty		Switching Experience		Customer Experience	
Subjective Norms	Pearson Correlation	.314	1.001	.005	1.002	1							
	Sig. (2-tailed)	.000	.000	.905	.905								
	N / t-statistic	548	7.721	548	.120	548							
Perceived Difficulty	Pearson Correlation	-.149	1.002	.249	1.001	.093	1.002	1					
	Sig. (2-tailed)	.000	.000	.000	.000	.029	.030						
	N / t-statistic	548	-3.516	548	5.991	548	2.182	548					
Switching Experience	Pearson Correlation	.046	1.002	.055	1.002	-.198	1.002	-.072	1.002	1			
	Sig. (2-tailed)	.283	.283	.196	.196	.000	.000	.094	.094				
	N / t-statistic	548	1.075	548	1.294	548	-4.723	548	-1.677	548			
Customer Experience	Pearson Correlation	.532	1.001	-.321	1.002	.206	1.001	-.286	1.002	.110	1.002	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.010	.010		
	N / t-statistic	548	14.679	548	-7.903	548	4.910	548	-6.956	548	2.572	548	
Intention	Pearson Correlation	.389	1.001	-.435	1.003	.211	1.001	-.463	1.003	-.143	1.002	.530	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.001	.001	.000	.000
	N / t-statistic	548	9.854	548	-11.277	548	5.041	548	-12.183	548	-3.364	548	14.597
Loyalty	Pearson Correlation	.463	1.001	-.318	1.002	.255	1.001	-.301	1.002	-.181	1.002	.524	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N / t-statistic	548	12.178	548	-7.822	548	6.148	548	-7.359	548	-4.301	548	14.349
WOM	Pearson Correlation	.489	1.001	-.217	1.002	.385	1.001	-.133	1.002	-.037	1.002	.485	1.001
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.002	.002	.387	.388	.000	.000
	N / t-statistic	548	13.072	548	-5.195	548	9.738	548	-3.126	548	-.865	548	12.948
SoW	Pearson Correlation	.020	1.002	-.060	1.002	.115	1.002	-.108	1.002	-.386	1.003	.035	1.002
	Sig. (2-tailed)	.646	.646	.160	.160	.007	.007	.011	.011	.000	.000	.412	.412
	N / t-statistic	548	.459	548	-1.407	548	2.696	548	-2.543	548	-9.756	548	.821

		Intention		Loyalty		WOM		SoW	
Intention	Pearson Correlation	1							
	Sig. (2-tailed)								
	N / t-statistic	548							
Loyalty	Pearson Correlation	.689	1.001	1					
	Sig. (2-tailed)	.000	.000						
	N / t-statistic	548	22.172	548					
WOM	Pearson Correlation	.480	1.001	.629	1.001	1			
	Sig. (2-tailed)	.000	.000	.000	.000				
	N / t-statistic	548	12.759	548	18.895	548			
SoW	Pearson Correlation	.261	1.001	.225	1.001	.044	1.002	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.307	.307		
	N / t-statistic	548	6.311	548	5.380	548	1.022	548	

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APPENDIX 9: DEMOGRAPHIC CHARACTERISTICS

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	276	50.4	50.4	50.4
	Female	272	49.6	49.6	100.0
	Total	548	100.0	100.0	

Age

N	Valid	547
	Missing	1
Mean		34.05
Median		32.00
Mode		28[a]

a. Multiple modes exist. The smallest value is shown

Age Range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	19	1	.2	.2	.2
	20	2	.4	.4	.5
	21	9	1.6	1.6	2.2
	22	10	1.8	1.8	4.0
	23	15	2.7	2.7	6.8
	24	22	4.0	4.0	10.8
	25	31	5.7	5.7	16.5
	26	30	5.5	5.5	21.9
	27	32	5.8	5.9	27.8
	28	36	6.6	6.6	34.4
	29	25	4.6	4.6	38.9
	30	36	6.6	6.6	45.5
	31	21	3.8	3.8	49.4
	32	33	6.0	6.0	55.4

	33	23	4.2	4.2	59.6
	34	15	2.7	2.7	62.3
	35	22	4.0	4.0	66.4
	36	14	2.6	2.6	68.9
	37	14	2.6	2.6	71.5
	38	14	2.6	2.6	74.0
	39	15	2.7	2.7	76.8
	40	11	2.0	2.0	78.8
	41	8	1.5	1.5	80.3
	42	9	1.6	1.6	81.9
	43	8	1.5	1.5	83.4
	44	8	1.5	1.5	84.8
	45	11	2.0	2.0	86.8
	46	7	1.3	1.3	88.1
	47	5	.9	.9	89.0
	48	8	1.5	1.5	90.5
	49	5	.9	.9	91.4
	50	7	1.3	1.3	92.7
	51	4	.7	.7	93.4
	52	3	.5	.5	94.0
	53	6	1.1	1.1	95.1
	54	3	.5	.5	95.6
	55	3	.5	.5	96.2
	56	3	.5	.5	96.7
	57	9	1.6	1.6	98.4
	59	1	.2	.2	98.5
	64	3	.5	.5	99.1
	67	1	.2	.2	99.3
	70	1	.2	.2	99.5
	74	2	.4	.4	99.8
	75	1	.2	.2	100.0
	Total	547	99.8	100.0	
Missing	System	1	.2		
Total		548	100.0		

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary School	2	.4	.4	.4
	Secondary School	37	6.8	6.8	7.2
	College	58	10.6	10.6	17.8
	Undergraduate Degree	188	34.3	34.3	52.1
	Postgraduate Degree	166	30.3	30.3	82.4
	MPhil or PhD	42	7.6	7.6	90.0
	Further education (Technical, professional)	39	7.1	7.1	97.1
	Other	16	2.9	2.9	100.0
	Total	548	100.0	100.0	

Income

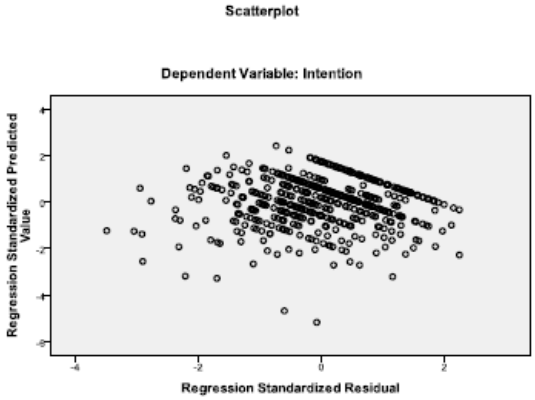
N	Valid	548
	Missing	0
Mean		2.49
Median		2.00
Mode		2

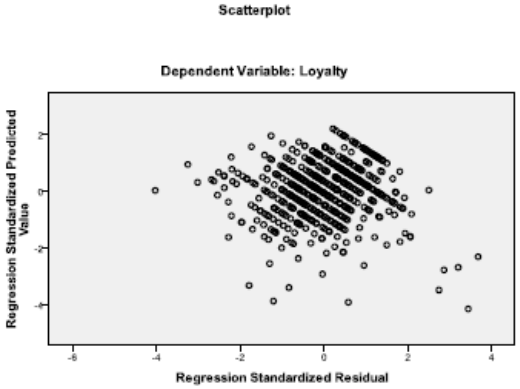
Income

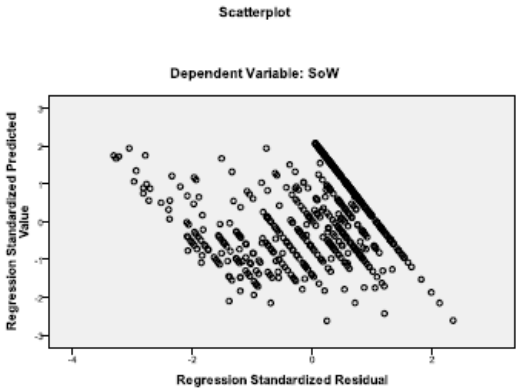
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than £10k	78	14.2	14.2	14.2
	£11-£30k	242	44.2	44.2	58.4
	£31-£50k	141	25.7	25.7	84.1
	£51-£70k	57	10.4	10.4	94.5
	£71K or more	30	5.5	5.5	100.0
	Total	548	100.0	100.0	

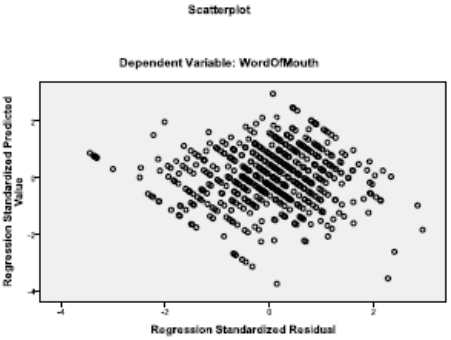
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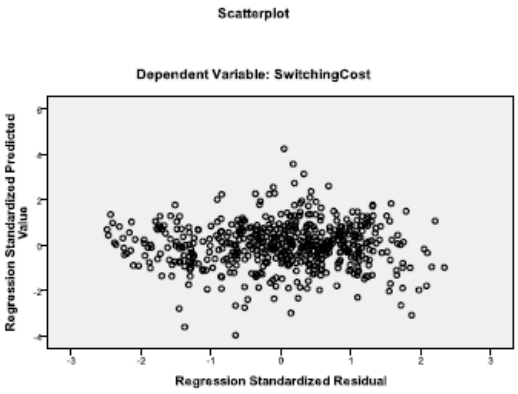
APPENDIX 10: SCATTERPLOTS

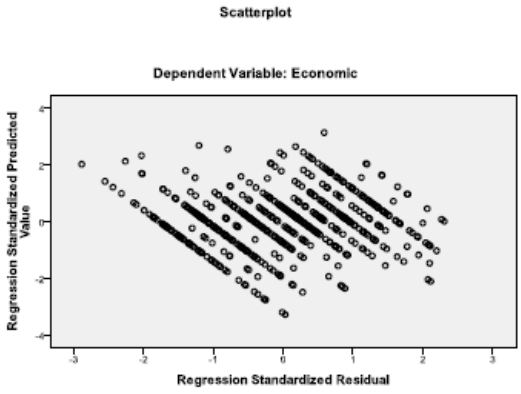






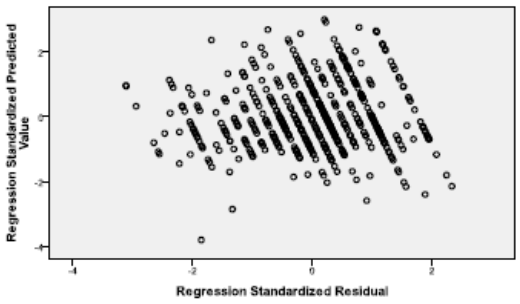






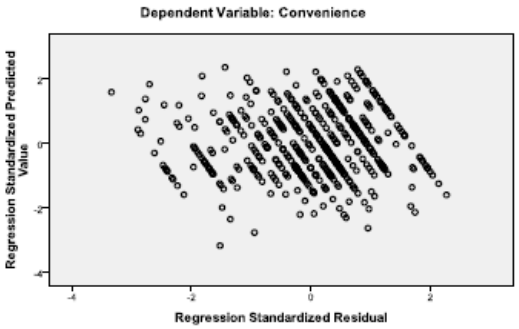
Scatterplot

Dependent Variable: Habit



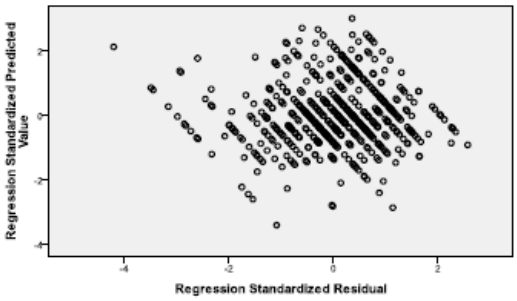
Scatterplot

Dependent Variable: Convenience



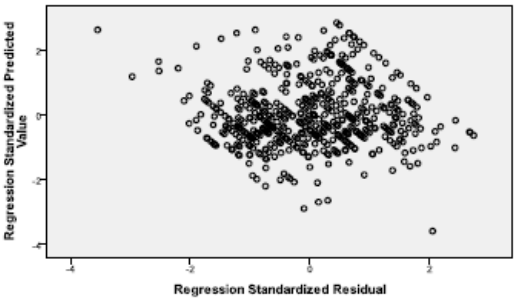
Scatterplot

Dependent Variable: Confidence



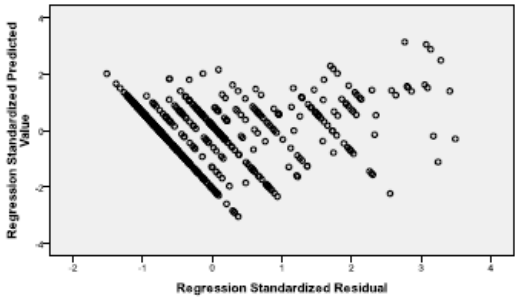
Scatterplot

Dependent Variable: Social



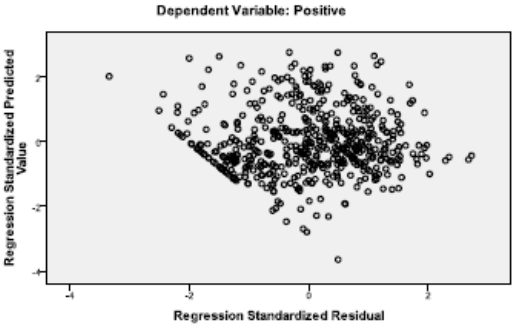
Scatterplot

Dependent Variable: Negative

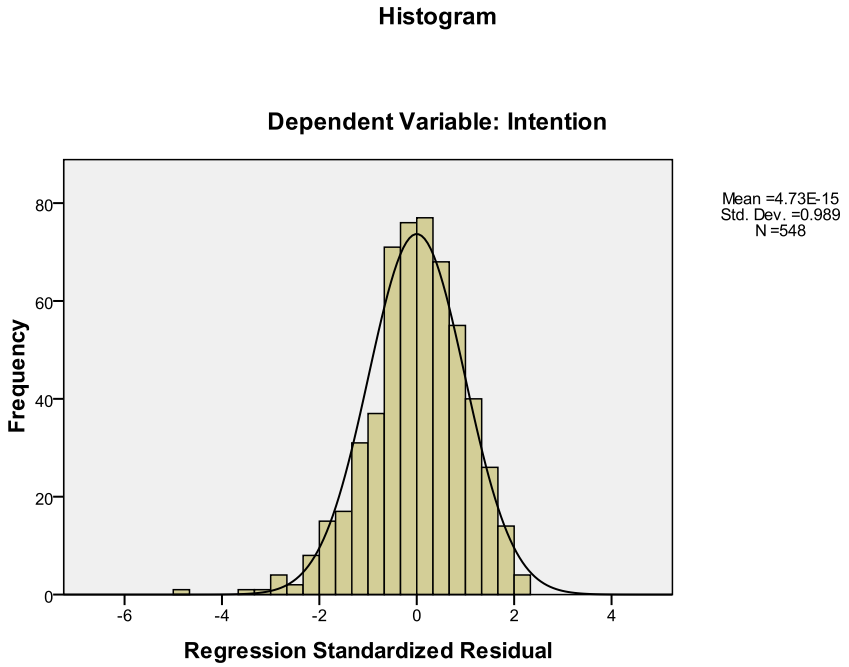


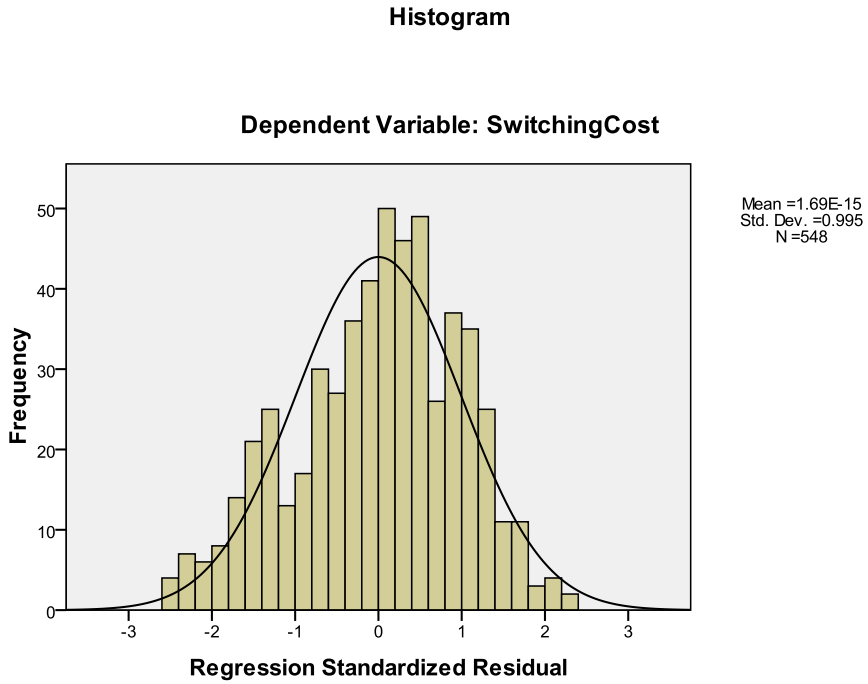
Scatterplot

Dependent Variable: Positive

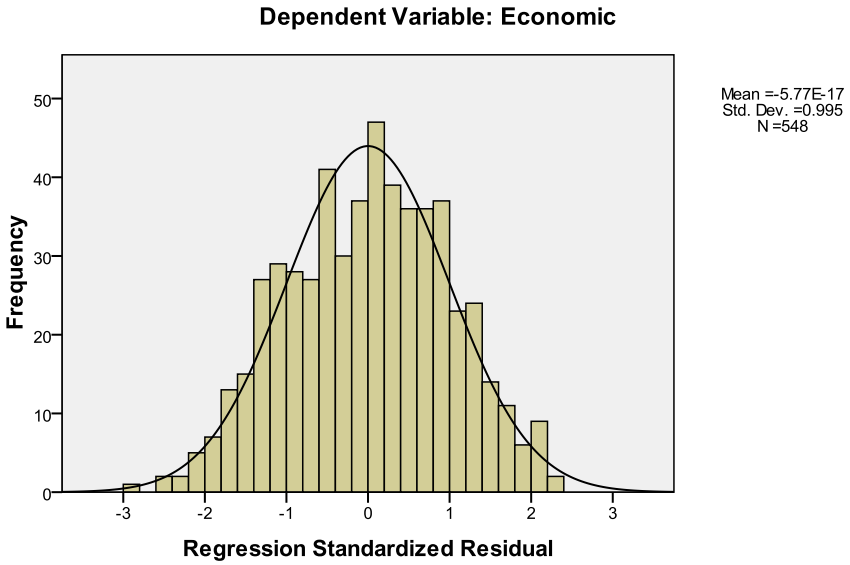


APPENDIX 11: HISTOGRAMS AND NORMAL P-P PLOTS

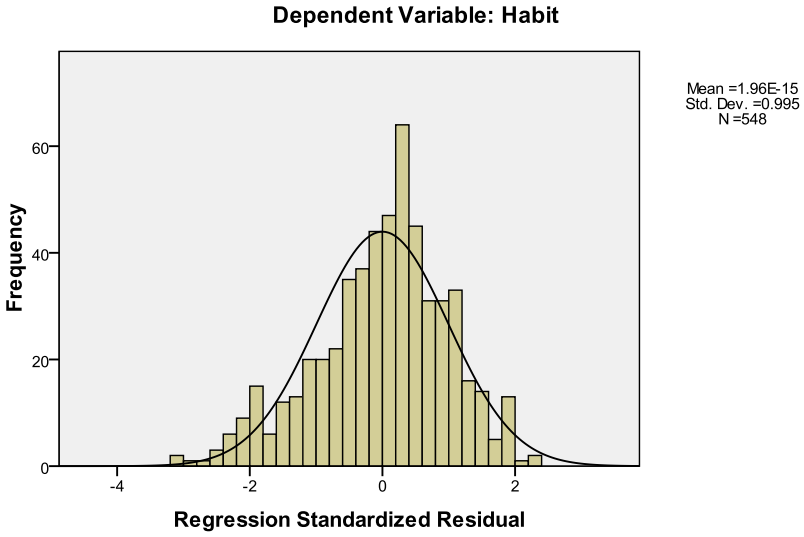




Histogram

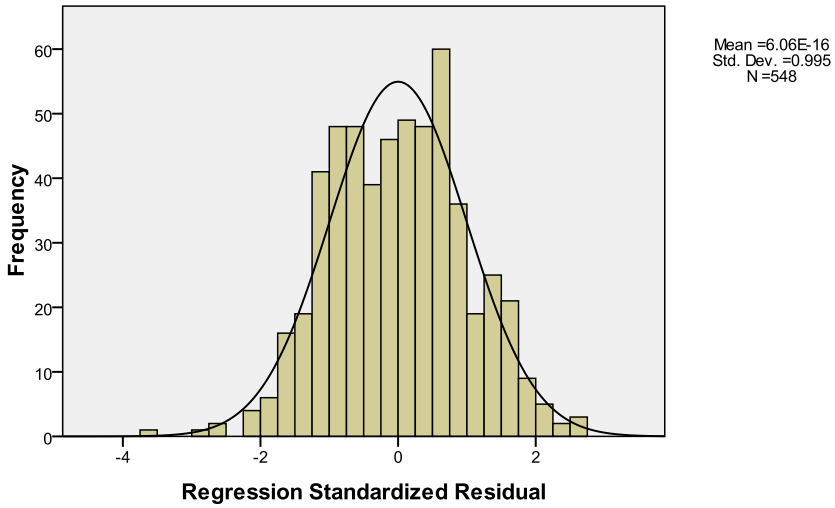


Histogram



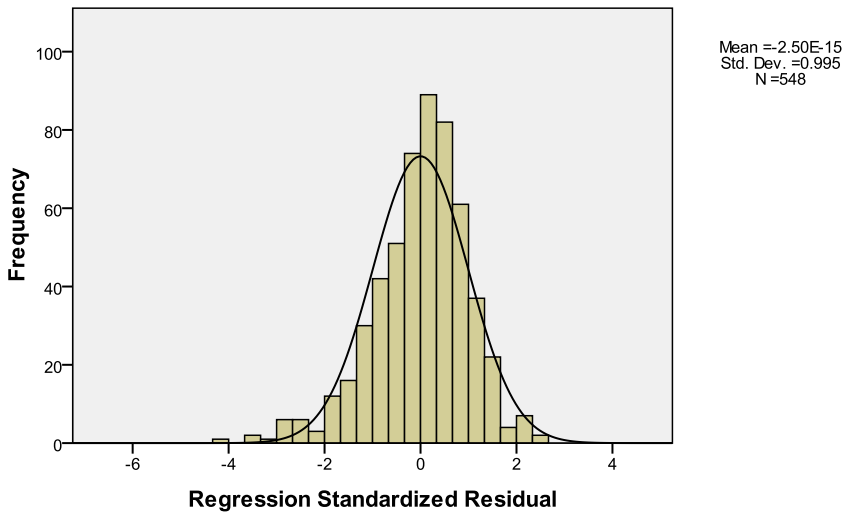
Histogram

Dependent Variable: Social

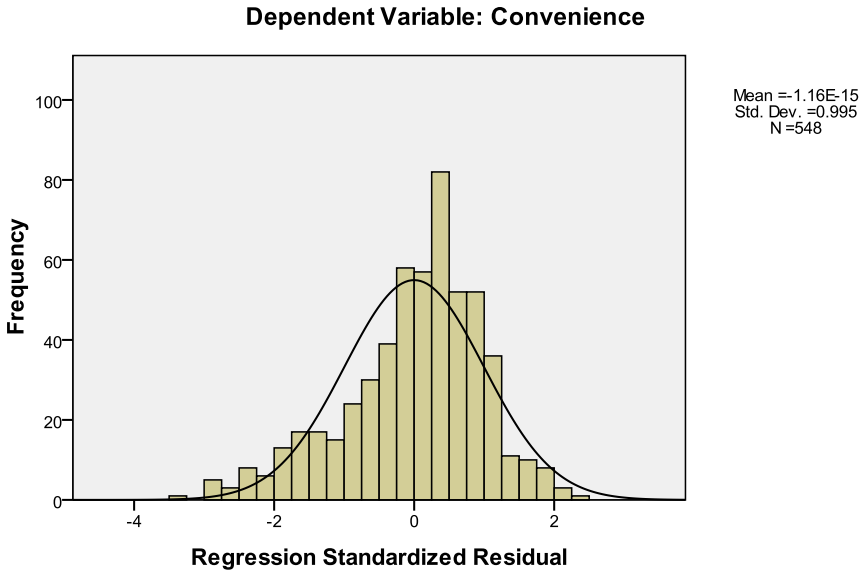


Histogram

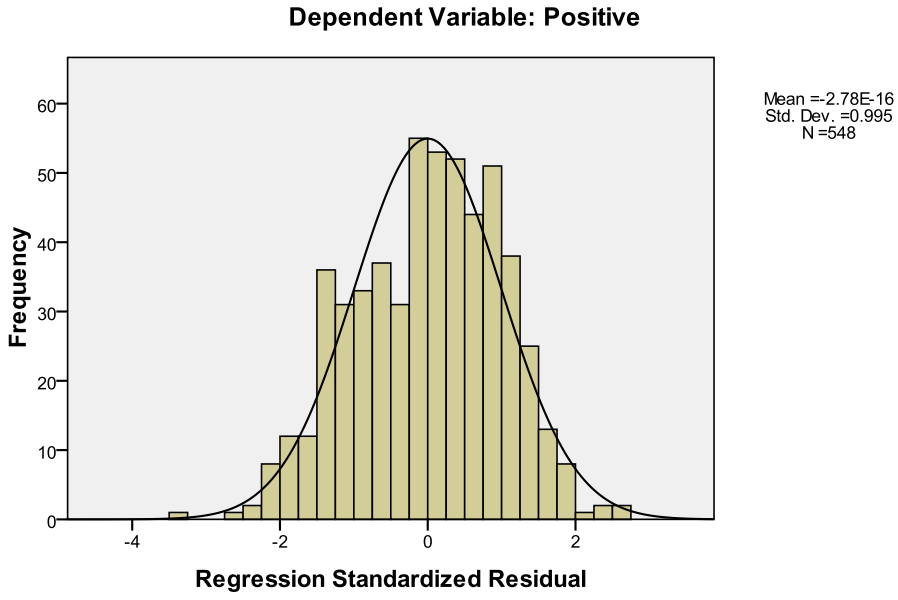
Dependent Variable: Confidence



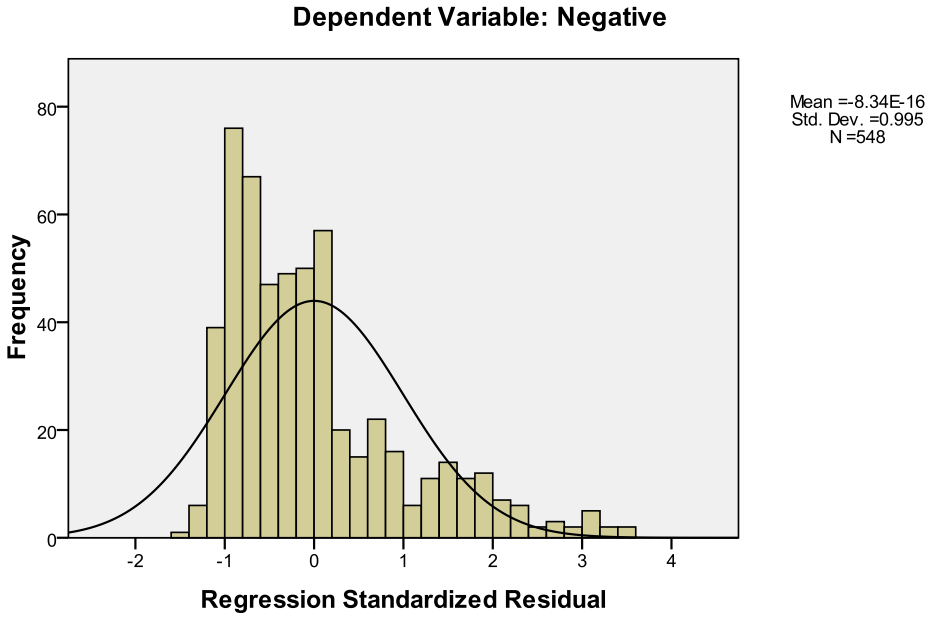
Histogram



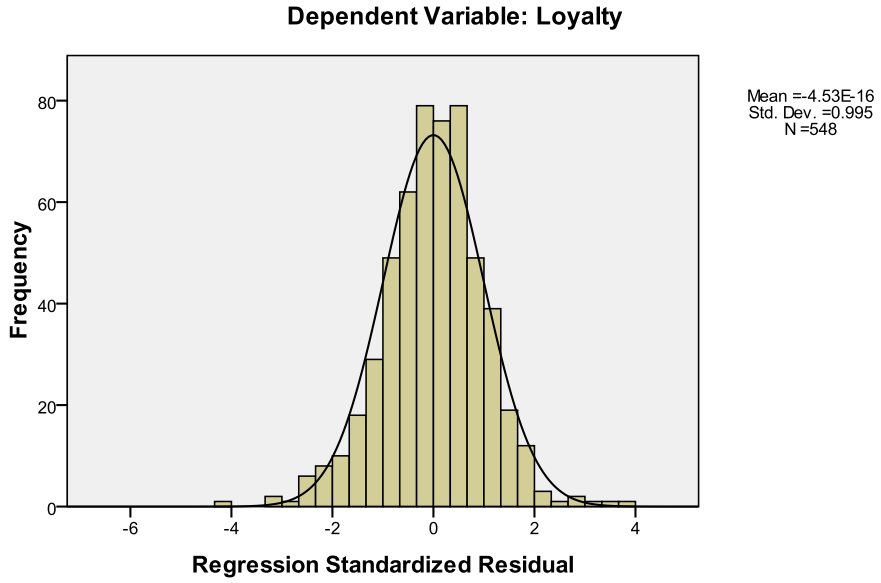
Histogram



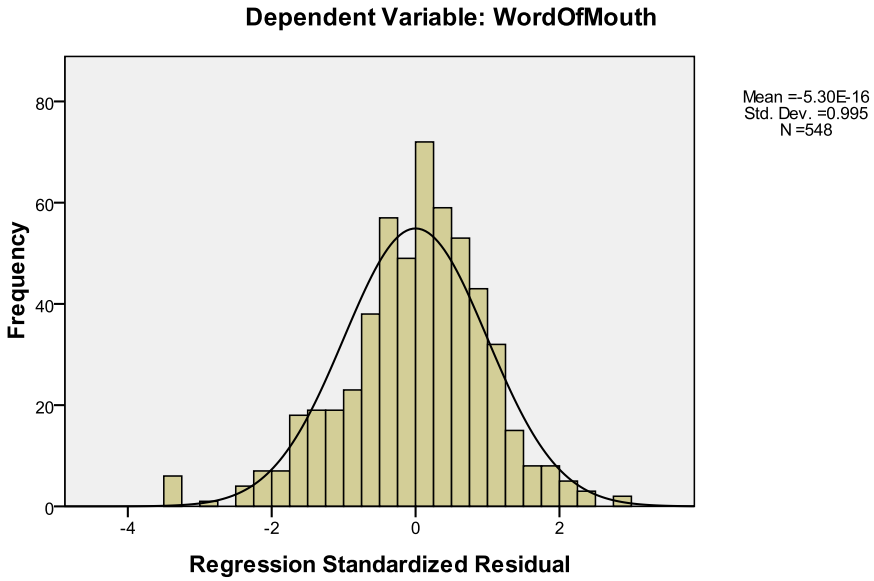
Histogram



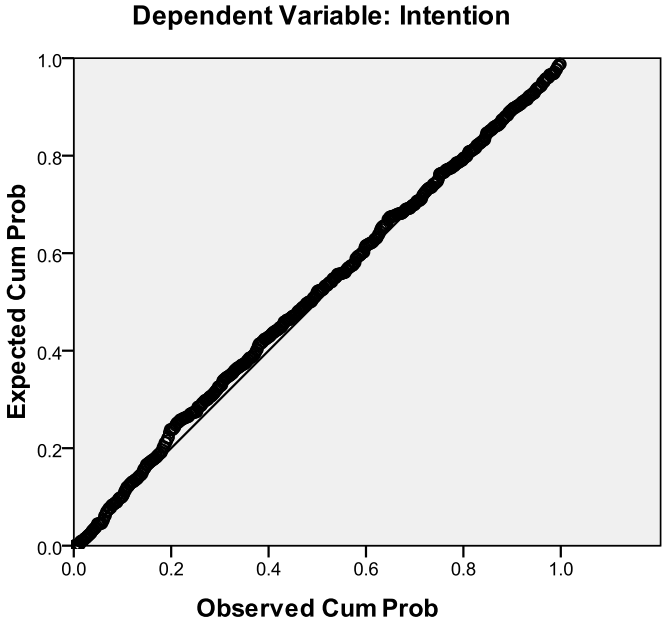
Histogram



Histogram

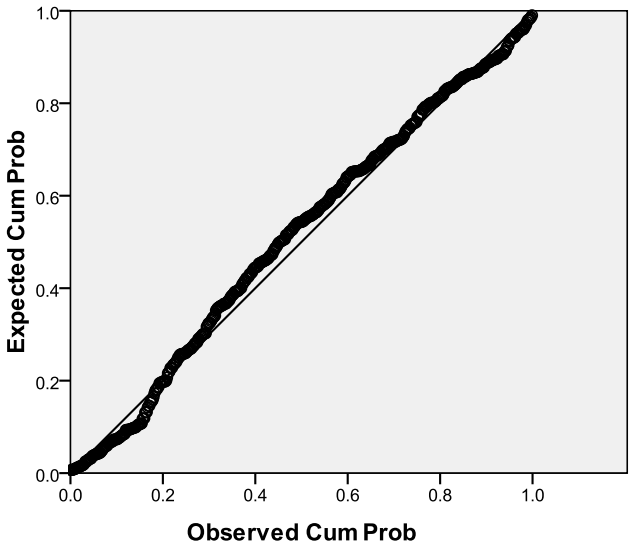


Normal P-P Plot of Regression Standardized Residual



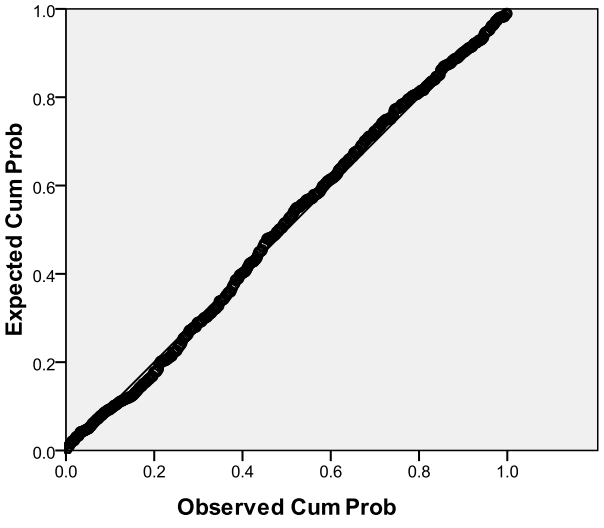
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: SwitchingCost



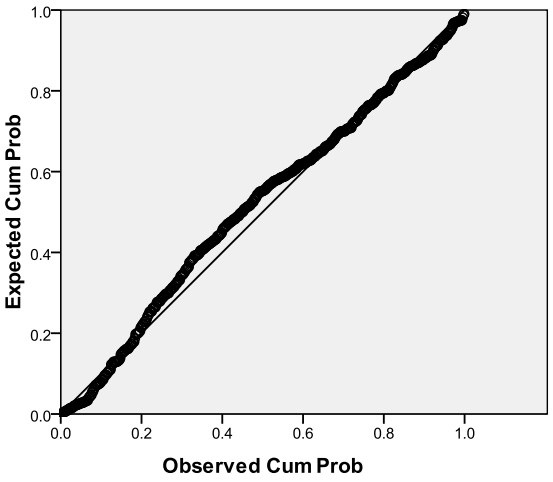
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Economic



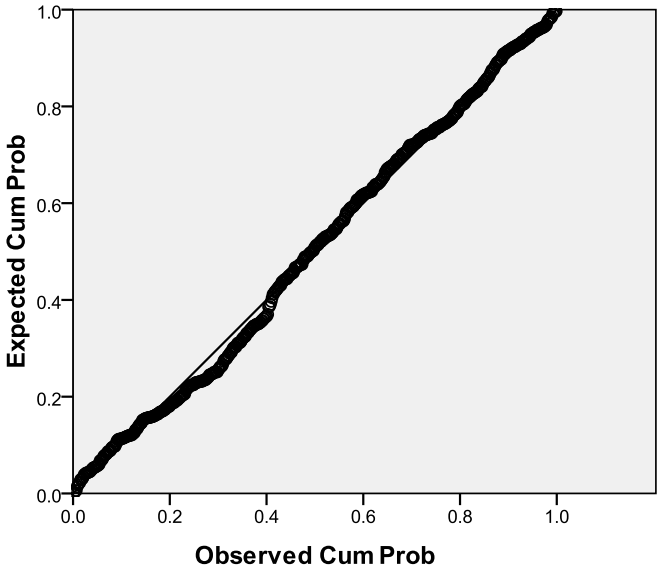
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Habit



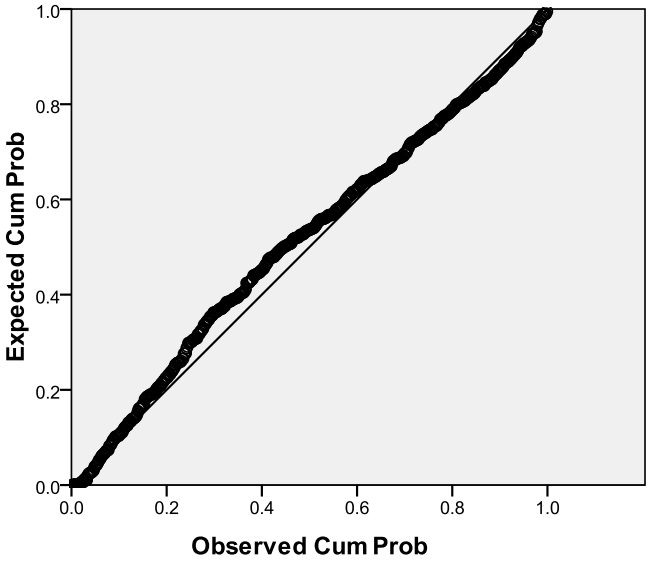
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Social



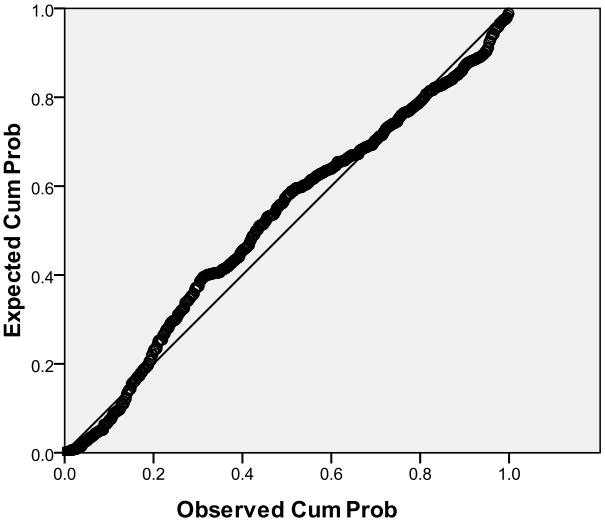
Normal P-P Plot of Regression Standardized Residual

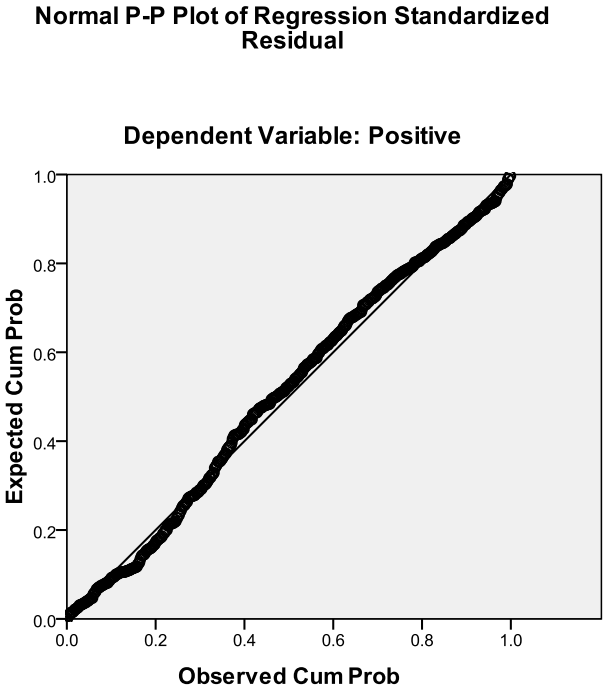
Dependent Variable: Confidence

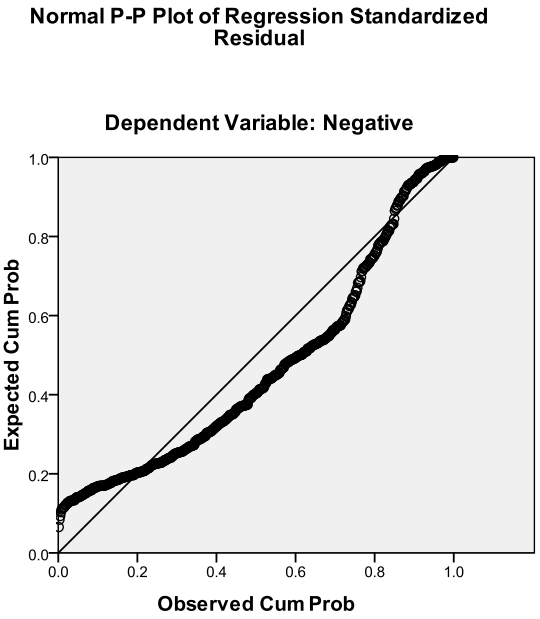


Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Convenience

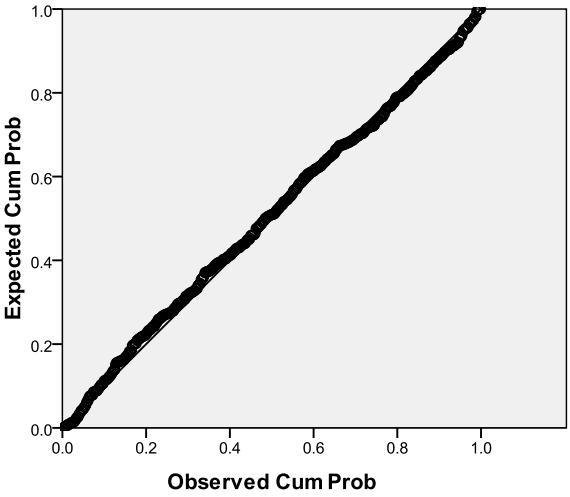



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Positive
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0


Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Negative
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0

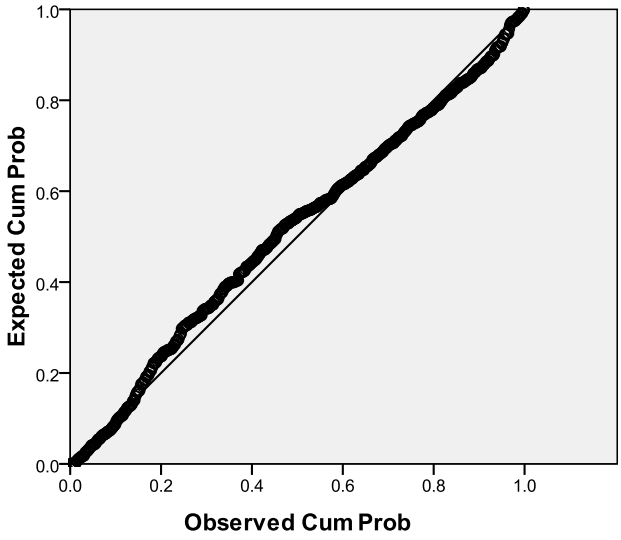
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Loyalty



Normal P-P Plot of Regression Standardized Residual

Dependent Variable: WordOfMouth



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