

The Influence of Perceived Service Quality on Relationship Marketing Orientations and Customers' Buying Behavior in B2C Relationship from the Customer Perspective

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Abstract—Relationship marketing develops marketing productivity and builds up mutual values for customers and sellers by creating effective and long-lasting relationships. Considering factors that help to maintain such relationships can provide advantages for both parties. This study evaluates the impact of customer's perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing orientations and then examines the influence of these dimensions on customers' buying behavior in a B2C relationship from the customer perspective in insurance industry. In order to conduct this study, a model is provided and empirically tested. Consequently, primary data has been collected by a properly designed questionnaire which was distributed among health insurance customers from three different hospitals in Malaysia and the secondary data has been collected through online data base such as Ebsco, Science Direct and Emerald. Afterward, SPSS (17.0) tool has been used and correlation and regression analysis determined the relationship between the model's variables. Finally, results showed significant relationships between customers' perceived service quality as independent variable and relationship satisfaction and trust as dependent variables. On the other hand, the relationship between customers' perceived service quality and relationship commitment is not supported in this study. Meanwhile, based on the results, there is significant relationship between relationship commitment, relationship satisfaction and trust and the customers buying behavior in a B2C relationship.

Keywords: relationship marketing; relationship commitment; relationship satisfaction; trust; perceived service quality; customers' buying behavior.

I. INTRODUCTION

The concept of relationship marketing was first presented and described by [4] as "attracting, maintaining, and enhancing customer relationships". Furthermore, relationship marketing was also described as "establishing relationships with customers and other parties at a profit, by mutual exchange and fulfillment of promises" [12]. Relationship marketing is all marketing activities performed in order to create, extend, and sustain successful relationships [23, 24].

[13] refers to relationship marketing as a continuing mutual relationship between the business holder and the customer that leads to enduring profitability. Meanwhile, [17] claimed that companies can make more profit if they move from relationships with short-term goals towards long relationships with continuing goals. Moreover, managers and marketers realized that better relationships have significant influence on business performance [20, 22]. Relationship marketing encourages companies to build up long term relationships with their stakeholders (e.g., customers, suppliers). Based on prior studies, relationship marketing develops business performance [e.g. 4, 23, & 15]. According to Relationship marketing theory, some characteristics in mutual relationships lead to a successful relationship marketing [14]. [1] realized relationship marketing to be a firm's competency which enables it to build up and manage a mutual customer - company relationship through creating relationship commitment, satisfaction and trust. The concept of customer relationship is still developing and relationship marketing dimensions (trust, relationship commitment, relationship satisfaction, bonding and communication) should get remarkable attention [7, 16]. Hence, the main objective of this paper is studying the impact of customers' perceived service quality on the relationship commitment, relationship satisfaction and trust as relationship marketing orientations and then evaluating the influence of these marketing relationship orientations on the customers' buying behavior in B2C relationship from the customer's perspective across the insurance industry in Malaysia. The significance of this study lies in the fact that creating and managing a proper relationship with key customers, can enhance the company's profit.

II. PERCEIVED SERVICE QUALITY

Customer's perceived service quality is the comparison of individual's expectations of a service with the actual provided service. [28] suggested that service quality is a multidimensional conception. [29] presented SERVQUAL model which is the most usual and generally used model in order to measure service quality. This model measures

service quality through dimensions of tangibles, reliability, responsiveness, assurance, and empathy. Therefore, five important dimensions of service quality have been presented. The first dimension is tangibles which focus on the elements that offer the service physically. The second dimension is Reliability which refers to the capability of providing the promised service reliably and correctly, such as complains handling, punctual delivery and so on. The third dimension that is based on attitude of service personnel is referred to as Responsiveness which is the personnel desire to assist customers and give on time services. Meanwhile, the fourth dimension is Assurance which is defined as the capability to arouse trust and confidence in customers. Finally the last dimension is Empathy which is an aspect that concentrates on providing individualized treatment for customers. Based on [5], Service quality is a vague and intangible concept which is still very complicated to be exactly measured.

III. RELATIONSHIP SATISFACTION

Customer satisfaction is considerably taken into account as assurance for customer retention. Relationship Satisfaction is a positive emotional and logical status that comes from the customer's evaluation of the customer-company relationship [9]. Prior studies have suggested that customer satisfaction is an outcome of perceived service quality [21]. Customer's relationship satisfaction with the company also contributes to the improvement of the customer-company relationship [30]. Therefore, both customer and firm benefit from the relationship exchanges. While the customer feels satisfied, the company can generate more profit by maintaining this relationship, whereas according to previous studies, the cost of attracting new customers is higher than the cost of retaining them. This is the reason that why satisfaction with the relationship is necessary in developing the relationship performance. Meanwhile, it should be considered that sometimes maintaining a relationship with some customers costs more than the profit which comes from them. Based on a study by [27], Relationship satisfaction applies to the customer's satisfaction with the relationship only and this is in fact different from the customer's satisfaction with in general exchanges. In fact, fulfillment of both the company and the customer's desires leads to satisfaction with the relationship [2]. Although, marketers and managers should consider that customers do not necessarily have satisfaction all the time and providing satisfaction is not an assurance for maintaining them. Satisfaction has been thoroughly studied for consumer services [6]; Meanwhile, previous studies suggested that customer's perceived service quality highly influences the level of satisfaction of the customer with the relationship. Studies define Customer's perceived service quality as the comparison of individual's expectations of a service with the actual provided service. Recently, many researchers have focused on the study of association between service quality and customer satisfaction. According to a study by [5], service quality has an important influence on consumer satisfaction.

IV. RELATIONSHIP COMMITMENT

Relationship commitment is one of the dimensions of relationship marketing which [25] referred to it as an ongoing intention to maintain a valuable relationship. Marketers and managers find out that relationship commitment is an important element in a successful supplier-buyer relationship [3]. According to prior studies, relationship commitment between partners in B2C relationships creates significant profit for firms [8]. Relationship commitment has been also referred to as both customer and company's belief about a relationship to be significant enough to guarantee highest efforts to maintain it [23]. Commitment is a sign of good continuing relationships [23, 32] and shows the relationship performance [30]. [31] suggested that commitment is associated with relationship and it represents the highest phase of relationship. According to preceding studies, the increase in customers' intention to communicate leads to increase in Commitment and enforcement of commitment based on the customer relationship with the company. Commitment is important for the improvement of enduring relationships [2, 23]. Relationship commitment is a multi-dimensional concept. Different studies suggest different dimensions for relationship commitment. [19] presented three dimensions of continuance, behavior and affective commitment, while [26] and [11] presented three dimensions as instrumental, temporal and affective commitment. Moreover, [18] suggested another three dimensions as instrumental, affective and normative commitment, while [33] also provided five dimensions as value-based, affective, locked-in, obligation and behavioral commitment. Meanwhile, according to previous studies, affective commitment highly influences the amount of the customer's desire to maintain a relationship with the company [30]. According to [31] Commitment is one of the main characteristics in models of relationship marketing.

V. TRUST

Trust is the consumers' belief that the company behaves honestly towards the customer. While marketers and managers try to create continuing relationships with their customers, trust is an important factor in improvement of relationship performance [7]; therefore, trust is a crucial factor in the creation, improvement, and maintenance of enduring customer-company relationships [2, 10]. Trust is created when the customer has confidence in the company's reliability and honesty. Based on [7] study, trust is an important element in providing an origin for future relationship exchanges. Therefore, based on prior studies, if trust increase in a relationship between customer and company, they get more emotionally dependent and less evaluate the advantages against the costs of their relationship. As a result, trust plays an important role in every relationship and determines the quality of relationship.

VI. BUYING BEHAVIOR

Buying Behavior includes the process of decision making, performance of purchasing and using a product. Consumer

Buying Behavior is referred to as the buying behavior of the decisive consumer. Buying behavior in this study is referred to as the customer's amount of purchasing and spending of money in a store in compare to other stores. In this study the impact of relationship marketing dimensions (communication commitment, communication satisfaction and trust) is evaluated on the customers' buying behavior in B2C relationship from the customer perspective.

VII. RESEARCH METHODOLOGY

A. Research Objectives

The main objective of this study is to increase understanding about the role of perceived service quality in marketing relationship dimensions and buying behavior. Therefore, this study intends to:

- Evaluate the impact of perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing orientations.
- Examines the influence of relationship marketing orientations on customers' buying behaviour in a B2C relationship from the customer perspective in health insurance industry.

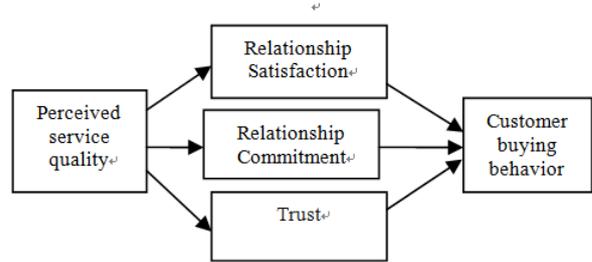
B. Research sampling and instrumentation

In order to conduct this study, secondary data has been collected through online database such as Ebsco, Science Direct and Emerald. Moreover, primary data has been collected by designing a questionnaire based on previous studies. Therefore, the questionnaire was handed over face to face to 100 health insurance customer between the ages of 20-55 in three hospitals in Malaysia (Sunway hospital, Gleneagles hospital and Ampang puteri specialist hospital). The sampling method was simple random sampling. Among the respondents 66% of them were male while 34% of them were female. Meanwhile, 23% of the respondents have an income below 5000rm and 58% between 5000rm – 10000rm while 19% of the respondents have an income over 10000rm. The questionnaire consists of different parts and each part measures a variable by several questions. Meanwhile, the reliability of the questionnaire for each variable has been tested and approved. The total reliability is Cronbach's Alpha = 0.896. The validity of the questionnaire has been double-checked by two professors in the field of marketing and consumer behavior.

C. Research Model

Ultimately, In order to examine the impact of perceived service quality on relationship commitment, relationship satisfaction and trust as relationship marketing dimensions and then evaluate the influence of relationship marketing dimensions on customers' buying behavior in a B2C relationship from the customer perspective, the following model has been provided and tested thoroughly. This model shows the relationship between the variables in this study.

Figure 1. study model



VIII. DATA ANALYSIS

In order to determine the relationship between the variables of the study, the SPSS (17.0) tool has been used. In this regards, table 1 shows the descriptive statistics consisting of mean and standard deviation of the variables which is shown in the following table:

TABLE I. DESCRIPTIVE STATISTICS

N=300	Perceived service quality	Relationship Satisfaction	Relationship Commitment	Trust	Customer Buying behavior
Mean	4.06	3.18	3.85	3.1	3.95
Std. Dev.	0.66	0.69	0.65	0.77	0.63

Subsequently, correlation analysis has been done in order to determine the relationship between perceived service quality as independent variable and relationship commitment, relationship satisfaction and trust as dependent variables. The correlation analysis result between these variables is shown in table 2. Then, the correlation analysis between relationship commitment, relationship satisfaction and trust as independent variable and customer buying behavior as dependent variable has been tested and the results are also illustrated in table 3. Basically, correlation results determine the relationship between variables. Consequently in this study, correlation results show a positive relationship between perceived service quality as independent variable and customers' satisfaction and trust as dependent variables. Therefore, as the customer perception of service quality increases, both the customers' satisfaction and trust also increase. Meanwhile, the correlation analysis results showed that there is no significant relationship between customers' perceived service quality and customers' relationship commitment in the case of health insurance industry in Malaysia. On the other hand, based on the correlation analysis results, there is also a positive relationship between relationships marketing dimensions (satisfaction, commitment and trust) as independent variables and the customers' buying behavior as dependent variable. Therefore, the increase in satisfaction, commitment and trust positively affect the customers' buying behavior.

TABLE II. CORRELATION

	Relationship Satisfaction	Relationship Commitment	Trust
Perceived service quality	0.818**	0.254	0.773**

TABLE III. CORRELATION

	Relationship Satisfaction	Relationship Commitment	Trust
Customer buying behavior	0.936**	0.771**	0.773**

Afterwards, regression analysis has been used to analyze the relationship between the dependent variables and independent variables (table4). Moreover, regression analysis shows the following results:

- The relationship between perceived service quality and relationship satisfaction is supported and is significant at alpha value (0.000<0.05).
- The relationship between perceived service quality and relationship commitment is not supported in this study as the alpha value is (0.064>0.05).
- The relationship between perceived service quality and trust is supported and is significant at alpha value (0.002<0.05).
- The relationship between relationship satisfaction and customer buying behaviour is supported and is significant at alpha value (0.000<0.05).
- The relationship between relationship commitment and customer buying behaviour is supported and is significant at alpha value (0.008<0.05).
- The relationship between trust and customer buying behaviour is supported and is significant at alpha value (0.000<0.05).

TABLE IV. REGRESSION ANALYSIS

PERCEIVED SERVICE QUALITY					
	Standardized Coefficients	R Square	Standard Errors	Alpha Value	result
Relationship Satisfaction	0.14	0.278	0.5	0.000	supported
Relationship Commitment	0.3	0.130	0.7	0.064	Not-supported

Trust	0.17	0.214	0.9	0.002	supported
Relationship Satisfaction					
Customer buying behavior	0.12	0.314	0.8	0.000	supported
Relationship Commitment					
Customer buying behavior	0.18	0.314	0.12	0.008	supported
Trust					
Customer buying behavior	0.19	0.314	0.7	0.000	supported

IX. CONCLUSION

This paper develops a framework to improve our understanding about the relationship between customer's perceived service quality and customer's buying behavior by evaluating the impact of satisfaction, commitment and trust as relationship marketing orientations. Therefore, this study identifies a positive relationship between perceived service quality as independent variable and customers' satisfaction and trust as dependent variables. Consequently, every increase in customer perception of service quality leads to increase in customers' satisfaction and trust. Moreover, this study showed no significant relationship between customers' perceived service quality and customers' relationship commitment in the case of health insurance industry in Malaysia. Therefore, maybe other factors like price and company's other incentives affect the customer's decisions for commitment to a company. On the other hand, the positive relationship between relationship marketing dimensions (satisfaction, commitment and trust) as independent variables and the customers' buying behavior as dependent variable shows that the increase in satisfaction, commitment and trust affect the customers' buying behavior (Buying behavior in this study is referred to as the customer's amount of purchasing and spending of money in a store in compare to other stores). Finally, the results of this study show that the perceived service quality has significant influence on customers' buying behavior by affecting customer's satisfaction and trust in a buyer-seller relationship.

The results of this study also affirm most of the previous study's outcomes. Consequently, companies should manage their relationship with their customers by considering factors that affect their relationships in order to create more beneficial buyer- seller relationships and make more profit. Based on prior studies, managers may enhance their revenue by avoiding additional cost for attracting new customers

since retaining previous customers is more cost effective than attracting new customers. Additionally, as discussed before, managers and marketers should pay attention to this fact that sometimes maintaining a relationship with some customers costs more than the profit which comes from that customer. Therefore, they should try to maintain their relationship with more beneficial customers.

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