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The Impact of Service Separation on Customer-Firm Relationships: A Social Exchange Perspective

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Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature:.....

Date:28/05/2015

Abstract

Customer-firm relationships are the central tenets of a new marketing era. Understandably, the shift in marketing thoughts toward a customer-centric dogma in recent years has played a major role in emphasising the importance of customer-firm relationships to the survivability of any service organisation. Such emphasis is built upon understandable premises that a relational and customer-centric approach provides a number of benefits to firms, including favourable advocacy, loyalty and ultimately higher profits. Indeed, the benefits to service organisations from developing a long-term relationship with customers are well documented in the extant literature. Similarly, the benefits of such a relational approach from customers' perspectives have also been highlighted, albeit with less intensity. At the heart of this relational paradigm, nonetheless, are customer-firm social interactions. These are considered the building blocks of customer-firm relationships that foster the development of the critical relational constructs of trust, commitment and satisfaction. These critical elements are what distinguish relational-based exchanges from transactional ones.

However, the emergence of the technology-based service economy has largely transformed the interface between customers and firms by creating a spatial separation between the parties in the exchange. Such separation is redefining the dynamics of customer-firm relationships. To date however, research into the impact of service separation is lacking and there is a noticeable gap in the extant literature pertaining to the impact of such service separation on customer-firm relationships. This thesis aims at filling this gap.

Building on a number of theoretical grounds from both social and marketing domains, this thesis will investigate the impact of service separation on firms' efforts to establish social exchanged based customer-firm relationships. By building a theoretical model that takes into account the benefits of socially-based exchanges from both firms and customers' perspectives, the impact of separation on a number

of relational constructs (trust, affective commitment and relationship satisfaction) and outcomes (loyalty and word-of-mouth) are examined. Further, the interplay between these relationship marketing concepts is studied to provide critical insights into the impact of separation on their developments and interactions.

The study utilises an empirical approach, where 592 usable self-administered questionnaires are collected and analysed from retail banking customers in Saudi Arabia. To highlight the impact of service separation, the data are collected from two groups of banking customers based on their preferred service delivery methods (separated (n=364) v. unseparated delivery method (n=228)). Such an approach allowed for contrast of the separated method with the unseparated to understand the impact of separation on customer-firm relationships. Data analysis procedures utilised a number of confirmatory factor analyses (CFAs) and regression models to test the conceptual framework on the pooled sample and group-based samples. Further, a multi-group moderation analysis was conducted to examine the statistical differences that exist among the cohorts.

The findings of this this thesis present a number of critical implications from both theoretical and managerial accounts pertaining to how the nature of customers' experiences affects the effectiveness of firms relationship marketing efforts. Further, the thesis makes a considerable contribution pertaining to the applicability of traditional marketing paradigms in today's highly robust and changing business environment. The thesis reveals that some of the major theoretical underpinnings of traditional marketing thoughts may require a serious revisit to say the least, to ensure not only that they are transferrable to today's environment but their own validity.
Simply put, this thesis present a serious effort that, in addition to filling a noticeable gap in the literature, advances our understanding of service separation and the interplay between technological developments and relationship marketing school of thoughts.

Keywords: *service separation, services marketing, relationship marketing, trust, commitment, satisfaction, loyalty, word-of-mouth, Saudi Arabia, online banking.*

Dedication

To my mother and late father, with my eternal love and gratitude…

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The writing of this thesis has been one of the most challenging and thought-provoking academic endeavours I have had to face. Certainly, without the support and encouragement of my family and friends, I would have not been able to complete this monumental task. I would therefore like to sincerely thank them all. I owe you all the deepest of gratitude. I also like to express my appreciation to several important individuals who have honoured me with their continuous support and help.

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Definitions of Critical Terms/Concepts

The following list is composed of major terms and concepts utilised in this study. In some cases, the definitions provided are selected amongst a number of alternative or competing definitions to reflect the direction of this study, the currency of the subject matter, and the relevance of the term to the context being examined. As such, each definition provided in the list below, represents the conceptualisation of the said terms being adhere to in this study. Terms are listed alphabetically:

Access convenience: Access convenience relates to customers perception of time and efforts needed to request and/or find a service (Berry, Seiders and Grewal 2002).

Affective commitment: relates to customers involvement, attachment, and identification with their providers (Allen and Meyer 1990; Davis-Sramek et al. 2009).

Benefits convenience: reflects customers' expenditures in terms of time and efforts needed to experience the service (Berry, Seiders, and Grewal 2002)

Commitment: Overall commitment is defined as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it" (Morgan and Hunt 1994, 23).

Confidence benefits: "refer to perceptions of reduced anxiety and comfort in knowing what to expect in the service encounter" (Hennig-thurau, Gwinner and Gremler 2002, 234).

Convenience: Service convenience relates to customers' perception of time and effort needed to experience a core service (Berry, Seiders and Grewal 2002; Keh and Pang 2010)

Inseparability: reflects that the production and consumption of services often occur simultaneously and often in the physical presence of the customer who may also participate in the production process (Zeithaml, Bitner and Gremler 2006).

Loyalty: refers to "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future" (Oliver 1999, 34).

Relationship marketing: refers to "all activities directed towards establishing developing and maintaining successful relational exchange" (Morgan and Hunt 1994, 22).

Relationship satisfaction: reflects "a customer's affective state resulting from an overall appraisal of his or her relationship with a retailer." (De Wulf, Odekerken-Schröder and Iacobucci (2001, 36).

Relationship quality: refers to the "the overall assessment of the strength of a relationship" (Palmatier et al. 2006, 138).

Service separation: relates to "customers' absence from service production, which denotes the spatial separation between service production and consumption." (Keh and Pang 2010, 55).

Social benefits: relates to the emotional part of the customer-firm relationships and includes the feelings of rapport, social support, and familiarity with the service providers and their employees (Gwinner, Gremler and Bitner 1998).

Trust: refers to one's "confidence in an exchange partner's reliability and integrity" (Morgan and Hunt 23).

WOM: refers to "all informal communications between a customer and others concerning evaluations of goods and services" (Hennig-Thurau, Gwinner and Gremler 2002, 231-232).

List of Abbreviations

AIC	Akaike's information criterion
AMOS	Analysis of moment structures
ANOVA	Analysis of variance
AVE	Average variance extracted
CAR	Capital adequacy ratio
CFA	Confirmatory factor analyses
CFI	Comparative fit index
CR	Composite reliability
CRP	Customers' relationship proneness
EM	Expectation-Maximisation
GDP	Gross domestic product
IHIP	Intangibility, heterogeneity, inseparability and perishability
MCAR	Missing completely at random
RM	Relationship marketing
RMSEA	Root mean error of approximation
RQ	Relationship quality
SEM	Structural equations modellings
SPSS	Statistical package for the social sciences
SRMR	Standardised root mean square residual
TLI	Tucker-Lewis Index
TQM	Total quality management
WOM	Word-of-mouth

1. Introduction

1.1 Overview

Up until the last few decades, most economies around the globe were predominantly involved in producing industrial and/or agricultural products. Since the second half of the 20th century, however, there has been a massive global shift from goods-dominant to service-dominant economies (Vargo and Lusch 2004a; Kryvinska, Olexova, Dohman and Strauss 2013; Nilsson and Ballantyne 2014). Today, the service industry is accredited with almost two-thirds of the world's gross domestic product (GDP) (The World Factbook 2014). Indeed, modern economies in virtually all countries have experienced an exponential and steady growth in the service sectors over the last few decades (Lovelock and Wirtz 2011). Even in emerging markets where economies have long been dependant on manufacturing, agriculture, and/or natural resources (e.g., oil and gas), the service sectors have been growing rapidly (Fisk, Russell-Bennett and Harris 2013).

As a result of the rise in the service economy, there has been increased recognition of its added value and impact on both economic and social structures. This is mostly reflected in changes in governmental and fiscal policies in many countries that have taken into account the impact of the service sector on national economies. The service sector employs the highest percentage of the world's labour force—approximately 40 per cent (The World Factbook 2014). In most developed and developing countries, the percentage of people employed in service industries is even greater, while employment in manufacturing and agriculture is shrinking, with the trends expected to continue (Lovelock and Wirtz 2011). Figures 1.1 and 1.2 present a pictorial view of the current state of percentages of GDP and labour force in selected countries. As depicted in the figures, services represent the largest contributor to national GDPs in developed countries such as the United States, Australia, Germany, and the UK. Even in developing countries rich in natural resources, such as Saudi

Arabia, the service sector still represents the largest employer in spite of it being the second largest contributor to the country's GDP (The World Factbook 2014).

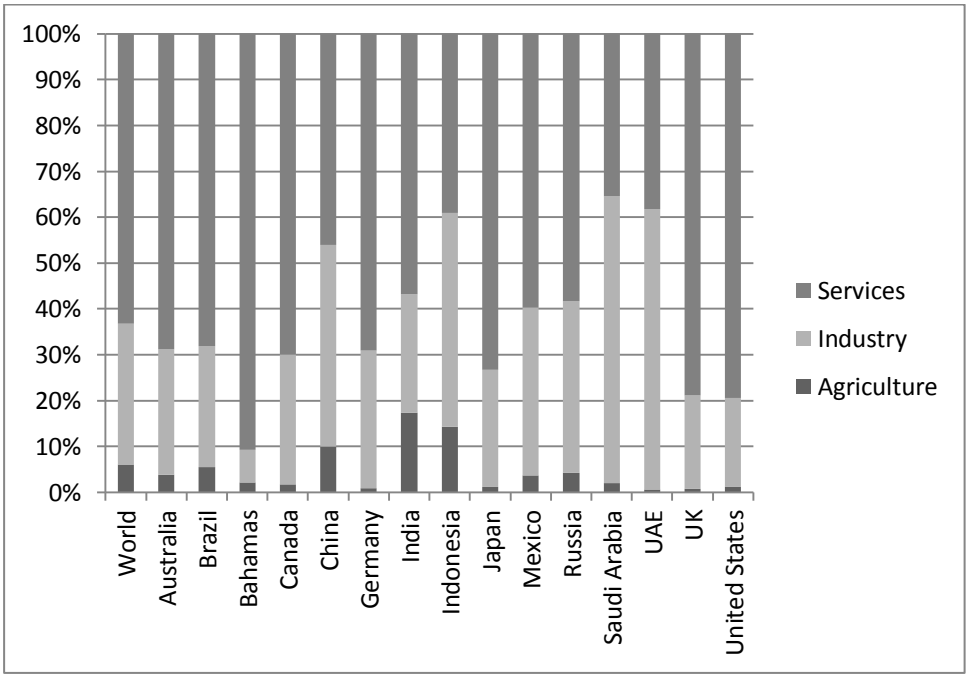

Figure 1.1: GDP figures for selected countries per sector (World Factbook 2014)

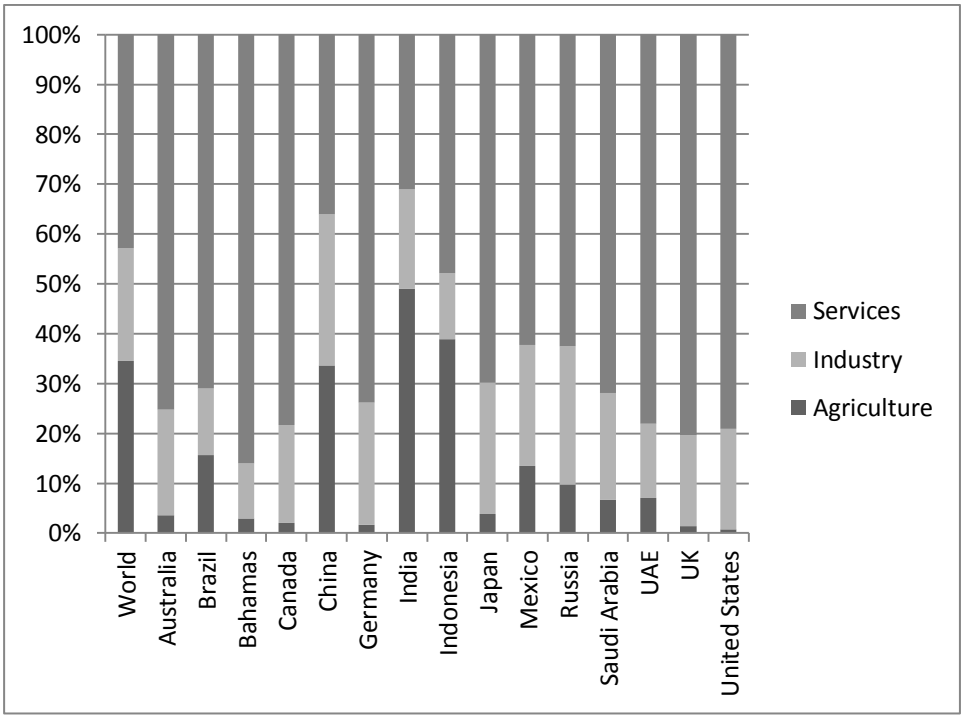

Figure 1.2: Percentage of labour force per economic sector (World Factbook 2014)

One of the major forces that have transformed the service industry over this growth period is the rapid advances in information technology, in particular the internet (Vargo and Lusch 2004b; Lovelock and Wirtz 2011; Nilsson and Ballantyne 2014). Undoubtedly, the impact of information technology on services is multifaceted. For instance, information technologies have revolutionised businesses operations by increasing their operational efficiency, productivity, and adaptability to changes (Malhotra and Peterson 2001; Harris and Goode 2010). Although, one of the most notable impacts of information technology on services is the elimination of geographical or spatial barriers that has allowed vast services industries to emerge (Jagadeeswaran and Soundrapandian 2003; Sinkovics, Sinkovics and Jean 2013). This means that businesses are no longer limited to operating within close geographical or spatial proximity to their customers.

To this end, one of the key challenges currently facing service marketing scholars and practitioners has been to understand the impact of the diffusion of technologies not only on the operational side of the industry, but on firms' marketing efforts and customer-firm relationships. Indeed, the service marketing field is confronting a monumental task that pertains not only to how service literature is incorporating the effects of technology, but to how technologies are reshaping the boundaries of service marketing as whole (Lovelock and Gummesson 2004; Nilsson and Ballantyne 2014). Of particular significance is the increasing concern that the theoretical underpinning, on which the literature of services and marketing relationships are built, requires a serious re-examination. There is a need to ascertain not only if they need fine-tuning but whether or not they are relevant to today's technology-driven service environment (Lovelock and Gummesson 2004; Rust and Chung 2006; Lovelock and Wirtz 2011).

To better appreciate the impact of information technologies on the service industry, it is necessary to examine the nature of services. Services have long been characterised by inseparability of production and consumption (Zeithaml, Bitner and Gremler 2006). The production and consumption of services often occur simultaneously and often in the physical presence of the customer, who may

participate in the production process (Zeithaml et al. 2006). However, with the advances in information technologies, these characteristics and the assumptions upon which they are built are changing to some extent; in many instances the customers' presence is no longer a defining characteristic of services (Bowen 2000; Vargo and Lusch 2004a; Vargo and Lusch 2008; Keh and Pang 2010).

At its core, inseparability refers to the simultaneous interaction between a service provider and a customer (Keh and Pang 2010). Such interaction, often face-to-face, was argued to be vital to customers' perceptions of the service quality and ultimately to their relationships with their suppliers (Berry 1983; Palmatier, Dant, Grewal and Evans 2006; Johns 2012). Undoubtedly, interaction between the customer and service provider is an efficient mechanism to undertake relationship marketing (Grönroos 2006). Developing and fostering long-term relationships with customers has long been the pinnacle of service marketing (Berry 1983) and one of the most important ingredients for business success (Gummesson 2002). Indeed, in line with an emerging shift in marketing strategies over the past decades toward a more customer-centric approach, the fusion of services and relationship marketing has never been more noticeable (Vargo and Lusch 2004a; Vargo and Lusch 2004b; Lovelock and Gummesson 2004; Kowalkowsky 2011; Galvagno and Dalli 2014). In the customer-centric marketing school of thought, relationships are at the core of service marketing (Grönroos 2006).

Paradoxically, the emergence of new marketing paradigms that stress the importance of customer-firm relationships coincides with the growing adaptation of information technology as a service delivery method. This paradoxically stems from how technology, to some extent, has separated the production and consumption of services, and has reduced, if not eliminated, direct face-to-face interactions between customers and suppliers (Johns 2012). Indeed, there are numerous services that have been transformed from purely inseparable services to separated ones (e.g., banking online v. banking through physical branches).

In contrast to the previous marketing truism of service inseparability, the opposite—service separation—defined as 'customers' absence from service production' (Keh and Pang 2010, 55)—is progressively becoming a characteristic of modern services. The in flux of new services where the production and consumption are no longer inseparable attests to the changing nature of the service industry (Vargo and Lusch 2004b, Paluch and Blut 2013). These changes may play a pivotal role in changing service provider and customer relationships referred to in the literature in various ways, including customer-firm relationships (Grönroos 2006). This recent shift is most evident in the increasing use of self-service technologies which have substituted direct face-to-face interactions; a trend that could have a profound impact on customer-firm long-term relationships (Levy 2014). In spite of the significance of these issues to marketing, there is an observable scarcity of research that examines the effects of service separation from a relationship-oriented perspective (Johns 2012; Paluch and Blut 2013).

1.2 Purpose and Scope

To understand the impact of service separation on customer-firm relationships, it is necessary to examine the nature of such relationships. Customer relationships have been the focal point for relationship marketing theory and practice in the last decade (Palmatier et al. 2006; Verhoef 2003; Vargo 2009; Heinonen 2014; Samaha, Beck and Palmatier 2014). The underpinning force behind the significance of customer-firm relationships reflects the impact of such relationships on firms' ultimate success or failure (Palmatier et al. 2006; Dagger and O'Brien 2010; Walsh et al. 2010; Brun, Durif and Ricard 2014; Brun, Rajaobelina and Ricard 2014). Morgan and Hunt (1994) define relationship marketing as the marketing activities and efforts geared toward establishing and maintaining long-term relationships with exchange partners. This definition, in essence, covers many types of relationship that may occur between a firm and other partners that are not necessarily customer-related. Examples include manufacturer-supplier relationships, strategic alliances, co-

marketing partnership and other business relationships (see Morgan and Hunt 1994). The focus of this research is on one particular type: the customer-firm relationship.

A major part of relationship marketing can be traced back to social exchange theory (SET) (Thibaut and Kelley 1959; Cook and Emerson 1978). SET posits that trust and commitment are vital in distinguishing social from economic exchange (Cook and Emerson 1978; Morgan and Hunt 1994). Further, SET involves a series of communication and interactions between parties. These social interactions emphasise the social aspects of exchange that can, over time, build personal obligation, trust, and commitment (Blau 1964; Cropanzano and Mitchell 2005). In fact, Blau (1964), one of the leading contributors to the development of SET, asserts that only social exchange fosters trust and personal obligation whereas economic exchange does not. Previous research in relationship marketing has relied heavily on the assumptions of SET to build the core concepts of customer-firm relationships (see Morgan and Hunt 1994; Palmatier et al. 2006). This is not surprising given that the essence of customer-firm relationships' quality reflects to large extent the interdependence between the parties in the exchange that requires trust and commitment to exist (Cook and Emerson 1978; Cook, Cheshire and Rice 2013). Social interactions provide customers with a number of benefits that in turn fosters the development of trust and commitment. The marketing literature often refers to three types of benefits of social interactions between the parties in the exchange. These include social benefits reflecting customers bonding and friendship, confidence benefits encompassing the feeling of reduced uncertainty and overall reduction in risks, and lastly, special treatment benefits taking the form of individualised discounts or personal services (Hennig-Thurau, Gwinner and Gremler 2002; Dagger and O'Brien 2010).

Given the noted development in business technology and the exponential growth of e-commerce, and self-service technology, it is imperative to comprehend the impact of such developments on services and relationship marketing. As highlighted by Lovelock and Gummesson (2004, 21), 'Internet technology offers the potential for creating new business models, radical new approaches to delivering information-

based services, and new ways of relating to customers'. Indeed, the emergence of e-commerce brought about new challenges to the domain of marketing that both undermine its current paradigms, models, and theories and call for new perspectives that take into account these emerging challenges (Vargo and Lusch 2004a/b; John 2012; Harris and Goode 2010; Lee and Lee 2014; Levy 2014).

The impact of technology on services in general, and on customer-firm relationships in particular, is profound. This is most evident in self-service encounters where customers consume the service without any social or face-to-face interactions with the service providers. Given that 'most of what we know about services marketing and management has been derived from the study of face-to-face service encounters or at least over the telephone' (Bowen 2000, 46), it is pivotal that service marketing expands its domain to incorporate new or redefine existing thoughts relevant to the evolving modern context where technology is dominant (Lee and Lee 2014; Levy 2014).

Service separation in particular is scarcely studied (Keh and Pang 2010; John 2012; Palauch and Blut 2013). In their pioneering work, Keh and Pang (2010) set out to examine customers' reactions to service separation. Despite the limitations of their study, the findings indicate that service separation has a significant influence on customers' perceptions of psychological and performance risks. Further, the study points out that service separation 'influence[s] customers' purchase decisions and post-experience evaluations' (Keh and Pang 2010, 66). Yet, notwithstanding the study's importance, it was limited in its scope in that it only focused on service convenience and customers' perception of risks as the main outcomes of service separations, which is understandable given the nature of the publication. Nonetheless, this narrow scope makes it 'conceivable that service separation may lead to other customer outcomes as well' (Keh and Pang 2010, 67).

It is indeed surprising the limited number of studies examining the impact of service separation as new mode of service delivery on customers (Brun, Rajaobelina and Ricard 2014). As Paluch and Blut (2013, 416) attest, 'though increasing reliance on

technology would suggest a need to better understand the conditions consequent to service separation, the literature provides little information'. They further add '[E]xcept for the study from Keh and Pang (2010), previous research has neither elaborated on nor empirically examined the implications of service separation for customers'. The authors, nonetheless, contributed to the literature by examining the impact of service separation by identifying factors that contribute to customers' satisfaction. However, as was the case with Keh and Pang (2010), their study was limited in its focus on factors leading to satisfaction. The authors, consequently, called for future research to broaden the investigation of service separation to examine satisfaction as a dependent variable, and to examine 'the impact of remote service satisfaction on outcomes such as word-of-mouth, customer loyalty, and customer complaints' (425). Given the emerging acknowledgment of the importance of establishing long-term relationships with customers, it is imperative to understand the impact of service separation on the quality customer-firm relationships. Further, it is imperative to understand, from a business perspective, how firms can maintain a loyal customer base in light of technology-driven service separation. Current literature provides little guidance in this regard (Johns 2012).

Relationship quality is often conceptualised in marketing as a higher order construct, consisting of trust, affective commitment and relationship satisfaction (De Wulf, Odekerken-Schröder and Iacobucci 2001; Palmatier et al. 2006; Athanasopoulou 2009). For relationship marketing scholars, relationship quality represents the foundation of the field as maintaining long-term and successful relationships between customers and providers. Relationship quality, indeed, has been often been portrayed to single-handedly improve customers' loyalty and advocacy (for a meta-review, see Athanasopoulou 2009).

Therefore, the overarching objective of this study was to fill a gap in literature pertaining to the impact of service separation on customer-firm relationships. Drawing on key relationship marketing, theories including trust-commitment theory (Morgan and Hunt 1994) and social exchange theory (Thibaut and Kelley 1959;

Cook and Emerson 1978), this research attempted to shed the light on service separation by endeavouring to answer the following research questions:

- *What is the impact of service separation on customer-firm relationship quality and on the interplay between its dimensions?*
- *How does service separation influence customers' loyalty and word-of-mouth (WOM)?*
- *What are the advantages and disadvantages of service separation from the customers' perspective? Are they in line with firms' objectives in improving their customers' loyalty?*

1.3 Research Context

This research examined service separation in the context of the banking industry in Saudi Arabia. The banking industry has been one of the leading sectors in its investment in self-service technologies and other advancements that induce service separations (e.g., online and mobile banking). Unsurprisingly, it has been highlighted that the banking industry is facing increasing challenges in maintaining strong relationships with customers due to the separation and lack of social contact facilitated by technology (Foscht et al. 2009). In their study of corporate banks' customers, O'Donnell, Durkin and McCartan-Quinn (2002, 280) indicate that 'customers, both business banking and corporate, place greater importance on [face-to-face] interaction than any form of technological interaction'. These findings, similar to other more recent studies (e.g., Ioannou and Zolkiewski 2009; John 2012; Levy 2014), render this study critical from both theoretical and managerial perspectives.

1.4 Significance of the Study

From a theoretical perspective, the research attempts to advance our understanding of customers' attitudes and behaviour toward service separation as an alternative

mode of service delivery. In doing so, it bring together three research fields (social psychologoy, services and relationship marketing) that often work in isolation to untangle the complexity of the research questions. The current study provides a significant contribution to the literature pertaining to the impact of service separation on customer-firm relationships, a topic that is alarmingly neglected as indicated earlier. In addition, the study builds and validates a comprehensive framework of customer-firm relationships that takes into account the interdependence between the parties in the exchange as emphasized by the social exchange theory (Blau 1964; Cropanzano and Mitchell 2005). Such interdependence is reflected in the framework by highlighting the benefits of these relationships from the customers' perspective, and highlights the significance of the outcomes from the firm's point of view.

Further, the thesis provides notable insights into the recent calls to re-examine the current thinking in relationship marketing, and marketing as whole. As noted by Walsh et al. (2010), current marketing paradigms are deeply rooted in a number of theoretical underpinnings developed for, and tested on, traditional settings in the past few decades. As such, it is imperative for contemporary marketing literature to re-examine these theoretical underpinnings and examine their applicability to today's environment. This research is a leap in that direction.

From a practical perspective, the research provided greater understanding of different possible customer segments with different needs and expectations. Knowing customers' reactions to technology-facilitated service separation and their attitudes toward it will allow practitioners to develop targeted strategies that can be more effective and efficient. Most importantly, the research highlights the relevance of relationship quality to firms' relational efforts and pinpoints a number of important factors that require service providers, particularly in the banking industry, to re-examine their current offerings, strategies, and objectives to ensure their currency and relevance to an evolving service environment.

Customers' evaluations of any given service depend on a complex set of elements that not only influence such evaluations but work in forming them as well. Such elements include customers' own characteristics and attributes, and on to a more

macro level, customers' cultural traits. This research provides useful insights into Saudi customers' habits, preferences and culture. The Saudi market is one of the largest in the Middle East, yet it is scarcely covered in marketing literature. This research provides much needed insights about such markets that can offer tremendous help to local and foreign investors that could guide their relationship marketing efforts.

Attention now turns to reviewing the extant literature on service separation. The review will further examine current gaps in the literature pertaining to the impact of service separation on customer-firm relationships and the interplay between service delivery modes and the dimensions of customer-firm relationship quality.

2. Literature Review and Conceptual Framework

This chapter is divided into two parts. The first section reviews the extant literature to bring together the different concepts and theories under examination in this thesis. It begins by discussing the nature of service marketing. In doing so, a short synopsis of the history of marketing is needed to shed light on service marketing origin, paradigms and theories. Further, it traces back some of changes that took place in marketing as a scientific field and subsequently on the development of services marketing as sub-discipline. The literature review also examines the different characteristics of services that have distinguished it from goods. This distinction is paramount in that it triggered the scholarly debate that led to the rise of service marketing, as it is known today. The discussion proceeds by linking service marketing to relationships marketing, which, as this review reveals, is an integral part of service marketing that may indeed reshape its future. Service marketing, as will be shown in the following literature review, is experiencing a major shift in its development that could redefine not only it but also the marketing field as whole. At the heart of this evolving history are relationships, interactions and networks. The review of services marketing origin and nature, presented in the first section, serves an important purpose in the context of this thesis. By examining the history of services marketing and its current status, the foundations of the theories relevant to the thesis are built. The evolution of service marketing as a sub-discipline is influential in trying to understand the impact of service separation on customer-firm relationships. Customers' reactions to service separation can only be effectively captured once the concepts and theories relevant to it are identified, clarified and thoroughly considered.

The second part of this chapter links the theories examined in the first section with the objectives of this thesis. Therefore, it presents the hypotheses and the conceptual model of the thesis. In addition, key issues pertaining to the impact of service separation on customer-firm relationships are discussed at length to provide a conceptual basis for the arguments being tested.

2.1 The Nature of Service Marketing

2.1.1 The Origin of Service Marketing

In response to the global transformation of the world's economies and the rise of the service industry as a dominating force in the last three decades, the field of marketing has undergone significant transformation. Indeed, as a result of the increasing economic domination of services that was concurrent with on-going debates about the nature of marketing, and the impact of technological developments, the marketing field has experienced a shift from a goods-dominant view to a service-dominant view, 'in which intangibility, exchange processes, and relationships are central' (Vargo and Lusch 2004a, 2). Justifiably, the shift in the world's economy to services has raised many concerns regarding the need to replace the old emphasis on goods as the basic for exchange to service provision (Lovelock and Gummesson 2004).

Historically, marketing emerged from economic science that focuses on the exchange of commodities and utilises models and theories that were goods-based and were remnant of the industrial revolution's era (Vargo and Lusch 2004a). Until the first part of the last century, services were overshadowed by goods; marketing's primary concern was the distribution of agricultural and other physical goods (Fisk, Brown and Bitner 1993). The goods-dominant logic was the prevailing paradigm in the period where services were considered a supporting function to the marketing of physical goods (Baron, Warnaby and Hunter-Jones 2013; Vargo and Lusch 2004a). Moreover, the agreed wisdom was that value resides mainly in goods and that marketing and services were 'something that added costs and waste' (Vargo, Lusch and Morgan 2006, 34).

Indeed, a major characteristic of marketing during the early part of the past century was to control supply and generate demand for products. Service marketing, in that early period, was given very little attention (Baron, Warnaby and Hunter-Jones 2013). In their chronicle of the history of service marketing, Fisk, Brown and Bitner

(1993) point out that it was not until the 1950s that scholarly publications dealing with services marketing began to emerge. Early emphasis of that 'crawling out' period (pre-1980s) as described by the Fisk, Brown and Bitner (1993) was on developing concepts, thoughts, and models that attempted to delineate services marketing as a distinct field of study. The emergence of service marketing in 1950s was heavily influenced by new developments in other fields in marketing and on some circumstantial elements. As highlighted by Vargo et al. (2006), the emergence of services marketing was contemporaneous with the rise of the customer behaviour movement that recognised the importance of customers' choice and motivation, and the emergence of new marketing thoughts that perceive marketing as in exchange process that involves customers as co-producers. Further, the authors assert, the increase in the size of the service industries following the Second World War reinforced the idea that services are becoming the dominating force in developed economies (Baron, Warnaby and Hunter-Jones 2013).

Notwithstanding the increasing dominance of services, the marketing literature lagged behind (Fisk, Brown and Bitner 1993). Indeed, the conventional wisdom, in the early part of the second half of the 20th century, was that existing theories, models, and concepts that were founded on research developed for physical goods can be generalised and are applicable to services (Gummesson 1978). Realising the need for change, however, a series of criticisms and questionings of the status quo of service marketing emerged in the marketing field (see, for example, Grönroos 1978; Gummesson 1978; Shostack 1977). At the heart of this emerging criticism was the inadequacy of then-dominating theories in marketing to explain the nature of services in its own right (Grönroos 1978; Gummesson 1978). There were calls to develop new concepts, principles and paradigms to 'break free from product marketing' (Shostack 1977, 73). While serving as the vice president for Citibank, Lynn Shostack (1977, 73) effectively captured the increasing discontent with where marketing back then was heading. In her landmark article, Shostack asserted:

> The classic marketing 'mix', the seminal literature, and the language of marketing all derive from the manufacture of physical goods. Practicing marketers tend to think in terms of products, particularly mass-market customer goods … Marketing seems to be overwhelmingly product-

> oriented. However, many service-based companies are confused about the applicability of product marketing, and more than one attempt to adopt product marketing has failed.

As Fisk, Brown and Bitner (1993, 70) point out:

> [Shostack's] article became a rallying cry that has inspired numerous service marketing scholars … [her] criticisms stung all the more because they came from someone outside the academic community.

Understandably, the call for recognising the inadequacy of existing theories highlighted above and for broadening marketing concepts (Lovelock 1999) reshaped the progress of marketing. With hindsight, it is of no surprise that marketing scholars in the following 30 years spent the bulk of their efforts refuting the ideas that goods and services are alike and that goods-based marketing is applicable to services. Establishing the distinction between goods and services became the new genre in marketing literature. As Fisk, Brown and Bitner (1993, 69) argue, 'virtually all services marketing authors during the 1970s felt compelled to argue that services marketing was different'.

In fact, one could argue that the scholarly movement to impose the idea that services are 'different' from goods was the keystone on which the legitimacy of the emerging field of service marketing was based. It is only when one can establish that something is indeed different, that one could cry out for change. Thus, marketing literatures published in the 1970s and 1980s made great efforts in distinguishing services from goods on the basis that services are distinct and, therefore, require special treatment (Zeithaml et al. 1985). It is in this period of debate that services marketing emerged as a distinct field in marketing (Fisk, Brown and Bitner 1993).

2.1.2 The Traditional View of Service Marketing

In the 1980s, having established the legitimacy of service marketing as a distinct field, a multitude of research began to emerge supported by increased interests in service marketing from researchers and practitioners alike. Numerous conferences

were held, empirical studies were encouraged, new service-oriented publications were established and 'sub-discipline boundaries were created' (Baron, Warnaby and Hunter-Jones 2013, 4). From then on, there was no significant debate on whether services are different from goods or not, but rather on how services are different and subsequently, how new concepts and theories are being established to deal with this emerging field (Berry 1983; Fisk, Brown and Bitner 1993). One highly regarded concept that exemplifies the progress in the 1980s relates to service characteristics that distinguish it from goods. The basis for the distinction revolves around four commonly cited characteristics of services: intangibility, heterogeneity, inseparability and perishability (commonly referred to as the IHIP paradigm) (see Berry 1983; Zeithaml, Bitner and Gremler 2006; Zeithaml et al. 1985).

The IHIP paradigm, which rose to prominence in the 1980s, was an effort to build a solid theoretical ground for distinguishing services from goods that defines the nature of services (Chitty, Hughes and D'Allessandro 2012). The IHIP paradigm, in conventional services marketing realm, is key to understanding the nature of services, as opposed to goods (Zeithaml, Bitner and Gremler 2006). As such, it is of no surprise the tremendous effort in the service marketing literature has been placed on trying to deal with the unique service problems that each characteristic in the IHIP paradigms presents (Peter and Donnelly Jr. 2004).

In its purest form, service is an intangible product in that it is difficult, for example, for customers to touch or taste. Intangibility is the basic differentiating characteristic of services (Zeithaml, Bitner and Gremler 2006). This defining feature of services has multiple marketing implications for both producers or providers and customers. From a producer's perspective, intangibility indicates that services, unlike goods, cannot be inventoried. Therefore, demands for the service are much more difficult to anticipate and manage (Zeithaml, Bitner and Gremler 2006). Second, the intangibility of service means that producers in most instances are selling ideas or experiences that cannot be shown effectively. This has a tremendous impact on firms' communications efforts, advertisements and other promotional programmes (Peter and Donnelly Jr. 2004). From the customer perspective, their inability to

touch, feel or smell the service makes it difficult to judge the appropriateness of the services, its quality and whether it meets their needs. Thus, it introduces an element of risks not present with tangible products (Zeithaml, Bitner and Gremler 2006).

Further, services are perishable (Zeithaml, Bitner and Gremler 2006). As such, services cannot be stored or inventoried. This presents a challenge and risk for providers as it increases the need to understand demand to conserve resources and minimise losses, since demand fluctuates depending on various circumstances (e.g., high or low seasons in tourism). Further, unlike goods, services cannot be returned, which can be detrimental to the business when the service provision fails to satisfy customers. Service perishability, in fact, is a key force in the emergence of service recovery literature (Chitty, Hughes and D'Allessandro 2012).

Likewise, services are heterogeneous (Zeithaml, Bitner and Gremler 2006). This implies that services are variable and difficult to standardise in comparison to goods (Chitty, Hughes and D'Allessandro 2012). The essence of this claim is that services involve human elements in its provision and therefore, standardisation is inherently unattainable. Heterogeneity has a profound impact on service quality since variation in the production of services are commonplace and may depend on factors outside the control of the producers, such as customers' needs, expectations and/or employees performances (Zeithaml, Bitner and Gremler 2006).

Lastly, and most importantly in the context of this thesis, services are unique because their production and consumption are inseparable and occur simultaneously (Zeithaml, Bitner and Gremler 2006). This characteristic has a number of implications for both marketers and customers. From a marketing perspective, the inseparability of the service implies that mass productions are unachievable, unlike the case for goods. Further, the production and consumption occur in real-time, which potentially can raise many issues relating to customer satisfaction (positively or negatively) considering that it often involves direct interaction between the company, its employees and customers (Zeithaml et al. 1985).

The IHIP paradigm has been at the forefront of service science for over three decades and has been used extensively in marketing research as the main characterising element that defines services. In addition, it has encouraged a plethora of research that deals with these unique elements of services that pose considerable challenges to marketers. For example, these elements have been shown to affect service quality (Bebko 2000), service design (Candi 2007), marketing communication (Kimpakorn and Tocquer 2010), supply-chain management (Frohlich and Westbrook 2002), human resources (Lashley 1998), and last but not least, strategic planning (Peter and Donnelly Jr. 2004)

2.1.3 The New Service-Dominant Logic

In the last decade or so, however, the IHIP paradigm, and indeed the traditional services marketing wisdom, came under heavy criticism. In their highly regarded and provocative work, Vargo and Lusch (2004a) argue that marketing has evolved into a dynamic field that should follow a new path where customer is at its heart. Indeed, Vargo and Lusch's (2004a) article triggered a new movement to find a unifying approach to marketing by blurring the distinctions between service marketing as a sub-field and marketing in general (Baron, Warnaby and Hunter-Jones 2013).

Vargo and Lusch (2004a) propose a shift from goods-dominant logics (G-D logic hereafter) to a service-dominant logic (S-D logic hereafter) that is governed by relationship marketing and that is a service-centric. For the authors, marketing has evolved from 'a goods-dominant view, in which tangible output and discrete transactions were central, to a service-dominant view, in which intangibility, exchange processes, and relationships are central' (2). In a subsequent article, the authors (2004b, 324) further argued that the development of marketing must begin by acknowledging the shortcomings of the 'four service marketing myths' (referring to the IHIP characteristics) and by moving toward a service-dominant view.

The efforts of service marketing scholars over the last 30–40 years have been geared toward establishing services marketing as a legitimate domain by delineating it from

goods marketing. Vargo and Lusch's (2004a) article however, suggests that this movement toward distinguishing services from goods is questionable 'on the ground that services marketing may not have actually broken free and on the grounds that breaking service marketing free may not be a desirable goal' (2004, 324). The authors then argue that despite the rise of service marketing as sub-field, it was kept captive to the G-D logic that is based on manufacturing-based models. These models are evident in the IHIP characteristics, which, under the G-D logic, are viewed as shortcomings of services that required special normative consideration.

While the IHIP paradigm has served the marketing field well in its infancy, scholars point out three key weaknesses. First, as Beaven and Scotti (1993, 6–7) stress, the IHIP paradigm fails to distinguish between goods and services and as such, it may act as a hindrance to the development of service marketing as whole. Second, as noted by Lovelock and Gummesson (2004), the IHIP paradigm is even less valid in today's changing environment where humans have been replaced by automation; as such, it is paramount that this paradigm is reconsidered. Third, Vargo and Lusch (2004b), argue that the IHIP paradigm is a remnant of goods-centric literature developed based on industrial revolution economics that not only fails to distinguish goods from services, but may also 'point marketers in a wrong normative direction' (332).

The flaw in the IHIP paradigm applies most to the inseparability claim, which is linked to the simultaneous nature of service production and consumption. While goods are produced first then consumed, 'most services are sold first and then produced and consumed simultaneously' (Zeithaml, Bitner and Gremler 2006, 23). However, as noted by a number of scholars, there exist numerous services where the production and consumption do not occur simultaneously. Therefore, this characteristic of services is neither valid nor fitting to be part of a paradigm that reflects the nature of services marketing as a field (Vargo and Lusch 2004b; Lovelock and Gummesson 2004; Keh and Pang 2010).

Fundamental to S-D logic however, is the notion that this approach can present a unified understanding of marketing as a whole. The emphasis of which is that service (singular) is the process of applying skills and knowledge for the benefits of others (Vargo and Lusch 2008) as opposed to services (plural) commonly viewed in G-D logic as the intangible output (Vargo, Lusch and Morgan 2006). In addition, the S-D logic views the application of skills and knowledge as the fundamental unit of exchange that applies to both goods and services (Baron, Warnaby and Hunter-Jones 2013). Hence, the S-D logic encompasses both goods and services and in doing so provides a unified view of marketing in general.

The G-D logic, nonetheless, has had a profound influence on the development of various services marketing concepts such as service quality and relationships marketing. For the authors, the developments of these concepts were highly motivated by the inadequacy of the G-D logic. The rationale in this, as viewed by the authors, is that G-D logic failed to take into account customers' needs and wants since its focus was primarily on service design (as is the case in product design). This necessitated the rise of total quality management (TQM) and service quality literature to deal with the shortcomings of G-D logic in regards to customers' perceptions of services. In a similar vein, G-D logic views the customer-firm interactions as purely transactional and discrete, thus necessitating the development of relationships marketing that viewed customers as co-producers (Vargo, Lusch, and Morgan 2006).

The emergence of the S-D logic has had a profound impact on marketing since its inception by Vargo and Lusch (2004a and b). It has triggered on-going debate and dialogues that have enriched marketing field (Vargo and Lusch 2008). The importance of the S-D logic that is reshaping the future of service marketing stems from its impact on reinforcing the idea that service-centric logic emphasised interactions between parties involved, and between networks of different actors in the process of the service provision (Baron, Warnaby and Hunter-Jones 2013). In essence, the S-D logic rejuvenated the Nordic School perspective that relationships

are the core building blocks on which future marketing theory can be built (Gummesson 2006).

2.2 Relationship Marketing

Relationship marketing (RM) is a 'new-old concept' (Berry 1995, 236) that has been of great interest for academics and practitioners over the last few decades (Palmatier et al. 2006; Verhoef 2003; Mysen, Svensson and Payan 2011; Rajaobelina, Brun, and Toufaily 2013; Christopher, Payne and Ballantyne 2013; Firdaus and Kanyan 2014; Samaha, Beck and Palmatier 2014). With the ever-increasing competitiveness of modern era, RM has attracted the attention of both academics and practitioners in an effort to understand and conceptualise RM, understand the value of collaborative business transactions and the dynamics of relationships between buyers and sellers. Despite the increasing interest in RM, however, the conceptual foundations of RM have not yet been fully established (Sheth, Parvatiyar and Sinha 2012).

Prior to examining the concept of RM and how it relates to this thesis, it is necessary to define RM. Berry (1983, 54) defines RM as the process of 'attracting, maintaining, and enhancing customer relationships'. Similarly, Morgan and Hunt (1994, 22) define relationship marketing as 'all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges'. Gummesson (2010) sees RM as interactions between networks of relationships. Table 2.1 lists a number of divergent definitions of RM found in marketing literature that are proposed by prominent scholars in the relationship marketing field. Table 2.1 is by no means an attempt to provide an exhaustive list of relationship marketing definitions; for that, Agariya and Singh (2011) provide an excellent synthesis of relationship marketing definitions that includes over 70 different definitions commonly found in marketing literature. The point of listing a few of the most commonly used definitions is to provide a feel for the extent to which the extant literature present divergent views of what RM really is and what it involves. For example, Sheth and Parvatiyar (1995) perceive RM to involve in and focus on

individual customer-seller relationships. Whereas Morgan and Hunt's (1994) definition of RM encompasses a broader view of RM that includes suppliers and other stakeholders within the exchange. In fact, this all-encompassing view presented in Morgan and Hunt's definition has been described as vague in that it clouds the distinction between RM and marketing as whole. As Peterson (1995, 279) puts it, 'if Morgan and Hunt's definition is literally true, then relationship marketing and marketing are redundant terms and one is unnecessary and should be stricken from the literature'.

Table 2.1: List of Various Relationship Marketing Definitions

Year	Author(s)	Definition of RM	Key Concepts	Literature
1983	Berry (p. 54)	Relationship marketing is a process to attract, maintain, and enhance customer relationships	Retention, long-term view	Services marketing, B2C, buyer-seller
1990	Grönroos (p. 327)	Relationship marketing is to establish, maintain, enhance, and commercialise customer relationships (often but not necessarily long-term relationships) so that the objectives of the parties involved are met. This is done by a mutual exchange and fulfilment of promises	Benefits, values, promises	Services marketing, B2C
1992	Shani and Chalasani (p. 34)	RM is an integrated effort to identify, maintain and build-up a network with individual consumers to continuously strengthen the network for the mutual benefits of both sides, through interaction, individualised and value-added contacts over a long period	Networks, interactions, value	Customer Behaviour, B2C
1994	Morgan and Hunt (p. 22)	Relationship marketing refers to all activities directed toward establishing developing and maintaining successful relational exchange	Relationship exchange, extended to other stakeholders	Organisational marketing, B2B
2010	Gummesson (p. 5)	Relationship marketing is interaction in networks of relationships	Relationship, networks, interactions	B2B, B2C, marketing theory

In spite of the obvious divergence in the literature pertaining to the nature and definition of RM, it has been widely accepted that RM is the cornerstone of many

successful businesses (Morgan and Hunt 1994; Christopher, Payne and Ballantyne 2013). In addition, as evident in these definitions, RM is mostly viewed as a long-term strategic approach that focuses on repetitive transactions that has become a 'tenet of mainstream marketing' (Vargo 2009, 374).

One important issue raised by RM definitions is that they emphasises the process aspect of relationships between parties. RM is a process that includes initiation, maintenance and termination (Heide 1994). Similarly, Wilson (1995) in his effort to establish a framework for buyer-seller relationships proposed that RM is a process of establishing, developing and maintaining long-term successful relationships. Recognising the nature of RM as a process has a profound impact on the direction of RM as an academic field, since marketing research can be directed toward different parts of this process.

The emergence of RM can be traced back to the early 1980s with the work of notable marketing services scholars such as Berry and Levitt in North America, and Gummesson and Grönroos, representing the Nordic approach founded on network theory (cf. Berry 1983; Levitt 1983; Grönroos 1989; Gummesson 1987). Rooted in the service marketing literature, the RM approach sees marketing as the process of establishing exchange relationships between businesses and customers (Christopher, Payne and Ballantyne 2013). Further, the focus of marketing should be on retaining existing customers rather than attempting to acquire new ones (Berry 1995). Indeed, under the RM paradigms, parties in the exchange process derive value from the relationship that binds them together (Christopher, Payne and Ballantyne 2013).

Berry (1995), often depicted in the literature as one of the early advocates for RM, posits that marketing should place far more significance on retaining existing customers as opposed to attempting to acquire new ones. This can only be done by implementing value-driven and relational-based strategies that develop and price products to suit customers' needs and create value for them as partners. In this regard, Berry (1995) points out that RM presents a strategic approach that can

benefit services firms by increasing their retention rate of existing customers, and in the process, decreasing customers' defections.

Gummesson (2008) explains RM in terms of interactions and networks. In this regard, the author argues that the basic two-party relationships (the dyad), between a business and a customer, influences the process of marketing as whole. According to Gummesson, the definition of marketing should be redefined to include the elements of networks, interactions, and relationships within it. Further, the author points out that the root of RM can be traced back to the service marketing and B2B literature developed in the 1980s, and extended by the emergence of S-D logic. More specifically, the developments in service quality literature have triggered the interests of scholars on relationships quality and customer satisfaction. S-D logic has expanded this concept of the customer-centric view. As argued by Gummesson, S-D logic brought customers to the forefront of the business equation where they are no longer passive, but, through interactions, have become active contributors to the co-creation of value.

Indeed, S-D logic, which is also founded on services marketing and B2B literature (Vargo 2009), emphasises the concepts of interactions and value creations. As Vargo and Lusch (2006, 285) point out, the S-D logic views marketing as a process 'in which the concept of interaction is central. It embraces the idea that value creation is a process of integrating and transforming resources … which requires interaction and implies networks'. Further, as Vargo (2009) suggests, the central concept of S-D logic is that 'value' is only created when the both sides of the exchange (e.g., seller and buyer) engage in a collaborative and interactive process. One party alone cannot create value, but can only offer a proposition of value. This entails that S-D logic resides in the reciprocity of the parties in the service-to-service exchange process that evolve over time (long-term oriented), which aligns with the theoretical grounds of RM. As such, Vargo (2009, 378) asserts that the S-D logic, through service provision, provides the purpose for RM, or as he posits:

> Value creation through service provision and service exchange relationships at the micro level must be understood in the context of value

> creation through service provision and service exchange relationships at the macro level. The elements are value, relationships, and networks; the driving force and thus the nature of value, relationships, and network, is mutual service provision for mutual wellbeing.

Indeed, the notion that the mutual wellbeing of the exchange parties derived from the reciprocal co-creation of value has been echoed repeatedly in the literature. For example, Gummesson (2008, 20) argues that the focal interests of RM 'are well in line with the tenets of S-D logic' in that RM is built on a collaborative co-creation of value between partners (rather than opposite parties) for their mutual benefits. RM, as such, is 'more of win-win than win-lose, more of a plus sum game than a zero sum game' (Gummesson 2008, 20). Additionally, he points out that all parties within the exchange process should take responsibility and be active in their effort to establish long-term and successful relationships.

Morgan and Hunt (1994) also refer to the reciprocal nature of relationships long before S-D logic managed to reframe them and other concepts in a more concise framework. In their highly regarded theory of trust and commitment, Morgan and Hunt posit that the essence of RM is built upon mutual trust and commitment instilled in exchange partners that encourage them to work collaboratively. In addition, it encourages them to view the long-term benefits of the relationship, in doing so, become more resistive to short-term alternatives and more accommodating to high-risk exchanges. This co-creation not only breeds trust and commitment, but leads to higher levels of mutual benefits for both buyer and seller. In addition, the process of co-creation and engagement is necessary for firms to build closer relationships with their customers that allow them to redesign and personalise their marketing efforts. This in turn allows them to be more responsive to customers' needs and wants (Johnson and Selnes 2004).

2.3 Conceptual Framework

The aim of this thesis is to understand the impact of technology-facilitated service separation on customer-firm relationships. Given the recognition of the importance

of building successful customer-firm relationships to firms' bottom line, it is paramount to understand the impact of any new service on such relationships. Over the past decade, a flux of new self-services has been developed and introduced to customers worldwide. From mobile banking to online booking, the number of automated services is on the rise. Oxymoronically, this comes at a time when relationship marketing is taking the leading role in marketing research. The oxymoronic issue here is that while the marketing literature emphasises the importance of building and maintaining long-term relationships with customers, the increasing trend to introduce self-service technologies seems to intuitively counteract any potential efforts to develop meaningful social exchange-based relationships as shall be explained in due course.

Broadly speaking however, by building upon relevant conceptual frameworks of social exchange theory and relationship marketing theories, this thesis proposes that the over reliance on self-service technology may create a detachment between buyers and sellers, which in turn could weaken customer-firm relationship quality by reducing customers' trust, commitment and satisfaction. The thesis further argues that the benefits of self-service technologies in term of convenience may not be sufficient to compensate for the effects of this social detachment.

Figure 2.1 shows the conceptual model for this study. The model, in essence, attempts to measure the impact of social and confidence benefits on customer-firm relationship quality by testing the impact on trust, commitment and satisfaction. It is also hypothesised that relationship quality has a direct impact on customers' loyalty and WOM. Since the study will utilise two datasets for offline and online banking customers, the relationships between the constructs can be measured for each customer segment, thus providing empirical evidence on the proposed impact of technology-facilitated service separation on customer-firm relationships.

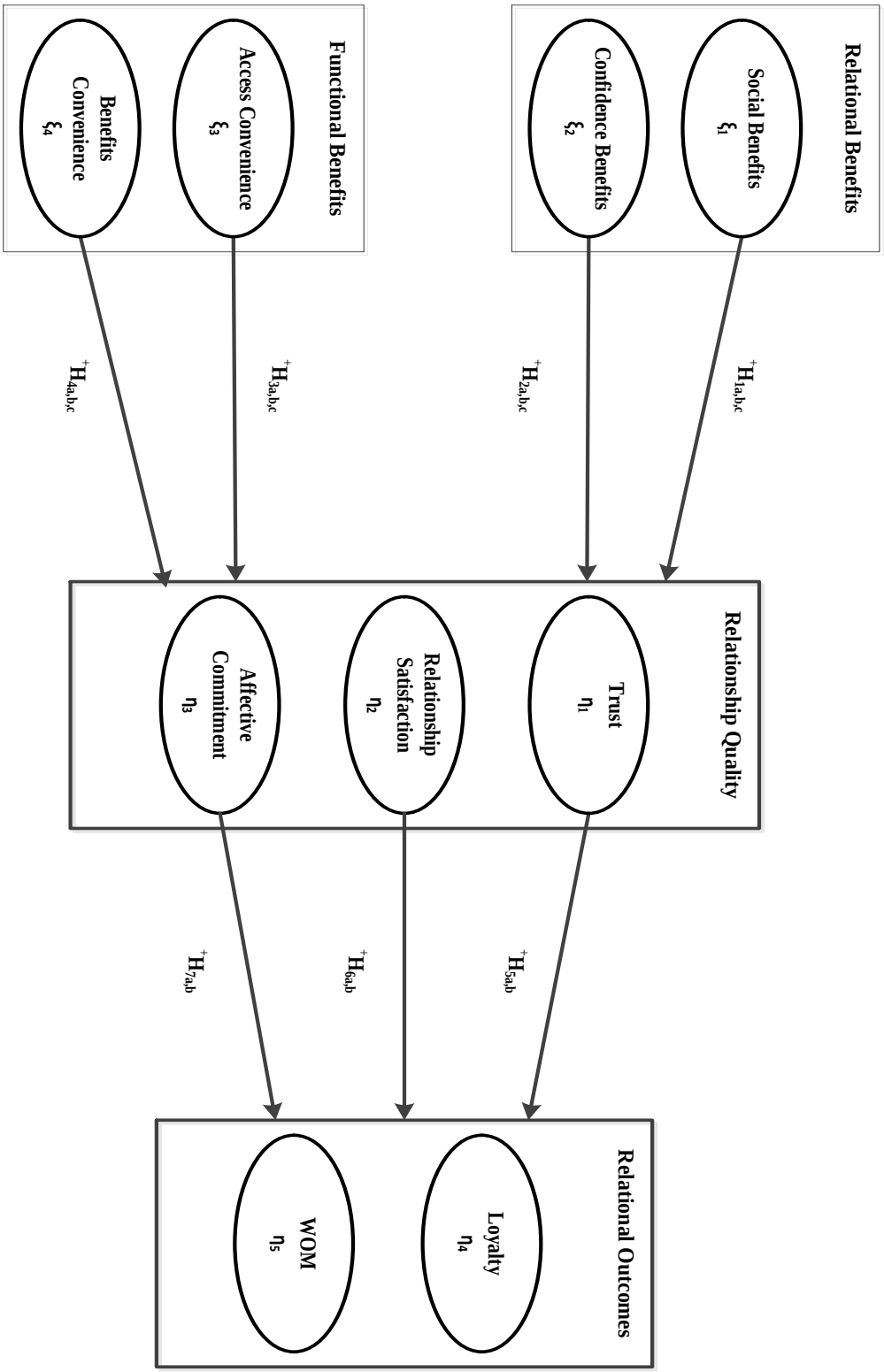

Figure 2.1: Thesis Conceptual Model

The following subsections introduce in detail the constructs examined in this thesis. In addition, the hypothesised relationships between these constructs will formally be stated and explained.

2.3.1 Antecedents of Relationship Quality

Relationship marketing is about maintaining long-term and beneficial relationships with customers (Morgan and Hunt 1994; Wilson 1995; Christopher, Payne and Ballantyne 2013). RM has a profound impact on the success of business as it can fuel customers' trust, commitment, satisfaction and loyalty. As such, scholars and practitioners have paid considerable attention over the last two decades in an attempt to understand the concept of RM and its impact on both parties in the exchange: the customer and the provider (Morgan and Hunt 1994; Gummesson 2008). Under the S-D logic discussed earlier, the essence of maintaining a successful relationship between buyer and seller revolves around value co-creation (Vargo 2009). Indeed, both parties in the exchange process must adhere to the reciprocal and collaborative co-creation of value so that the relationship can be beneficial and a 'win-win' for both (Gummesson 2008, 20).

So far, in the discussion, the focus has been on highlighting the benefits of relationship quality from the vantage point of service providers in light of its impact on customer retention and overall firms' profitability. For instance, customers' loyalty and advocacy are two benefits primarily sought by firms. However, what is in it for the customer? Why do customers wish to establish and maintain relationships with their service providers? This section of the literature review will attempt to understand and highlight some of the relational and functional benefits that prompt customers to engage in long-term relationships. These relational and practical elements include social and confidence benefits, as well as service convenience. These concepts have been proposed in the literature as key antecedents to relationship quality (Gwinner, Gremler and Bitner 1998; Berry, Seiders and Grewal 2002; Keh and Pang 2010). These benefits include, on the one hand, the relational elements that relate to the social and confidence benefits received by

customers, and on the other hand, the functional benefits of service separation, that is, the convenience of the service.

2.3.1.1 Relational Benefits

A considerable part of relationship literature focuses mainly on the benefits of establishing long-term customer-firm relationships from the perspective of the firm. Such benefits include gaining customers' trust and commitment (cf. Morgan and Hunt 1994), gaining marketing share and increasing profit. However, the literature has placed less emphasis on understanding the benefits that motivate customers to engage in such relationships (Gwinner, Gremler and Bitner 1998; Raciti, Ward and Dagger 2013). Given that both parties in the exchange must benefit for a long-term relationship to exist, it has become paramount to understand the triggers and motivators that induce customers' desires to be part of said relationships (Raciti, Ward and Dagger 2013).

A number of social theories provide a useful basis for this discussion. For example, the social exchange theory suggests that a person assess the potential of any interactions based on the person's prior experiences of similar interactions and his or her expectations of how these interactions may benefit the person (Thibaut and Kelly 1959). Drawing heavily on SET, social penetration theory (Altman and Taylor 1973) also posits that, with time, relationships between parties strengthen in both broadness and depth if the parties in the exchange continue to perceive the exchange and interactions as beneficial. Noteworthy here are two elements. First, relationships develop over time; second, they are driven by benefits.

Drawing from and in line with these theories, marketing literature has established a number of frameworks explaining relationship development that takes into account the elements of time and benefits (Claycomb and Frankwick 2010). Dwyer, Schurr and Oh (1987) were pioneers of marketing research, who developed a framework of relationship development. According to their framework, the parties in the relationship go through multiple stages: awareness, exploration, expansion,

commitment, and finally, dissolution. Noteworthy, however, is that dissolution or relationship termination is an implicit phase that may occur during or after any of the earlier stages (Dwyer, Schurr and Oh 1987).

In the awareness stage posited by Dwyer, Schurr and Oh (1987), the parties recognise the feasibility of exchange with each other. In the exploration and expansion stages, however, the potential for the long-term relationship becomes much apparent. During these two stages, the buyer begins to test the seller's efforts, norms and standards. It is during these stages that the buyer begins to recognise and appreciate the benefits of the exchange with the seller, as opposed to other possible alternatives. This phase, as noted by Dwyer, Schurr and Oh (1987, 16), is 'very fragile' and termination is a simple possibility. Throughout these intermediary stages (exploration and expansion), the interdependence between the parties increases and social norms become embedded in the relationship (Ring and Van de Ven 1994).

During the early stages of the relationships, customers begin to recognise and appreciate the benefits generated through their repetitive exchange with their suppliers (Hansen, Beitelspacher and Deitz 2013; Park and Kim 2014). From a relationship marketing perspective, Sheth and Parvatiyar (1995) posit that customers engage in long-term relationships for multiple reasons. For example, customers may seek to increase the efficiency of their decision making, or reduce risk and uncertainty that may be present with untested partners. Following a similar rationale, Gwinner, Gremler and Bitner (1998) introduced a framework that incorporated three distinct types of relationship benefits from customers' perspectives (Gwinner, Gremler and Bitner 1998; Hennig-Thurau, Gwinner and Gremler 2002). These benefits include social, confidence and special treatment benefits, which stem from being in a social exchange-based relationship (Gwinner, Gremler and Bitner 1998). The latter benefits include special customisation schemes that are mostly applicable to small-scale operations where specific customers may receive financial rewards or other special services. Thus, special treatment benefits are often geared toward minor and specific segments, since applying them to all customers of a given firm defeats their purpose as 'special' benefits. In this thesis, the focus will be placed on social

and confidence benefits as the two relational constructs motivating customers to engage in long-term relationships. These two constructs can be applicable to a greater number of customers, if not all, and are perceived to be better predictors of customers' motivations to engage in relationships (Sweeney and Webb 2007).

Social benefits are associated with the emotional part of the relationships. These benefits include friendship, rapport, social support and feeling of familiarity (Gwinner et al. 1998; Hennig-Thurau, Gwinner and Gremler 2002). As a result of continuous social interactions between customers and their service providers during the early stages of the relationship life cycle, customers begin to develop rapport and social acquaintance with their exchange partners (Hennig-Thurau, Gwinner and Gremler 2002). Hence, social benefits are those benefits derived from the relationship itself as opposed to the core service or the results of the service (Hennig-Thurau, Gwinner and Gremler 2002). The development of these social outcomes has been noted to have a profound impact on customers' overall experiences with the providers (Dagger, David and Ng 2011).

More specifically, research has identified a number of consequences to social benefits. Hennig-Thurau, Gwinner and Gremler (2002) posit that social bonding with employees and customers can lead to higher levels of customers' commitment to the service provider. In fact, the authors found that social benefits have had an indirect effect on customers' overall loyalty that is mediated by their commitment. Further, the authors argue that social benefits lead to a higher level of customer satisfaction. The rationale behind such a conclusion is that social bonding between the customer and the firm's employees increases their perception of the quality of the service (Reynolds and Beatty 1999; Gremler and Gwinner 2000). In addition, the extant literature provides ample evidence to suggest that social benefits have a positive impact on customers' trust (Patterson and Smith 2001; Dagger and O'Brien 2010). Trust arises from the prolonged and close social interactions with service providers where customers can gain sufficient information about their business partner (Dagger and O'Brien 2010). This, again, concurs with relationship development theory that posits that customers during the exploration and expansion stages build a good

knowledge-base that equips them with the necessary information to develop trust and commitment (Ring and Van de Ven 1994; Hansen, Beitelspacher and Deitz 2013).

Confidence benefits, on the other hand, include feelings of reduced uncertainty and anxiety, (Gwinner, Gremler and Bitner 1998). As noted earlier, one of the reasons that compel customers to enter into a long-term relationship with a known partner was to minimise the risks associated with switching partners (Sheth and Parvatiyar 1995). To better understand the underlying reasons for the increased sense of uncertainty, the principal-agent theory can be useful in providing further insights. The principal-agent theory argues that principles (customers) and agents (providers) are two self-interested parties who engage in some type of exchange where the principal delegates the agent to carry out certain actions on the principal's behalf (Bergen, Dutta and Walker Jr. 1992; Pavlou, Liang and Xue 2007). The uncertainty arises, as per the theory, due to two main reasons.

First, pre-contractual issues (hidden information) may arise before the actual exchange takes place. The main issue here is whether the agent has the needed characteristics that the principal is looking for (Bergen et al. 1992). In other words, from the principal's perspective, it depicts the sense of uncertainty that the agent may misrepresent its capabilities and attributes (e.g., provide inaccurate information about product or quality attributes). From a marketing perspective, this is consistent with Wilson's pre-relationship stage, where parties begin gathering information about each other to assess the worthiness of progressing in the relationship (Wilson 1995). The second issue relates to possible hidden actions; this problem arises post-contractually (i.e., after the principal and agent engage in the exchange) (Bergen et al. 1992). For example, hidden actions may refer to the principal's uncertainty about whether the agent performed as expected.

Confidence benefits arise when the customer begin to develop a better knowledge of what to expect from the service partner over time (Gwinner, Gremler and Bitner 1998). Having developed such knowledge, the principal-agent theory compels us to believe that customers will be far more hesitant to seek alternative partners. This is

in line with the conceptualisation of the relationship development framework suggested by Dwyer, Schurr and Oh (1987) and Wilson (1995). According to Dwyer, Schurr and Oh's (1987) multiple-stage framework, during the expansion and exploration stages, the buyer develops knowledge of what to expect from the seller and the interdependence between the parties therefore increases. It is during these times, the authors argue, that partners in the exchange become better equipped to take higher risks. The buyer, in these stages, begins to develop a sense of comfort and security leading them to trust and commit to the relationship (Dwyer, Schurr and Oh 1987; Gwinner, Gremler and Bitner 1998; Dagger and O'Brien 2010). Further, as confidence benefits enhance customers' knowledge of the service expectation, the literature offers support for the link between confidence benefits and satisfaction (Berry 1995; Chang and Chen 2008; Yen et al. 2014).

Therefore, based on these discussions, the following hypotheses are proposed:

H1: Social benefits have a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

H2: Confidence benefits have a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

2.3.1.2 Convenience

During the last few years, increasing attention has been placed on service convenience by both practitioners, in their efforts to improve the customer management strategies, and scholars, in their attempt to understand the impact of convenience on customer behaviour (Seiders et al. 2007). Service convenience relates to customers' perception of the time and effort needed when using a service (Berry, Seiders and Grewal 2002; Keh and Pang 2010). Berry, Seiders and Grewal (2002) suggest that there are five types of service convenience that can be considered functional benefits of service. These types reflect customers' evaluation of time and effort exhausted to acquire a given service. The authors, thus, perceive time and effort as costs that influence customers' judgment of their overall experiences with their service providers. These five dimensions, proposed by Berry, Seiders and

Grewal (2002), consist of decision, access, transaction, benefits and post-benefit conveniences that cover customers' evaluations of the different stages of consumption:

- **Decision convenience** relates to customers' perception of the time and effort needed to make a decision to buy or use a service (Berry, Seiders and Grewal 2002). This particular convenience is especially critical for complex services or products that may require extensive knowledge and present high risks (Seiders et al. 2007).
- **Access convenience** relates to customers' perception of time and effort needed to request and find a service (Berry, Seiders and Grewal 2002). In this stage, customers evaluate technical and specific elements as service availability, channel of delivery and the reachability of the location of the service.
- **Transaction convenience** reflects customers' evaluation of the time and effort needed to execute the service. Here, customers evaluate elements such as waiting time, and whether receiving the services presented any acceptable of unacceptable levels of physical or emotional (dis)comfort (Berry, Seiders and Grewal 2002).
- **Benefit convenience** relates to customers' 'perceived time and effort expenditures to experience the service's core benefits', which plays a major role in customers' evaluation of the services and the firm that provides it (Berry, Seiders and Grewal 2002, 7).
- **Post-benefit convenience** relates to the time and effort needed to engage in post-purchase interaction with the service provider (Berry, Seiders and Grewal 2002). It encompasses elements of service recovery and customers' evaluation of after-sale services (Seiders et al. 2007).

Although the five dimensions of convenience have been acknowledged in the literature as critical factors to customers' overall assessment of service provision (cf. Lee 2009; Paul et al. 2009), this thesis will address only access and benefits as the two functional benefits that could play a role in customer-firm relationship. As

highlighted by Keh and Pang (2010), only access and benefits conveniences are most appropriate in examining the impact of service separation on various customers' related outcomes. The importance of service convenience has been well established in the literature. In particular, decision convenience relates to customer's decision process and whether the person decides to acquire the service or products. Thus, its impact on customer-firm relationships is minimal at best. Similarly, transaction convenience 'focuses strictly on the actions consumers must take to secure the right to use the service' (Berry, Seiders and Grewal 2002, 7) and therefore, largely neglects customers' evaluations of their relationship with the supplier. Finally, post-benefits convenience is targeted toward specific segments that need or require after-sale support and therefore, its use as an indicator of customer-firm relationships is questionable given its limitation.

Various studies have linked convenience to diverse marketing outcomes, including maintaining strong customer-firm relationships (Keaveney 1995; Seiders et al. 2007) repeat purchase and retentions (Paul et al. 2009) and satisfaction (Chang et al. 2010; Makarem, Mudambi and Podoshen 2009; Srivastava and Rai 2013). Further, service convenience has been shown to be a crucial indicator of customers' choice of service providers, particularly locational or access convenience (Levy and Weitz 2004). Similarly, previous studies have pointed out that convenience can be the leading factor in generating customer commitment (cf., Wu 2011). For example, Jones, Mothersbaugh and Beatty (2003) posit that even dissatisfied customers may commit to a provider if they perceive the service to be more convenient than other alternatives. In addition, customers' perceptions of service conveniences have been shown to affect their trust in the service provider (Collier and Sherrell 2010) as it has been shown to increase customers' perceptions of providers' credibility (Yang, Hung, Sung and Farn 2006).

Therefore, based on these discussions, the following hypotheses are proposed:

H3: Access convenience has a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

H4: Benefits convenience has a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

2.3.2 Customer-Firm Relationship Quality

Most RM research centres on the concept of managing customer-firm relationship quality. After all, the corner stone of RM is to attract and maintain successful relationships between buyer and seller (Crosby, Evans and Cowles 1990; Morgan and Hunt 1994; De Wulf, Odekerken- Schröder and Iacobucci 2001). In today's highly congested business atmosphere, it is paramount for the survival of many service firms to create a strong and binding relationship with their customers that can withstand the forces of competitive winds. As highlighted earlier, RM as a concept has evolved over the past few decades to create a new paradigm in marketing that is customer-centric (Vargo and Lusch 2004a/b; Gummesson 2008). The concept of relationship quality (RQ) stemmed out of this movement. Simply put, only when the quality of the relationship is good can the buyer-seller relationship can be meaningful and successful (Athanasopoulou 2009; Dagger and O'Brien 2010; Kose et al. 2013).

The proper study of RQ in marketing was established in the late 1980s and early 1990s with the seminal work of Dwyer and Oh (1987) and Crosby, Evans and Cowles (1990). Their efforts created a new trajectory in marketing research overall and service marketing in particular that pertains to the concept of RQ, its definition, dimensions, antecedents and outcomes (Athanasopoulou 2009). Despite a plethora of studies that has emerged since, the concept of RQ remains broad and lacks convergence when it comes to its nature and/or its dimensions.

The major difficulty in creating convergent views when reviewing RQ literature stems from the dimensionality of RQ. Early research linked RQ to customers' trust and satisfaction. For example, Crosby, Evans and Cowles (1990) postulate that RQ develops when customers can rely on sellers' integrity and benevolence and have had satisfying prior experiences. With the passage of time, the number of dimensions

seems to increase. However, depending on contexts, or simply as noted by Palmatier, Dant, Grewal and Evans (2006, 139) 'driven by researcher discretion'. For instance, Baker, Simpson and Siguaw (1999) conceptualise RQ as a higher order construct comprising three second order constructs: trust, commitment, satisfaction and perception of cooperative norms. Other researchers took a step further in breaking up part of these constructs to two or more. For instance, Hennig-Thurau (2000) postulates that RQ comprises trust, product quality and commitment. However, the author broke up commitment to two second order constructs pertaining to the emotional or affective part of commitment, and to the more rational or calculative commitment. Since then, a number of other dimensions were incorporated into the equations, including cooperation, communication and adaptation (Woo and Ennew 2004; Leonidou, Barnes and Talias 2006), quality of interaction (Moorman, Deshpande and Zaltman 1993) coordination and profit (Naudé and Buttle 2000), customisation, relational commitment, thrust, self-connection and intimacy (Kose et al. 2013).

Despite this seemingly divergent view of RQ, the majority of studies in marketing literature concludes that trust, commitment and satisfactions are the primary dimensions of RQ (De Wulf, Odekerken- Schröder and Iacobucci 2001; Kim and Cha 2002; Palmatier et al. 2006; Moliner et al. 2007a and b; Athanasopoulou 2009; Vesel and Zabkar 2010). This study concurs with the importance of the three relational constructs of trust, commitment and satisfaction as predictors of RQ. As such, these three dimensions are utilised to reflect the dynamism of RQ as perceived holistically by customers. Such an interpretation of RQ is consistent with the nature of relationship quality as postulated by its definition as 'the overall assessment of the strength of a relationship' (Palmatier et al. 2006, 138). Each of these dimensions is now discussed.

2.3.2.1 Trust

As stated earlier, one of the main aims of service firms is to seek ways to develop a competitive advantage that could withstand the rapid changes and complexity of

today's business environment. To do so, businesses and service firms in particular seek to develop lasting, flexible and profitable relationships with their customers. Prior research identifies trust as a crucial factor in this regard. It is perceived in literature and in practice as a key determinant of the quality of a relationship between any two parties (Rousseau, Sitkin, Burt and Camerer 1998; Swan, Bowers and Richardson 1999; Palmatier et al. 2006; Athanasopoulou 2009; Vesel and Zabkar 2010; Brun, Rajaobelina and Ricard 2014).

Trust has been a focal point of interest for multiple disciplines. In their cross-discipline examination of trust, Rousseau et al. (1998) argue that trust is viewed as multidisciplinary in fragmented but subtle ways. Their analysis revealed that the basis of fragmentations originates from the different assumptions on which the nature of trust is defined in any given discipline. For instance, they argue that economists look at trust from a calculative or institutionalised perspective, whereas psychologists explain trust based on their evaluation of the trustee and trustors' cognitive attributes. Another divergence exists when it comes to defining trust. As the authors postulate, there is no universally agreed upon definition of trust. Yet, when examining contemporary literature as opposed to early research, the disciplines seem to be converging with the passage of time. Recent literature, as explained by Rousseau et al. (1998, 395) shows comparable underlying composition of trust despite the differences in wording and 'across disciplines, there is agreement on the conditions that must exist for trust to arise'. These conditions include the elements of risk and interdependence.

When examining the concept of trust in marketing literature, these two elements become very clear. Morgan and Hunt (1994, 23) conceptualise trust to exist 'when one party has confidence in an exchange partner's reliability and integrity'. As can be drawn from this definition, there is an implicit assumption that both risks and interdependence exists. The authors' definition clearly shows that the confidence of one partner in another implies that the partner can be depended on to act in a positive and non-threating or risky manner. In the same vein, other definitions of trust in marketing literature coincide with that of Morgan and Hunt (1994) and clearly depict

the two elements of risk and interdependence observed by Rousseau et al. (1998) (cf. Crosby, Evans and Cowles 1990; Moorman, Deshpande and Zaltman 1993; Sirdeshmukh, Singh and Sabol 2002; Huang and Wilkinson 2013).

A major part of the emphasis on risk and interdependence highlighted by Rousseau et al. (1998) revolves around the social interactions and the concept of reciprocity suggested by the SET (Blau 1964). SET observes that the interactions between parties are seen as interdependent and subject to the actions of the other partner (Emerson 1976). In other words, the interdependence by its nature implies reciprocity. If the two parties were dependant of each other, then no exchange is occurring. Exchange requires 'a bidirectional transaction—something has to be given and something returned' (Cropanzano and Mitchell 2005, 876). For social exchange relationships to occur and for interdependence to function as expected, a set of rules must exist. One of the most important is trust between the parties to meet the obligations expected from each other (Blau 1964). In essence, 'one of the basic tenets of SET is that relationships evolve over time into trusting, loyal and mutual commitments' (Cropanzano and Mitchell 2005). It is this connection between trust and loyalty that is of great importance to this thesis.

The link between trust and loyalty has been well established (Chiou and Droge 2006; Harris and Goode 2004; Dagger and O'Brien 2010). For example, Sirdeshmukh, Singh and Sabol (2002) postulate that reciprocity conditions the relationship between loyalty and trust. In other words, if a customer trusts a given firm, he or she will behave in a cooperative manner and will have a favourable outlook on future exchanges. As such, the increase in customers trust, will lead to higher level of loyalty as stressed by the authors. Similarly, Sultan and Mooraj (2001) argue that the link between trust and loyalty is supported regardless of whether the transaction occurs online or offline. Other research concurs with this conclusion. Reichheld and Schefter (2000, 107), in their seminal work, highlighted the importance of trust in building loyalty as they argue that 'to gain the loyalty of customers, you must first gain their trust. That's always been the case'.

Similarly, research in the marketing field has also demonstrated that trust plays a major role in inducing favourable WOM (Garbarino and Johnson 1999; Gremler, Gwinner and Brown 2001). As mentioned earlier, WOM has been recognised by both researchers and practitioners as a valuable promotional tool that can be far superior to traditional marketing efforts (Herr, Kardes and Kim 1991; Gremler, Gwinner and Brown 2001). Indeed, research into the consequences of trust indicates empirically that higher levels of trust can be linked to higher levels of customer endorsement (Ranaweera and Prabhu 2003). The rationale behind such a conclusion is that when customers build trust in their service providers as a result of previous experiences, they are far more likely to disseminate favourable communication about the providers to others. This is especially significant for services where customers tend to rely heavily on others' recommendations (Gremler, Gwinner and Brown 2001). This is also consistent with Doney and Cannon's trust 'transference process' (Doney and Cannon 1997, 37), which posits that trust can be transferred from an individual to other individuals or groups of individuals who may have little or no experience with the trusted entity.

Based on these discussions of the links between trust and the two relational outcomes of loyalty and WOM, the following hypotheses are proposed:

H5: Trust has a positive impact on (a) loyalty and (b) WOM.

2.3.2.2 Relationship Satisfaction

As noted earlier, the move toward relationship marketing in the last two decades has been in part triggered by the increasing influence of service quality literature at the time. The service quality literature has been an early promoter of putting customers at the centre. As such, it can be safely assumed the part of the notions being advocated by the service-dominant logic recently were embedded to a large extent in the service quality literature. At the heart of this service quality literature resides the concept of customers' satisfaction (Parasuraman, Zeithaml and Berry 1985; Oliver 1999; Parasuraman, Zeithaml and Malhorta 2005).

As stated earlier, over the past two decades, relationship marketing has triggered a great movement toward customer-firm relationships. At the heart of this movement are the concepts of trust, commitment and relationship satisfaction. The previous sections have described the significance of trust and commitment in building long-term successful relationship with customers. For the most part, the same rationale follows when examining satisfaction. Satisfaction has been recognised in relationship and service marketing literature as a major component of RQ as it is the case for trust and commitment (De Wulf, Odekerken- Schröder and Iacobucci 2001; Brun, Rajaobelina and Ricard 2014). However, in understanding the impact of satisfaction on RQ and other marketing outcomes, one notable issue arises, that for the most part solely affects satisfaction.

In literature, there is a divergence of views with respect to the term satisfaction; the backdrop to this discrepancy relates to the conceptualisation of satisfaction. On one hand, satisfaction can be conceptualised as an objective and rational judgment (Anderson and Narus 1990; Caro and García 2007) or as an affective state that is most influenced by a subjective process (Smith and Barclay 1997; Oliver 1999). Most studies incorporating the objective side of satisfaction tend to incorporate technical elements of the service or products. These technical aspects, for example, may relate to customer objective evaluation of a provider's website quality (Hsu, Chang and Chen 2012), security and privacy concerns (Bressolles, Durrieu and Senecal 2014). On the other hand, the conceptualisation of satisfaction in the literature can vary depending on whether the said satisfaction is a result of a single or multiple isolated transactions with a given firm/product (Chitty, Hughes and D'Allessandro 2012), or an overall assessment of the person's experience over a longer term (Johnson and Fornell 1991; De Wulf, Odekerken-Schröder and Iacobucci 2001).

De Wulf, Odekerken-Schroder and Iacobucci (2001, 36) define relationship satisfaction as 'a consumer's affective state resulting from an overall appraisal of his or her relationship with a retailer'. In this sense, the researchers distinguish relationship satisfaction from the rational evaluation of outcomes or satisfaction with

a particular transaction. This research will adhere to this distinction in line with current research (Caceres and Paparoidamis 2007; Davis-Sramek, Droge, Mentzer and Myers 2009). Further, the study will view relationship satisfaction as customers' cumulative evaluation over the length of the relationship rather than satisfaction with specific incident or transaction (Anderson, Fornell and Rust 1997; De Wulf et al. 2001).

The effects of satisfaction on customers' behavioural intentions have been established by numerous studies. Typically, the extant literature on satisfaction proposes that it can have a major positive impact on customers' loyalty and retention (Cronin and Taylor 1992; Andreassen and Lindestad 1998; Dagger and O'Brien 2010), their tendency to spread positive WOM (Ranaweera and Menon 2013), and increasing their share of wallet with a particular provider (Bolton et al. 2004; Cooil et al 2007). Most important to this study is the connection between satisfaction on the one hand, and loyalty and WOM on the other.

Satisfaction has been described as 'one of the most studied constructs in the history of marketing scholarship' (Fullerton 2011). Although studies into the direct effect of satisfaction on concrete financial results such as profitability and/or market share have been questionable at best (Rego, Morgan and Fornell 2013), there is considerable support that links satisfaction to customers' loyalty and positive WOM, which are ultimately linked to the health of the organisation. In simpler terms, when a customer is satisfied, he or she is more likely to stay with a given brand and more likely to spread positive communication about this brand (Heitmann, Lehmann and Herrmann 2007; Curtis, Abratt, Rhoades and Dion 2011; Fullerton 2011). The importance of satisfaction can be best seen when looking at the opposite side of the spectrum. Marketing research into customer churn highlights a strong link between dissatisfaction and defection or disloyalty (Forrester and Maute 2001; Chitty, Hughes and D'Allessandro 2012).

It is noteworthy, however, that despite the majority of research that links satisfaction to loyalty and WOM, there exists some scholarly disagreement in marketing

literature pertaining to the strength of the link between satisfaction and loyalty, a link that will be re-tested in this thesis. For example, Carpenter's (2008) study of discount retailers' customers suggests that satisfaction has no direct effect on loyalty. These findings echo to some extent the conclusions of other studies on the link between satisfaction and loyalty, such as Jones, Reynolds and Arnold (2006). However, the findings of these studies testify to the divergent view on the conceptualisation of satisfaction. As noted earlier, there are multiple conceptualisations of satisfaction available in the literature. When looking at these particular studies, it can be noted that satisfaction is perceived as customers' rational judgment about the service or product as opposed to the affective state that is based on subjective processes. Further, all these studies reflect the opinions of customers about their last purchasing experience. Carpenter (2008, 360) for example, asked respondents to 'reflect on their most recent shopping trip' to guide their answers. Jones, Reynolds and Arnold (2006, 977) asked respondents 'to complete the survey with respect to the last traditional retail store they visited'. Therefore, satisfaction is viewed in these studies as an outcome of a single or multiple isolated transactions with a given firm/product. As stated earlier, this current study, takes on a global view of satisfaction as an overall judgment of the person's relationship with their preferred service provider over a longer term (Johnson and Fornell 1991; De Wulf, Odekerken- Schröder and Iacobucci 2001).

Based on these discussions, the following hypotheses are proposed:

H6: Relationship satisfaction has a positive impact on (a) loyalty and (b) WOM.

2.3.2.3 Affective Commitment

Commitment is another key concept in marketing research and a major determinant of the strength of customer-firm relationships. As such, it is of no surprise that commitment has, in a relatively short period, become one of the most studied concepts in relationship marketing (Morgan and Hunt 1994; Wilson 1995; Cater and Zabkar 2009). In fact, over the last two decades and with the increasing interest in relationship marketing, commitment has evolved from a single construct with limited

scope (Morgan and Hunt 1994; Wilson 1995) to a global and complex construct that consists of multiple components (Cater and Zabkar 2009; Fullerton 2011).

Prior to its infusion into the marketing literature, commitment had for long been an important concept in social studies. Research in SETs underlines commitment as a major component of social interactions and key determinant of behavioural intentions toward social exchanges (Cook and Emerson 1978). In classical social science, commitment is viewed as a behavioural term that describes interpersonal links that drive 'persons to exchange repeatedly with the same partners' (Cook and Emerson 1978, 734). This classical approach views commitment as solely a behavioural term that is a result of beneficial exchanges developed over time. Contemporary social studies, on the other hand, have expanded this view by describing commitment as a mitigating factor to uncertainty (Cook, Cheshire and Rice 2013). In this way, commitment functions as an uncertainty reduction mechanism whereby the unequal distribution of resources and power imbalance can be reduced (Yamagishi, Cook and Watabe 1998). Thus, according to this social view of commitment formation, persons, in order to reduce risks, and social uncertainty, may willingly limit their opportunities of finding better alternatives by confining themselves to particular partners. From an economic view, commitment can be a way to reduce transaction costs (by simplifying the exchange), but on the other hand, imposes opportunity costs (Yamagishi, Cook and Watabe 1998).

Given these views, it is of no surprise that marketing managers and researchers have been dwelling on the concept of commitment over the past two decades. After all, with the ever-increasing global competition in the business environment, it makes both economic and marketing sense, from the provider's view, to lock customers into a long-term committed relationship. Such a relationship will ensure that customers are less likely to seek alternatives despite any economic benefits they may gain.

Tracing back the emergence of commitment in marketing literature, one could easily notice the similarities in how commitment is viewed with that depicted in social studies. In fact, Morgan and Hunt (1994, 23) draw heavily on the views of Cook and Emerson (1978) and other social scholars to define commitment as the exchange

partner perceived believe that a particular relationship is ‘so important as to warrant maximum efforts at maintaining it’. Therefore, the perceived worthiness of the relationship to the partners is the underlying rationale behind staying committed. Similarly, Moorman, Zaltman and Deshpande’s (1992, 316) definition of commitment as an ‘enduring desire to maintain a valued relationship’ reflects to a large extent the social exchange perspective noted earlier. Both definitions reflect the desire of persons in the exchange to maintain a given relationship and their disinclination to seek or evaluate alternative options.

As the marketing literature on commitment matured, however, discrepancies in the conceptualisation began to appear. Most of these discrepancies revolve around the dimensionality of commitment. Early in the emergence of commitment in marketing research, there were inconsistent views on whether commitment is a uni or multidimensional concept. For example, Morgan and Hunt (1994) view and define commitment (as it is the case with Moorman, Zaltman and Deshpande 1992) as a unidimensional construct. In fact, the root of this discussion began to emerge, not from marketing literature *per se*, but from studies emerging from organisational psychology that have incorporated a wider view of commitment as a multifaceted concept. Allen and Meyer (1990) were early proponents of multifaceted commitment. According to these authors, commitment is a multidimensional construct consisting of three distinct components. First, there is an affective or emotional commitment whereby an employee identifies him or herself with the organisation and exhibits an emotional attachment to it. The second components relate to the perceived costs associated with the discontinuation of the relationship. Allen and Meyer (1990) labelled this part of commitment as continuance commitment. Finally, the authors suggest that some people exhibit behavioural commitment to an organisation because of morally-driven reasons. Individuals with this type of commitment feel obliged to remain with their organisation because it is the ‘right’ thing to do.

Soon after Allen and Meyer’s (1990) seminal work, and coinciding with the push for relationship marketing in the late 1990s, the marketing literature began incorporating

the three-component conceptualisation of commitment and applying it to diverse types of relationships, including business-to-business and business-to-customer (cf., Geyskens et al. 1996; Bansal, Irving and Taylor 2004, Fullerton 2011; Ranaweera and Menon 2013; Fullerton 2014). Given the importance of commitment as a cornerstone in relationship mechanisms, marketing scholars placed significant emphasis on understanding the three types of commitments and their impact on a number of desirable marketing outcomes, such as satisfaction, trust, loyalty and positive WOM (e.g., Dagger and O'Brien 2010; Ranaweera and Menon 2013).

As such, this study will examine the impact of commitment on loyalty and WOM. However, the focus of this study will be placed on affective commitment as opposed to all three types for the following reasons. Indeed, the bulk of marketing literature has been specifically placed on two of the three dimensions of commitment: continuance and affective commitment (Gustafsson, Johnson and Roos 2005; Ranaweera and Menon 2013), while fewer studies incorporated the third type of commitment, normative commitment. Normative commitment has received far less attention in both marketing and organisational literature for various and theoretically different reasons. Normative commitment is often seen as a weaker indicator of commitment than the other two forms (Meyer and Allen 1997). Further, some authors argue that this dimension is not distinct enough from and highly correlated with affective commitment (Bansal et al. 2004; Fullerton 2005). For these reasons, normative commitment is often omitted or neglected in marketing literature.

Continuance commitment, however, is a well-studied subject in marketing (cf. Bansal et al. 2004; Fullerton 2011, 2014; Ranaweera and Menon 2013; Brun, Rajaobelina and Ricard 2014). The nature of this study, nonetheless, focuses on the social dimensions of customer-firm relationships, and the impact of service separation on RQ. For that continuance, commitment is the cooler form of commitment whereby economic costs associated with the relationship induce or determine the strength of the relationship. It is a psychological state whereby the customer (the focus of this study) evaluates the relationships from the perspective of switching costs, and other rational criteria irrespective of the how the service is being delivered (separated [S] v. unseparated[U], as per the context of this study).

Affective commitment, on the other hand, can be influenced greatly by the delivery method. Affective commitment is based on shared values, identification and emotional attachment and, as the literature reveals, highly influenced by the social context in the delivery process. The connection between the delivery method and affective commitment will be highlighted in further detail in the coming sections where social benefits are examined. Suffice to say, in this study, only affective commitment is examined.

Prior research in marketing has highlighted the impact of affective commitment in strengthening customer-firm relationships and increasing customer retention and loyalty. Evanschitzky et al. (2006, 1207) point out that when examining the impact of both affective and continuance commitment on loyalty, the 'emotional bonds with customers provide a more enduring source of loyalty as compared to economic incentives and switching costs'. Similarly, Cater and Zabkar (2009) highlighted the positive impact of affective commitment on loyalty. Although their sample represented a specialised professional industry (marketing research industry), their findings indicate affective commitment is the only factor of the three components that significantly affected loyalty.

Other studies have also examined the impact of affective commitment on WOM. For example, Fullerton (2011) examined the influence of service relationship on customer positive advocacy. Using convenient sampling techniques and university students, the finding indicates that out of three components, affective commitment was the 'most significant determinant of customer advocacy' (Fullerton 2011, 92). Interestingly, his finding indicates that continuance commitment may have a negative impact on WOM. Other studies concur with Fullerton's findings as to the impact of commitment on customers' advocacy in as diverse a context as retail (e.g., Brown et al. 2005), education (Teo and Soutar 2012) and online communities (Cheung and Lee 2012) to name a few.

In light of the above theoretical grounds, the following hypotheses are proposed:

H7: Affective commitment has a positive impact on (a) loyalty and (b) WOM.

2.3.3 The Consequences of Relationship Quality

2.3.3.1 Loyalty

Loyalty is a critical and important concept in marketing research. It has occupied a large portion of service marketing and relationship marketing research over the last few decades and remains as important and as interesting today. Customer loyalty has been depicted in the literature as the ultimate goal for businesses, in part for its impact on customer retention and overall firm's profitability (Rauyruen and Miller 2007; Reinartz and Kumar 2002). Review of extant literature reveals that loyalty research has evolved from both a behavioural approach, for which the focus is on repeat patronage, to a cognitive side, were the focus is on customers' attitude (Toufaily, Ricard and Perrien 2013).

Jacoby and Kyner (1973) conceptualise loyalty as a set of six divergent conditions that are both necessary and collectively sufficient to explain loyalty. First, loyalty according to the authors is an intrinsically biased decision, and non-random as random events cannot be a basis for scientific inquiry as it is the case for loyalty. It must therefore involve bias from the customer. The second condition indicates that biased preferences toward a given brand must be accompanied by an actual behavioural act (i.e., purchase). The third condition states the behavioural response must be repeated over time, since a single act of purchase by itself is not indicative of loyalty. Fourth, loyalty involves a decision-making process that may occur on an individual level or on a collective level (i.e., family or organisational level). The fifth condition stipulates that loyalty relates to at least one or more brands. In this sense, the authors assert that loyalty involves the preferential behaviour toward a brand or more where there is a larger pool of competing alternatives. As the authors (2) put it, 'before one can speak of being loyal, one must have the opportunity for being disloyal'. Finally, the sixth condition stipulates that the decision-making process is evaluative and may include psychological and possibly physical comparison to alternatives. These conditions must be present for brand loyalty to exist. In this

sense, it can be argued that Jacoby and Kyner (1973) include both behavioural and cognitive approaches to their definition of loyalty.

Similarly, Oliver (1999) posits that loyalty goes through different phases that involve both cognitive and behavioural approaches. According to Oliver (1999), loyalty develops following a four-step process leading from recognition of the brand to actual purchases. First, it is a cognitive process that involves the recognition of preference toward a given brand. Second, customers proceed to an affective loyalty, where they begin to develop liking toward a brand based on their previous satisfying experiences. This is where satisfaction begins to play a role in developing customer loyalty according to the author. Third, the process proceeds to cognitive loyalty, where commitment toward the brand begins to develop. Finally, the customer enters a stage of action loyalty where efforts are taken to act in repeat patronage and avoidance of any situational factors that could inhibit such actions. Thus, Oliver (1999, 34) define loyalty and conceptualise 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* [emphasis in the original] situational influences and marketing efforts having the potential to cause switching behavior.

The link between loyalty on the one hand and satisfaction and commitment on the other, has long been recognised and stressed in relationship marketing and social psychology theories (Toufaily, Ricard and Perrien 2013). For example, Gustafsson, Johnson and Roos (2005) link loyalty to three antecedents that include both affective and calculative commitments and satisfaction. Other researchers have also incorporated trust as a predictor of loyalty following trust-commitment theory (Morgan and Hunt 1994), in both offline and online environments (cf., Harris and Goode 2004; Caceres and Paparoidamis 2007; Dagger and O'Brien 2010; Toufaily, Ricard and Perrien 2013).

During the last decade or so, the rise of e-commerce has had a profound impact on the development of service and relationship marketing. Of particular importance, at this juncture, in the development of the literature, is the emergence of a new stream

of studies relating to online loyalty or e-loyalty. A major part of this research has been understanding the new online context and how it affects our understanding of loyalty in comparison to traditional offline environments. Toufaily, Ricard and Perrien (2013) published a review of the marketing literature dealing with electronic loyalty. Their findings suggest that the extant literature lacks clear definition and operationalisation for e-loyalty and that there exist a divergence of views relating to the nature of e-loyalty and how it differs from traditional loyalty literature. In addition, the authors note that the antecedents of e-loyalty are insufficiently studied and some possible predictors of e-loyalty are outright neglected. Although developing and testing an e-loyalty scale is beyond the scope of this thesis, constructs leading to loyalty in an online environment are tested.

2.3.3.2 Word-of-Mouth

WOM, defined 'as all informal communications between a customer and others concerning evaluations of goods and services' (Hennig-Thurau, Gwinner and Gremler 2002, 231–232), is an important phenomenon that has been shown to be a critical factor that influences customers' behaviour (Hennig-Thurau, Gwinner and Gremler 2002; Reichelt, Sievert and Jacob 2014). Recent evidence indicates that WOM is a primary source of information for customers that can influence their buying decisions, habits, attitudes and intentions (Chevalier and Mayzlin 2006; Kimmel and Kitchen 2014). The importance of WOM, without question, is well recognised by both scholars and practitioners in the marketing arena, which explains the rise in popularity of marketing campaigns that are specifically designed to generate 'buzz' (Groeger and Buttle 2014).

The importance of WOM has been well noticed in relationship and service marketing literature. Bendapudi and Berry (1997, 30) describe WOM as the 'ultimate test of customers' relationship' and that service in particular are more prone to the effects of negative WOM than goods. Indeed, WOM is an important concept in relationship marketing, if not the most important, because WOM has a crucial influence on customers' behaviour and expectations and firms' profitability; the rise of internet

penetration has made it all the more important (Brown, Barry, Dacin and Gunst 2005).

In recent years, the emergence of the internet has changed the way customers communicate and connect with each other and brought to the fore the influence of electronic word-of-mouth (e-WOM). Modern technological developments in social media and networking have in many ways altered the balance of marketing systems by shifting the power of influence from firms (using traditional advertisements), to customers (Pfeffer, Zorbach and Carley 2014). Despite this, however, there remain crucial gaps in the literature pertaining to the nature, motives, factors and characteristics of WOM (Hennig-Thurau and Walsh 2003; Kimmel and Kitchen 2014).

Following an extensive review of pertinent research articles, De Bruyn and Lilien (2008) note that current thinking in the literature can be grouped into three main streams. The first stream focuses on WOM generators, those who actively spread WOM. The second stream focuses on seekers, those who actively rely on WOM information to make or to help with buying decisions. The third stream pertains to the nature of WOM and how it influences customers. In light of this research's objective, the focus here is on WOM generators. The rationale behind this decision reflects the nature of the antecedents of WOM that are included in the framework of this thesis. Trust, satisfaction and commitment comprise a set of relational indicators that are hypothesised to positively influence customers in such a way as to generate positive advocacy.

Nonetheless, it is puzzling that despite the recognised significance of WOM in marketing research, there still remains scarcity when it comes to studies pertaining to its nature. Almost half a century ago, in his seminal work, Arndt (1967, 291) noted that WOM is a mysterious force in marketing relationships and that its process and mechanism 'have not been really given much attention'. Fast forward 30 years later, the mysteriousness noted by Arndt was still evident in the sheer number of studies that questions our understanding of the concept of WOM, its antecedents and predictors, and its effects (cf. Stauss 1997; Anderson 1998; Buttle 1998; Bansal and

Voyer 2000). Even today, the concept seems to elude researchers and practitioners alike. As noted by Kimmel and Kitchen (2014, 2), 'to date, relatively little academic research scrutiny has been devoted to WOM' and 'there is a paucity of academic research relating to the strength of consumer-to-consumer (C2C) communications as compared with business-to-consumer (B2C) or business-to-business (B2B) communications'.

As noted, the dimensions of RQ discussed above are hypothesised to have an impact on relational outcomes of loyalty and WOM without consideration to the service delivery mode. Now the attention turns to how the service delivery mode (separated or unseparated) influences the discussed constructs and the interplay between them.

2.3.4 The Impact of Service Separation on Customer-Firm Relationship Quality

Up until now, the discussion has focused on understanding the interrelationship between the constructs in the conceptual framework of the study in broad terms. The most significant part of this research however, lies in the influence of the service delivery mode on these relationships. As outlined at the introduction of this thesis, service separation reflects customers' absence from the service production (Keh and Pang 2010). A good example of service separation can be seen in the banking industry, where customers tend to rely on the internet to conduct their banking as opposed to visiting a physical branch. Such reliance on technology is proposed here to have a profound impact on the development and maintenance of customer-firm relationships. To illustrate this proposed concern over the impact of service separation on customer-firm relationships, it is vital to reiterate the significance of social interactions to customer-firm relationship development.

Central to any model of customer-firm relationships is the idea of social interactions. As noted earlier, social interactions between exchange parties (economic and/or social) provide the backdrop to the concept of reciprocity introduced by the SET (Blau 1964). Reciprocity in an exchange is a crucial aspect of SET that encompasses

a sense of obligation and forms the basis of relationship development (Cook and Emerson 1978). Social interactions and the resulting reciprocal information exchange are what distinguish social exchange from a purely economic exchange (Blau 1964).

Rooted in SET, relationship marketing literature has acknowledged the importance of social interactions to the development and maintenance of customer-firm relationships (Gummesson 2002). Indeed, as relationship marketing literature moves toward new service-dominant paradigm (S-D logic), the notion of social aspects of customer-firm relationships has received further emphasis as it forms the basis of value co-creation embedded in S-D logic (Vargo and Lusch 2004). S-D logic, which is inherently relationship-oriented, resides in the reciprocal nature of the exchange that creates a sense of moral obligation inducing parties to act in mutually-beneficial manner (Vargo 2009). Social interactions, under S-D logic, are important elements of value co-creation in that as the parties in the exchange engage social interactions, their perception of value emerge and grows (Flint 2006). Further, underpinning the rationale for co-creation and value is that 'value should be understood as value-in-social-context' that is driven by social interactions (Edvardsson, Tronvoll and Gruber 2011). The mode of experiencing the service (separated or unseparated) could alter these dynamics and will thus be subject to scrutiny in this thesis.

In examining the interaction between customers, organisations, and organisations' employees (providers), Gutek, Groth and Cherry (2002) proposed two types of interactions in their C-O-P model. The first type is characterised by a close link between customers (C) and providers (P) and a loose link between customers and organisation (O), as seen in Figure 2.2. This strong C-P link (Figure 2.2a) describes what Gutek, Groth and Cherry (2002) refer to as service relationships that foster trust, rapport and reciprocity between the customer and the firm's employee. Conversely, a loose C-P link and strong C-O link (Figure 2.2b) refer to a service encounter that characterises a relationship where customers engage in repeated interactions with the organisation rather than with a particular employee or provider.

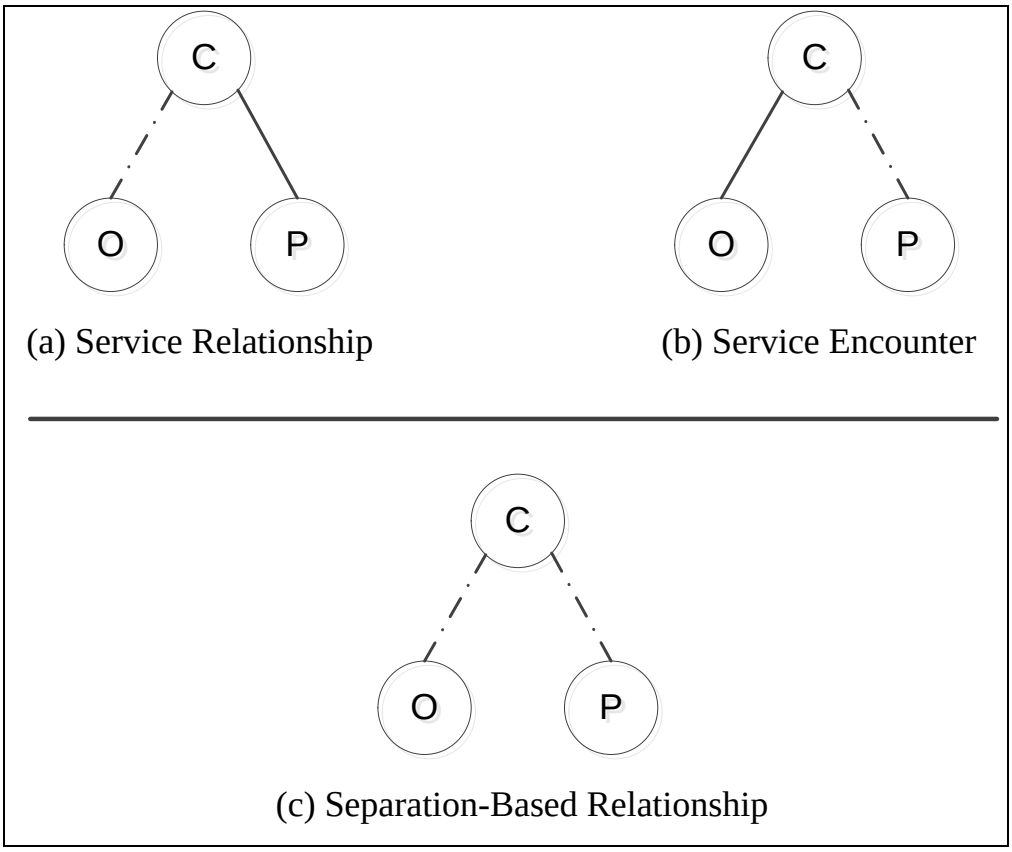

Figure 2.2: C-O-P Model (a and b Adopted from Gutek, Groth and Cherry (2002))

Berry and Parasuraman (1991) identified three types of relational bonds: financial, structural and social. Financial bonds relate to the economic benefits that can be achieved in the relationships. This reflects the economic exchange that interprets relationships based on the reward and costs associated with them (Thibaut and Kelley 1959). Structural bonds, on the hand, reflect the norms and conditions that govern the exchange. Social bonds, however, reflect the degree and quality of the personal and social interactions. Berry and Parasuraman (1991) can be useful in trying to understand the current implication of service separation. With the increasing reliance on service separation, it can be reasonably assumed that the lack of social interaction and face-to-face contact can create a social distance (detachment) that could negatively affect the quality of the relationship between customers and firms (Bhappu and Schultze 2006; Yen and Gwinner 2003). Such detachment renders it conceivable that there exists a third type of relationship, where

the links are loose with both the provider and the organisation. Such relationships can be developed when separation is presented due to the mode of service delivery. Figure 2.2c depicts this type of relationship. Here, customer interaction is facilitated by technology with both the firm and the particular providers. However, the lack of physical presence and social detachment present in such a mode of service delivery renders the link between the elements in the service triangle weak, in relative comparison to the other two types of relationships discussed above. The impact of such types of relationships can be profound. In fact, by examining the conceptual model of this thesis, which is built upon the theoretical reasoning offered in relationship marketing literature, one can easily identify the significance of social interactions to each individual construct in the model.

For instance, social benefits, which include friendship, rapport and social support (Hennig-Thurau, Gwinner and Gremler 2002; Gwinner et al. 1998), are heavily influenced by the relationship itself rather than the transaction being carried out. Social benefits are conceptualised as part of the emotional aspects of the relationship that develops as a result of continuous interactions between the parties in the exchange (Gwinner et al. 1998). It is not difficult to conceive that the lack of social interactions present in separated modes of service delivery can impede the development of social bonding between the parties in the exchange process.

Similarly, confidence benefits that relate to the uncertainty and risks associated with relational and economic exchanges (Gwinner et al. 1998) can be heavily influenced by the absence of social interactions. In their study examining customers' reactions to service separation, Keh and Pang (2010) conclude that customers experienced higher levels of risks associated with the use of separated services. Drawing on the principle-agent theory in regard to service separation, the spatial and temporal decoupling among the parties involved in the relationship (customer and firm) could create a sense of information asymmetry on the customers' side and raises customers' fears from opportunism from the agent (or the agent process, i.e., online services) that could affect customers' wellbeing (Pavlou et al. 2007; Keh and Pang 2010). Further, the rise of uncertainty in customers' minds can be attributed to their

lack of knowledge of whether the selected separated service can perform as expected (performance risks) (Keh and Pang 2010). This can be partially due to the fact that service separation increases the intangibility of services, since customers are absent from the service production, which limits their capacity to observe tangible cues that may be available in the servicescape; a factor that, in turn, increases the uncertainty surrounding the service encounter (Keh and Pang 2010). This increase in customers' perceived uncertainty and the lack of tangible cues present in the separated mode of service delivery can play a major role in inhibiting customers' evaluation of the exchange partner's reliability and integrity, which are essential building blocks of trust (Morgan and Hunt 1994; Verhoef, Franses and Hoekstra 2002).

Indeed, the social detachments present with separated mode can be a major obstacle in the development and maintenance of service relationships. The lack of face-to-face communications and the lack of physical proximity can make it difficult for customers to gather useful information about the service provider, which in turn influences their decision-making process and attitude (Lii, Chien, Pant and Lee 2013). In addition to influencing their social and confidence benefits, lack of social interactions can influence their trust development. Indeed, as argued by Grewal, Iyer, and Levy (2004), the online (separated) environment is a challenging context that is inherently obstructive to the development of high-trust communication. This can be partly explained by examining the medium richness. In other words, the offline environment provides customers with information-rich media that could help them formulate a perception of what to expect, whereas the internet presents limited information and cues (Lii, Chien, Pant and Lee 2013).

Similarly, information richness (or lack of) in the service context can influence the development of affective commitment, which is highly correlated to the degree of interaction and social bonding between the exchange partners (Cater and Zabkar 2009). Affective commitment is central to social interactions and is influenced by shared values, emotional attachment and personal identification (Fullerton 2011; Teo and Soutar 2012). However, in a separated mode of service delivery, this social interaction and bonding is limited, or even eliminated altogether, rendering the

development of affective commitment questionable at best. Although affective commitment has been shown to be driven by various antecedents including trust and satisfaction (cf. Bansal et al. 2004), it can be argued that in comparison, service delivery modes that entices less personal interaction (separated mode) can be inferior in terms of building customers' affective commitment and vice versa.

Similarly, the lack or the reduction of social interactions enticed by service separation is expected to affect the development of relationship satisfaction. As stated earlier, the essence of relationship satisfaction revolves around the customers' affective evaluation of their relationships with their exchange partners that develops over the length of the relationship and is not transaction specific. As such, relationship satisfaction encompasses more than functional benefits that are most often viewed rationally, but includes relational elements pertaining to customers' recognition of the importance and the suitability of such relationships (De Wulf, Odekerken- Schröder and Iacobucci 2001; Cater and Zabkar 2009). However, it is interesting to note here that the predicted negative impact of service separation on the development of relationship satisfaction is expected to be counteracted to some extent by customers' perception of the convenience of service separation.

Indeed, there is a plethora of studies that has examined customers' willing to adopt self-service technologies that have attributed such adoption to the perceived convenience of these technologies from the customer perspective (Berry, Seiders and Grewal 2002; Durkin et al. 2008; Hoehle, Scornavacca and Huff 2012; Harrison, Onyia and Tagg 2014). As such, service separation may be a welcome addition to customers who appreciate the functionality of the service rather than the relational aspects it may provide. Given that this thesis examines the impact of service separation on customers who have voluntarily adopted such service delivery methods, it is expected that their appreciation of their convenience is a driving cause for their adoption. Correspondingly, such adoption may indicate their high regard of the functional aspects of the services, which in turn may reflect on their evaluation of the overall satisfaction.

Nonetheless, since loyalty and WOM are consequences of the quality of customer-firm relationships, it is logical to further extend the overall impact of service separation to them as well. The lack of social interactions facilitated by service separation reduces customers' opportunity to develop relational bonds, which renders the relationship between the customer and the firm economic in nature rather than social (Grewal, Iyer and Levy 2004). Under such economic relationships, maintaining a loyal and advocate customer base can be a challenging endeavour as other competitors can easily offer better economic alternatives.

Against this backdrop, the following hypotheses are proposed:

H8: The association between the constructs in the model (H1-7) significantly differs across separated [S] and unseparated [U] service contexts.

H9: Customers in the unseparated [U] context have higher levels of social benefits than customers in the separated [S] context.

H10: Customers in the unseparated [U] context have higher levels of confidence benefits than customers in the separated [S] context.

H11: Customers in the separated context [S] have higher levels of access convenience than customers in the unseparated [U] context.

H12: Customers in the separated context [S] have higher levels of benefits convenience than customers in the unseparated [U] context.

H13: Customers in the unseparated [U] context have higher levels of trust than customers in the separated [S] context.

H14: Customers in the unseparated [U] context have higher levels of relationship satisfaction than customers in the separated [S] context.

H15: Customers in the unseparated [U] context have higher levels of affective commitment than customers in the separated [S] context.

H16: Customers in the unseparated [U] context have higher levels of loyalty than customers in the separated [S] context.

H17: Customers in the unseparated [U] context have higher levels of WOM than customers in the separated [S] context.

Each of the 17 hypotheses offered represent the association between key variables intrinsic within the context of a service provider-customer relationship. They build on the literature to provide a clearer picture of the effects of experiencing services in the various modes of delivery. Results will provide critical insights on how to solve the business problem facing service decision makers: how to maintain a loyal customer base in light of the increasing reliance on technologies. Attention now focuses on the method used to test each of the hypotheses before the findings and their implications are discussed.

3. Research Method

This chapter describes and outlines the research design and the exploratory nature of this study. It includes discussions of sampling techniques, sampling plans, population's eligibility and exclusion procedures. Further, this chapter includes discussion of instrument developments, implementations and coding scheme.

The ethical issues pertaining to this thesis have been approved by the Curtin University Human Research Ethics Committee. This fieldwork was carried out according to the National Statement on Ethical Conduct in Human Research (2007).

3.1 Research Design

The aim of this study is to investigate the impact of separation on customer-firm relationships. By relying on existing theories, the study follows positivist research methods where a deductive approach is utilised to accomplish the objectives. Positivists research methods, as opposed to interpretive research methods, start by building a theoretical background, suggesting hypotheses, and gathering relevant empirical data to test these hypotheses (Lee 1991; Choudrie and Dwivedi 2005). Following a causal research approach, the study attempts to understand the causal relationships between the proposed the constructs and how the type of service delivery methods affects such relationships.

This thesis attempts to provide a mixture of exploratory and formal research designs. It is an exploratory study in the sense that it examines service separation, a phenomenon rarely investigated in the literature (Johns 2012; Paluch and Blut 2013). As such, the thesis presents a number of research questions worthy of critical examinations. However, notwithstanding its significance, the research is limited in its scope and as such provides a number of future research directions. On the other hand, the formal nature embedded in this thesis reflects its attempt to answer some of the questions raised and test a number of hypotheses in an ex post facto approach,

that is, reporting customers' evaluations without interruption or manipulation (Stevens et al. 2006). Further, the thesis utilised an interrogation/communication style of research (Cooper and Schindler 2003). This research method applies a self-administered surveying technique that elicits responses from subjects by questioning in a cross-sectional timeframe. That is, the data collected represent a snapshot of customers' evaluations at one point in time (Zikmund 2003).

In addition, the thesis utilises a statistical inferential approach to captures customers' evaluations and the cause-effect relationships between the constructs. That is, the hypotheses presented in this thesis are examined following a quantitative approach (Cooper and Schindler 2003).

3.2 Measurement Design

The study utilised a self-administered questionnaire to collect the data. The use of self-administered questionnaire has been choosen for this study for a number of reasons. First, this method provides greater geographical coverage with relatively minimal costs. In another word it helps in reaching greater number of respondents from areas that may otherwise be inaccessible. Second, given the time frame of this thesis, this method provides rapid data collection with minimal logistical difficulties. Third, the survey delves into respondents banking habits; this method provides better anonymity to respondents in comprasion with other data collection methods such as interviews (Cooper and Schindler 2003).

The questionnaire is preceded by a coversheet that introduced the author of the survey, the purpose, scope, contact details and ethical consideration of the study. The main instrument, however, is composed of three main sections. The first section includes three subsections. Subsection 1.1 includes questions pertaining to customers' evaluation of their banking experience. These questions include all the items pertaining to the constructs of social benefits, trust, satisfaction, affective commitment, loyalty and WOM. Subsection 1.2 includes a question to determine the

length of the relationship. Respondents were given six ascending answers (from ‘less than a year’, to ‘eight or more years’). Subsection 1.3 includes an item to measure respondents’ internet experience (1= very poor, 7= very good).

Section 2, on the other hand, includes four subsections. Subsection 2.1 asks respondents to determine their most used banking methods (physical branch, online banking, telephone banking and others). Respondents were asked to rank their most used method by placing the number 1–4 in the brackets (1 for most used, 4 for least used). Based on the answer to these questions, the total sample can be separated in different groups reflecting each particular method. In the case of the research, the groups of interest are those using the physical branches (unseparated[U] methods, and those using either online or telephone banking (separated[S] methods). Subsection 2.2 asks respondents to determine how often they use their preferred method. Subsection 2.3 asks respondents to elaborate on their answer to subsection 2.1 by determining the duration that they have been using their most used method. The rationale for questions in subsection 2.2 and 2.3 is to allow research to gauge the influence of the extent and duration of use on respondents’ evaluation of their overall experience.
Subsection 2.4 presents items relating to convenience and confidence benefits. The decision to include these variables in their own subsection reflects a unique attribute that distinguishes them from the rest of the main constructs. The constructs included in section 1 pertain to customers’ evaluation of their overall experience with their bank. The construct of convenience and confidence benefits, on the other hand, were particularly relevant to the methods chosen. As such, the items in this section ask respondents to evaluate their experience in using the particular method they use most often as opposed to their overall experience with their provider.

The final section (3.1–3.5) is aimed at collecting demographic information about respondents. Respondents were asked to answer questions relating to their gender, age, income and education. A final open question (sec 3.5) asked respondents to write the name of the city in which they live.

The questionnaire's items were taken from the extant literature that was congruous with this study's objectives and context. Below, a detailed discussion of each construct and its items is presented, bearing in mind that the items listed reflect the initial version of the questions. Eventually, a few items were dropped later on for semantic (during the translation stage) or statistical reasons (during the screening and/or analysis stages) as will be explained in due course. The final utilised questionnaire is included in Appendices A and B in both English and Arabic respectively. Each of the measures used in this research are now discussed.

3.2.1 Relational Benefits

Items measuring social and confidence benefits were borrowed from Hennig-Thurau, Gwinner and Gremler (2002). Their scale includes five items measuring social benefits and four items measuring confidence benefits and was largely operationalised based on Gwinner's et al. (1998) scale of relational benefits. As such, the operationalisation of the construct by Hennig-Thurau, Gwinner and Gremler (2002) closely followed the definition of relational benefits offered by Gwinner et al. (1998, 102) which are defined as 'those benefits customers receive from long-term relationships above and beyond the core service performance (e.g. reduced anxiety as opposed to on-time package delivery)'. More specifically, social benefits relate to the emotional part of the exchange and include such elements as personal recognition between the customer and the service provider, friendship, rapport, social interaction and support (Berry 1995; Gwinner et al. 1998; Hennig-Thurau, Gwinner and Gremler 2002). Confidence benefits, on the other hand, relate to the feeling of uncertainty, anxiety, and the comfort of knowing and expecting the outcomes of the exchange (Hennig-Thurau, Gwinner and Gremler 2002). Confidence benefits as such share a number of similarities and ties to the construct of trust. Not surprisingly, some authors argue that trust in itself is nestled within the overall space of confidence benefits that develop over a long time (Gwinner et al. 1998).

The scale items were originally developed by Gwinner et al. (1998) following a thorough qualitative study in which interviews were held with customers of various

services. It was noted that the elements of relational benefits were clearly identifiable. These elements were more pronounced with services that require and mitigate high personal interaction (Gwinner et al. 1998). Following suit, Hennig-Thurau, Gwinner and Gremler's (2002) replication of the scale provided further evidence of the rigorousness, generalisability and explicability of the scale. As such, this thesis adopts Gwinner's et al. (1998) scale and utilises some of the amendments and semantics proposed and tested by Hennig-Thurau, Gwinner and Gremler (2002). Nonetheless, the wording of the items in this study needed further improvements due to translations, as explained in greater detail in the procedure section. All items were measured using a seven-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree. Table 3.1 presents the items for social and confidence benefits.

Table 3.1: Measurement Items for Relational Benefits

Construct	Code	Items
Social Benefits	*Social1*	I enjoy certain social aspects of the relationship with my bank
	Social2	I am familiar with the employees who serve me at my bank
	Social3	I am recognised by certain employees in my bank
	Social4	I have developed a friendship with my bank's employees
	Social5	My bank's employees know my name
Confidence Benefits	*Confid1*	I feel that I get my bank's highest level of service
	Confid2	I know what to expect when I use the service
	Confid3	I have less anxiety when carrying out my banking needs
	Confid4	I have more confidence the service will be performed correctly

3.2.2 Convenience

In this study, the constructs of access and benefit conveniences are measured using a scale originally developed by Seiders, Voss and Godfrey (2007) and later used in separated context by Keh and Pang (2010). Convenience, as discussed in the literature chapter, is a multidimensional and second order construct that encompasses

five first-order constructs: decision, access, transaction, benefits and post-benefit conveniences. The underpinning elements in the dimensions of convenience relate to customers' time and efforts. As such, the dimensions reflect the time and effort customers spend during each stage in the service delivery. For example, during the access stage, customers evaluate service availability and location to determine and assess the level of convenience. Similarly, customers evaluate the other stages based on the specifics of each stage. For the purpose of this study, however, only access and benefit conveniences are used in the study's conceptual framework, as explained earlier.

The original scale developed by Seiders et al. (2007) uses four items scale to measure access convenience and another four items for benefit conveniences. However, following Keh and Pang's (2010) study, access and benefits conveniences were measured using a three-item scale for each one of them. Keh and Pang (2010) used the scale in a S context to assess the effect of separation on conveniences. Due to the nature of the study, two items were removed from the original scale as they were deemed unsuitable for S contexts (Keh and Pang 2010). This study will utilise the same underpinning reasoning to use the three-item scale as opposed to the original four-item scale for similar reasons to those highlighted by Keh and Pang (2010). All items were measured using a seven-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree.

Table 3.2: Measurement Items for Access and Benefit Conveniences

Construct	Code	Items
Access Convenience	*Access1*	It does not take time to reach my bank
	Access2	It is easy to contact my bank
	Access3	I am able to get the service quickly
Benefits Convenience	*Benefit1*	The time required to receive the benefits of the bank's service is appropriate
	Benefit2	It is easy to carry out my banking needs
	Benefit3	I am able to get the benefits of the service with minimal effort

3.2.3 Trust

The construct of trust is measured using a seven-item scale adopted from Morgan and Hunt (1994). Trust is an essential building block of personal relationships (Cater and Zabkar 2009). The importance of trust is even greater in service industries where dependence on interpersonal communication, intangibility, risk and uncertainty are the norms. For this study, the concept of risk is taken even further by service separation. As such, trust plays a crucial role in offsetting the uncertainty fostered by service separation. Morgan and Hunt (1994) tap these elements of risk and uncertainty in their development and utilisation of trust's scale. Morgan and Hunt (1994) define trust as confidence in partners' 'reliability and integrity', which reflects the distinct facets of trust commonly highlighted in the marketing literature, namely reliability, credibility, benevolence, confidence and integrity (cf., Bansal 2004, Cater and Zabkar 2009, Geyskens, Steenkamp and Kumar 1996; Brun, Rajaobelina and Ricard 2014).

Current research conceptualises trust in accordance with Morgan and Hunt's (1994) views. Morgan and Hunt's scale was borrowed from social psychology literatures, in particular, the work of Larzelere and Huston (1980) relating to marriage and family. The underpinning facets featured in their operationalisation of trust are particularly relevant to the close relationship between customers and providers in commercial settings. Trust in exchange partners exists when one party of the dyadic exchange is genuinely confident of the other partner's fairness, honesty, benevolence and reliability, whether in personal or commercial relationships. The scale's items reflect these characteristics. All items were measured using a seven-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree.

Table 3.3: Measurement Items for Trust

Construct	Code	Items
Trust	*Trust1*	I feel that my bank is always faithful
	Trust2	My bank can be trusted completely
	Trust3	My bank is perfectly honest and truthful
	Trust4	I can rely on my bank to do what is right

	Trust5	My bank has high integrity
	Trust6	At times, my bank cannot be trusted *(Reversed)*
	Trust7	I have great confidence in my bank

3.2.4 Satisfaction

This thesis examines the concept of satisfaction as customers' overall assessment of their relationships with their providers. This conceptualisation contrasts a common view on satisfaction as customers' evaluation of service quality (Caro and García 2007). As such, to capture satisfaction in this research as customers' cumulative affective appraisal based on their overall experience, Cater and Zabkar's (2009) scale is utilised. The authors' conceptualisation of satisfaction best matches the objective of this study. That is, the goal of the scale is to captures customers' 'general' perception of their experience with their provider, not their perception relating to any particular transaction (e.g., their latest transaction or interaction).

Consequently, a five-item scale was adopted from Cater and Zabkar (2009). As expected however, the items were modified to fit the intended context (i.e., banking) as opposed to marketing research agencies for which the original scale was developed. All items were measured using a seven-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree.

Table 3.4: Measurement Items for Satisfaction

Construct	Code	Items
Relationship Satisfaction	*Satisfy1*	My bank is a good company to do business with
	Satisfy2	I think I did the right thing when I decided to do business with my bank
	Satisfy3	In general, I am very satisfied with the services offered by my bank
	Satisfy4	Overall, the service offered by my bank meets my expectations
	Satisfy5	Overall, I am very satisfied with my relationship with my bank

3.2.5 Affective Commitment

The concept of commitment has received a great deal of attention in marketing literature (see for example, Allen and Meyer 1990; Morgan and Hunt 1994; Meyer and Allen 1997; Gustafsson, Johnson and Roos 2005; Dagger and O'Brien 2010; Ranaweera and Menon 2013 to name a few). The drive behind such a focus stems from the recognised effect of commitment on firms' relational success. As discussed earlier however, commitment has been conceptualised differently over the years. Early work (e.g., Morgan and Hunt 1994) observes commitment as a unidimensional construct reflecting customers' desire to maintain their relationships. However, another direction in the literature began to take momentum where commitment is viewed as a three-component concept (Allen and Meyer 1990; Meyer and Allen 1997; Gustafsson, Johnson and Roos 2005). According to this direction, customers' 'desire' to maintain a relationship can be attributed to three distinct forces as explained by Allen and Meyer (1990). First, customers' desire can reflect their emotional state where they identify themselves to some extent with the providers and genuinely 'want' to remain committed. Second, their desire can be driven by a rational 'need' to remain with the providers. This, for example, can be the results of economic incentives (or costs) that should not rationally be overlooked or ignored. Finally, customers' desire to maintain a relationship because they morally feel 'obliged' to maintain it.

This thesis focuses on the emotional or affective part of commitment. As such, the operationalisation of the constructs encompasses elements that examine why customers 'want' to remain with their service providers as opposed to obligation or rational need (Bansal et al. 2004). To capture customers' affective commitment then, a five-item scale was adopted from the work of Allen and Meyer (1990) on organisational commitment, albeit with similar modifications (to suit context and purpose) as those adopted by Bansal et al. (2004) and Davis-Sramek et al. (2009). Both studies heavily relied on the earlier work of Allen and Meyer (1990) in their operationalisation of affective commitment scale. All items were measured using a seven-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree. Table 3.5 below shows the items utilised in this study.

Table 3.5 Measurement Items for Affective Commitments

Construct	Code	Items
Affective Commitment	*Commit1*	I do not feel a strong sense of belonging to my bank *(Reversed)*
	Commit2	I want to remain a customer to my bank more than other banks
	Commit3	I feel emotionally attached to my bank
	Commit4	I really like doing business with my bank
	Commit5	I have developed a closer business relationship with my bank than other banks

3.2.6 Loyalty

The concept of loyalty 'is a primary goal of relationship marketing and sometimes even equated with the relationship marketing concept itself' (Hennig-Thurau, Gwinner and Gremler 2002, 231). Loyalty receives such high regard due to its impact on firms' profitability (Berry 1995; Oliver 1999; Reinartz and Kumar 2002; Rauyruen and Miller 2007). In the literature however, loyalty research conceptualises it as either a behavioural approach, where the focus is on repeat purchase, or as psychological phenomenon pertaining to customers' attitudes (Hennig-Thurau, Gwinner and Gremler 2002).

As such, it is of no surprise that there are many different scales measuring loyalty. Some choose to focus on the behavioural aspects while others focus on the attitudinal dimensions of loyalty (cf., Toufaily, Ricard and Perrien 2013). On the other hand, some select to follow a composite of the two approaches. In this study, loyalty is conceptualised as customers' willingness to repeat purchase. As such, it comprises both attitudinal and behavioural intentions (Hennig-Thurau, Gwinner and Gremler 2002). Therefore, for the purpose of this thesis, loyalty is measured using a four-item scale adopted from Hennig- Hennig-Thurau, Gwinner and Gremler (2002) and Bell, Auh and Smalley (2005), both of which incorporated elements of behavioural and attitudinal intentions introduced by Zeithaml, Berry and Parasuraman (1996). Table 3.6 lists the items used to measure the construct of

loyalty. As can be seen, the items reflect both customers' intentions (e.g., leaving the bank) and their overall attitude (e.g., I have strong relationship with my bank).

Table 3.6: Measurement Items for Loyalty

Construct	Code	Items
Loyalty	*Loyal1*	The likelihood of me trying other banks' services is very high
	Loyal2	I think there is a great chance of me staying with my bank
	Loyal3	I believe that I have a very strong relationship with my bank
	Loyal4	I am very likely to switch to another bank in the near future

3.2.7 Word-of-Mouth

WOM communication is defined in this study as all informal communication between customers (C2C) that pertains to information regarding goods and services, their characteristics, usage and overall evaluations (Hennig-Thurau, Gwinner and Gremler 2002; de Matos and Rossi 2008). When studying the operationalisation of WOM in the literature, De Bruyn and Lilien (2008) identified two common approaches. First, some studies focus on those customers who generate WOM and their motivation to do so. Other research focuses on the receivers of such communication and how such communication shapes their opinion. The disparity in the literature is often a result of the focal interest of the study. This thesis seeks to identify those who are willing to share positive feedback about their experiences with their provider.

This approach is most suitable in light of the objectives of the study to identify the impact of RQ on WOM. In other words, the study seeks to identify whether relational elements (trust, satisfaction and commitment) will create WOM generators. As such, the wording of the items reflects their behavioural intention of whether customers are willing to recommend their main provider to others. Accordingly, the study utilises a four-item scale borrowed from Srinivasan et al. (2002), which is based on the work of Zeithaml, Berry and Parasuraman (1996). The scale suits the intended purpose since the items question customers' intentions to

spread positive (or negative in the case of reversed items) WOM. Table 3.7 lists WOM's items.

Table 3.7: Measurement Items for Word-of-Mouth

Construct	Code	Items
Word-of-Mouth	*WOM1*	I recommend my bank to anyone who seeks my advice
	WOM2	I hesitate to refer my acquaintances to my bank *(reversed)*
	WOM3	I often say positive things about my bank to other people
	WOM4	I do not encourage friends to do business with my bank *(reversed)*

3.3 Measure Translation

Having collected the individual scales selected for this study, the instrument design process began in Australia. Initial work focused on creating a first testable draft in English. After completing the initial draft, a meeting with two marketing scholars was conducted to review the face validity of the scale. The draft was then submitted to 24 respondents for pre-testing. Respondents were encouraged to focus on the scale design, language and readability rather than just answering the questions. Based on the respondents' feedback, changes were applied to the instruments. The results of the first round of pre-tests indicated that most of the items in scale were acceptable; however, the heading questions needed some clarification. Following the outcomes of the initial pre-test, another review by the same scholars was conducted to examine the new changes and confirm them. Subsequently, a larger scale pre-testing was carried out. Respondents were approached by the researcher in different public avenues around the Curtin University campus. A total of 45 completed surveys were collected. Respondents included students, visitors, and general public. Again, as was the case with the first round of pre-testing, respondents were encouraged to critically examine the questionnaire and point out any difficulty or issues with it. The results of this round indicated that the scale was suitable and no modifications were necessary aside from two noted abnormalities in formatting. At that stage, the English version of the scale was confirmed.

Following the completion of the English version of the measure, a translation procedure into Arabic was carried out in Saudi Arabia. To a large extent, the translation procedure incorporated in this study follows the recommendation offered by Douglas and Craig (2007) for international marketing studies. Their recommendations employ a collaborative and iterative approach that overcomes some of the issues associated with back translations. Back-translation has long been the primary translation method used in international marketing studies due its simplicity and effectiveness (Douglas and Craig 2007). However, back-translation can introduce a series of 'unwanted' artefacts that potentially undermine its purpose; most notably is the issue of conceptual equivalence that may occur as a result of the lack of linguistic equivalence (Okazaki and Mueller 2007). When conducting a cross-language research, as in the case of this study, it is paramount to achieve a translated version that carries equal value to that of the original (Chidlow, Plakoyiannaki and Welch 2014). In this regard, the collaborative approach is advocated as superior, as it involves team efforts that allow for constructive and more thorough investigation of alternatives and discussion of viewpoints (Douglas and Craig 2007; Chidlow, Plakoyiannaki and Welch 2014).

The process began by sending the complete English version of the measure to two university linguistics specialists in English-Arabic translations. After the translators completed their translations separately, both specialists along with the author of this thesis (who is familiar with both languages) held a meeting to review and discuss the translation. Following the process suggested by Douglas and Craig (2007), the author of this research served as an adjudicator during the meeting to aid the specialists in clarifying concepts and words and their purpose in light of the scope and objectives of the study. This process ensured that face value of the items being translated convey similar meanings to the original English version and carry 'equal values' as suggested by the literature (cf. Okazaki and Mueller 2007; Hult et al. 2008). After completing the preliminary draft, two rounds of pre-testing were carried out in Arabic with two groups of bank customers representing two cities. The first round was conducted in Riyadh (the capital of Saudi Arabia) with a group of 15 bank

customers. Based on the outcome of the pre-testing, the minor rewording and adjustments were made. After that, a second round of pre-testing was carried out in Dammam (another major city) with a group of 21 banking customers. Noteworthy, one trust indicator ('I have great confidence in my bank') was removed following the pre-test and the opinion of the translators for semantic reasons. Consequently, the final version was presented to and approved by both experts prior to the launch of data collection (Appendix A and B).

3.4 Sampling and Procedure

In light of the study's exploratory nature, convenient sampling technique was selected as the primary method of collecting data. However, some other sampling techniques (e.g., snowball sampling) were also utilised in this study when applicable. Despite the popularity of convenient sampling in social and business research, it suffers from a number of issues pertaining to its generalisability. As noted by Bornstein et al. (2013), convenience sampling may suffer from underrepresenting a number of sociodemographic subgroups, thus weakening its generalisability and statistical power.

However, to appreciate the relevance of the chosen sampling methods, a few issues relating to the contexts need to be discussed. First, the population sample represents all bank customers over the age of 18 who are residing in the cities being examined (Riyadh, Dammam and Hafr Al-Batin). As such, accessibility to banking customers' lists presented a challenge for privacy and legal considerations. With the absence of usable lists, selecting a probability method becomes unfeasible, at least when considering the time and efforts needed for such method. In addition, the Saudi context presented some unique aspects that render most other sampling techniques inapplicable at least for the current research. For the purpose of this study, it was paramount to have somewhat a representative sample from both males and females. Due to Saudi's traditions and norms, acquiring an adequate number of female participants using any other methods but convenience is a demanding endeavour. In

fact, for this particular study, and to overcome these issues, a snowballing technique was utilised with the help of some banks' staff.

Having recognised the need for convenience sampling technique, it was important to try to minimise the drawbacks of this technique. In order to overcome some of shortcomings of convenience sampling, it is commonly advisable to use a large sample size and to diversify data collection locations/outlets in order to reduce sampling errors and bias (Randall and Gibson 2013). In general, there are multiple ways to determine sample size that are either guided by purpose of study and/or the planned statistical analysis. This research employs and relies on structural equations modellings (SEM) to test the hypotheses. Given these boundaries, the literature offers a number of different recommendations. For instance, Ding, Velicer and Harlow (1995) recommend a minimum of 150 respondents for structural estimation. Kline (2011) argues that at least 200 individuals are needed to achieve sufficient statistical power to run structural equation modelling and to reduce estimation biases.

Other methods for determining sample size include the use of a ratio between number of parameters and minimum sample. For instance, Hair, Black, Babin and Anderson (2010) recommend a minimum of five individuals for each parameter in the study. Others have gone as far as recommending a minimum of 10 respondents per regression path (cf., Martínez-López, Gázquez-Abad and Sousa 2013). Given these guidelines, this study attempted to meet both requirements. That is, attain a sample that is above 200 (for each separated[S] and unseparated[U]) that also meets the minimum of 5:1 ratio. The total number of surveys collected for this research was 680. This allowed the data to split between the contexts examined while still maintaining an adequate sample size per group. Further, by having a larger sample size than required, a healthy buffer for possible rejections due to incompletions or any other screening criteria can be maintained.

3.5 The Saudi Banking Environment

This section provides background information on the Saudi banking context. The aim here is to provide a feel of the Saudi business environment. The section is divided into two major parts. First, a look at the overall Saudi economy is provided to shed the light on the size of the economy and its relevance to today's globalised business environment. Then, the Saudi banking industry is briefly discussed to shed light on some of its major characteristics of relevance to this thesis.

Overall, this section provides some graphical and statistical indicators, the purpose of which is to highlight some of the characteristics unique to the Saudi context, and those that are fairly common to other countries. By knowing this, readers of this thesis will be better equipped to gauge the value of the study's findings and their applicability and overall generalisability to other contexts.

3.5.1 A Snapshot of the Saudi Economy

Despite the recent tumbling in oil prices, the Saudi Arabian economy remains one of the healthiest in the world, according to a recent financial report (Marketline 2014) and expected to remain so for the foreseeable future (Business Monitor International 2014). The economy enjoys a strong financial position with a recent report from the International Monitory Fund placing Saudi Arabia as the third largest surplus economy in the world after Germany and China and the fourth largest creditor (International Monetary Fund 2014). This is supported by a healthy banking system, strong export position, strict monitory policies and a youthful population (Business Monitor International 2014). Figures 3.1 and 3.2 show some economic and social indicators. As seen in Table 3.1, the Saudi GDP has continued its positive growth over the last few years increasing by as much as 80 per cent in the seven years period from 2007 to 2013 reaching over 2.8 trillion Saudi Riyal (SAR[1]), albeit with

[1] The Saudi riyal rate of exchange is pegged to the U.S. dollar: 1 US$ = 3.75 SAR.

decelerating growth rate. The fluctuation observed in the GDP is attributed to the dependence of Saudi economy on the volatile oil prices. However, the economy is projected to continue its current growth rate for the next few years (Marketline 2014). The figure also highlights the growth in GDP per capita for the Saudi population, which has also experienced a steady growth (see Figure 3.2).

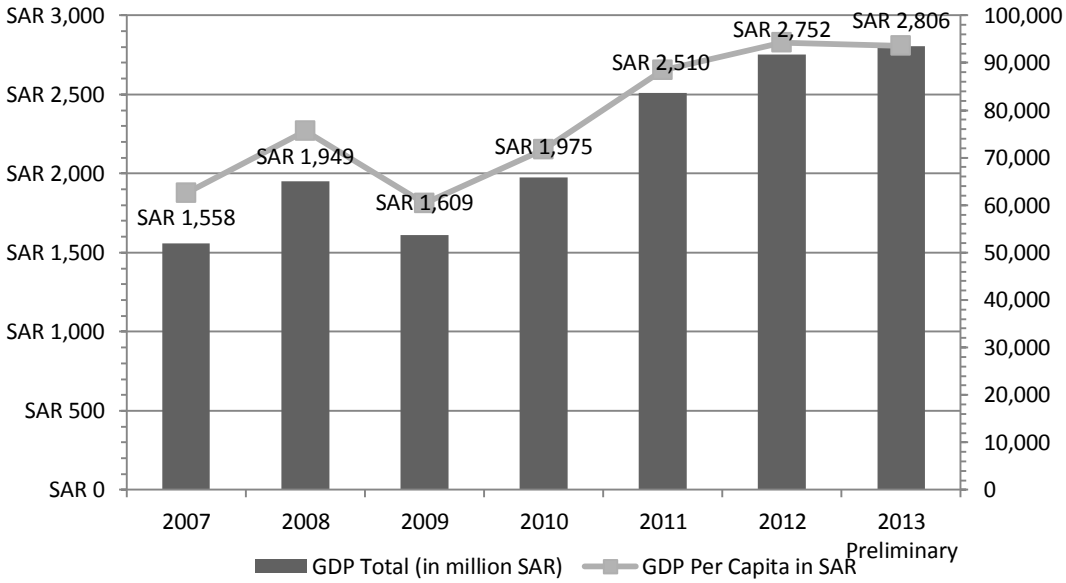

Figure 3.1: Saudi Arabia GDP and Growth rate (Saudi Arabia Monetary Agency 2014)

Figure 3.2 shows the total population figures for the country. As seen, the total population has reached approximately 30 million in 2013 with a yearly growth rate averaging 3.2 per cent over the last few years.

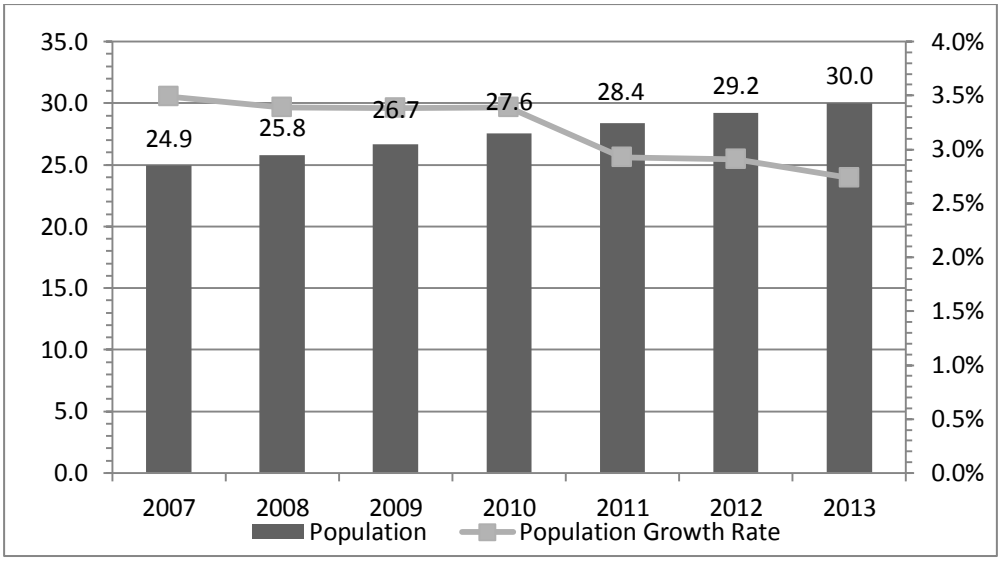

Figure 3.2: Population Figures for Saudi Arabia (Saudi Arabia Monetary Agency 2014)

3.5.2 Internet Penetration

Figure 3.3 shows the levels of internet penetration in Saudi Arabia from 2001 to the first quarter of 2014. The internet has relatively been a late addition to the Saudi environment. According to a recent report however, internet penetration has reached 58 per cent of the population (over 16 million users) as of the first quarter of 2014, up from merely six per cent in 2002 (CITC 2014).

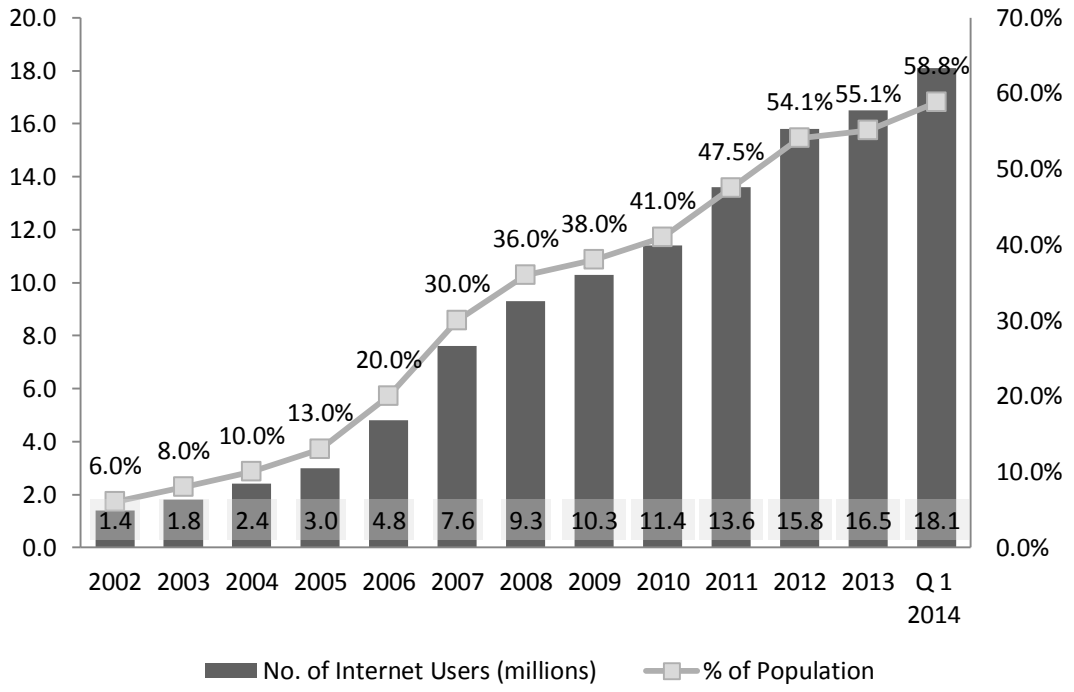

Figure 3.3: Saudi Arabia Internet Penetration Levels (CITC 2014)

3.5.3 The Banking Industry

As of 2014, the Saudi banking industry consists of 12 national banks operating in most major cities and towns in Saudi Arabia, and 11 foreign banks, which mainly operate in the capital city of Riyadh and are limited in their operation and clientele base (Saudi Arabia Monetary Agency 2014). Due to the relatively small number of players and the size of the economy, banks in Saudi Arabia have long enjoyed an enviable financial position. It was only in the last few years that governmental regulations have been relaxed, to an extent, allowing a number of foreign banks to begin operating in the country, albeit with limited operational capacity (Assaf, Barros and Matousek 2011).

Nonetheless, a recent industry report by Marketline (2014) indicates that the Saudi banking industry enjoys a number of positive factors. The report states the banking industry is well capitalised, stable and enjoys a healthy loan-to-deposit ratio. The

banks are also protected from full competition by governmental regulations. In addition, due to the fact the Governments owns a large stake in each national bank, banks are not only legally supported but financially backed by the Government as well. Table 3.8 shows some financial indicators attesting to the desirable financial position of the 12 major banks operating in Saudi Arabia. As evident in the table, the banks enjoy a healthy loan-to-deposit and capital adequacy ratio (CAR), which is reflected in their Moody's long-term credit rating.

Table 3.8: Saudi Banks Risk Assessment (Alistithmar Capital 2014)

	Loan-to-Deposit Ratio		**Capital Adequacy Ratio**		**Doubtful Debt Estimates**	**Moody's Long-Term Rating**
Year	**2012**	**2013**	**2012**	**2013**		
Riyadh Bank	80%	86%	18%	17%	1.00%	A1
Saudi Hollandi Bank	84%	87%	18%	18%	1.40%	A1
Banque Saudi Fransi	89%	85%	17%	16%	1.40%	Aa3
Al-Rajhi Bank	78%	81%	20%	20%	1.60%	A1
SAMBA	69%	72%	20%	19%	1.80%	Aa3
SAAB	80%	76%	16%	17%	1.40%	Aa3
National Arabic Bank	80%	83%	15%	16%	1.10%	A1
Al-Bilad Bank	77%	80%	19%	17%	2.00%	*Not Available*
Al-Jazeera Bank	74%	73%	16%	15%	1.20%	A3
Investment Bank	84%	83%	18%	15%	0.80%	A2
Al-Inma Bank	115%	105%	33%	28%	0.70%	*Not Available*
National Commercial Bank	60%	62%	18%	17%	1.60%	A1

Table 3.9 shows a list of banks operating in Saudi Arabia and their number of branches. As can be seen, the number of branches has been growing over the last few

years. However, there is a noticeable decline in the rate of increase, despite that in 2008–2009 periods, Al-Inma bank, one of the largest banks in Saudi Arabia, opened for operation. The table also shows the limited number of branches for foreign banks, which reflects the regulatory environment in Saudi Arabia that as of 2014 remains fairly restrictive to foreign banks' operations.

Table 3.9: List of Banks and Number of Branches in Saudi Arabia (Saudi Arabia Monetary Agency 2014)

		2006	2007	2008	2009	2010	2011	2012	2013
National Banks	National Commercial Bank	260	266	275	284	287	295	299	322
	Riyadh Bank	198	200	201	216	241	248	252	252
	Banque Saudi Fransi	68	74	75	77	81	83	86	83
	Arab National Bank	116	123	131	139	139	142	145	150
	Saudi British Bank	61	63	68	72	80	80	79	80
	Bank Al-Jazira	23	24	24	48	50	51	54	65
	Saudi Hollandi Bank	41	42	43	42	44	44	45	48
	Investment Bank	23	26	33	43	45	48	48	48
	AL-Rajhi Bank	390	403	425	442	451	455	467	479
	SAMBA	63	65	65	67	68	69	72	72
	Bank Al-bilad	40	60	61	67	75	82	88	102
	Al-inma Bank	---	---	---	13	20	37	49	54
Foreign Banks	Gulf International Bank	2	2	2	2	2	2	2	3
	Emirates NBD	1	1	1	1	1	1	1	1
	BNP Paribas	1	1	1	1	1	1	1	1
	National Bank of Kuwait	1	1	1	1	1	1	1	1
	Deutsche Bank	1	1	1	1	1	1	1	1
	Bank Muscat	--	1	1	1	1	1	1	1
	Bank of Bahrain	--	--	1	1	1	1	1	1
	J.P Morgan Chase	--	--	1	1	1	1	1	1
	National Bank of Pakistan	--	--	---	---	1	1	1	1
	T. C. Ziraat Bankasi	--	--	---	---	---	1	1	1
	State Bank of India	--	--	---	---	---	1	1	1
	Total	1289	1353	1410	1519	1591	1646	1696	1768
	Rate of yearly growth	5.31 %	4.97 %	4.21 %	7.73 %	4.74 %	3.46 %	3.04 %	4.25 %

Indeed, the impact of the rise of online banking on the number of new branches has been noticeable in Saudi Arabia and in most other developed or developing countries. In Australia, for example, the number of physical branches in 2013 has not only ceased growing, but actually declined for the first time with a number of leading banks, in order to cut costs, closing many existing branches (McMahon 2013). Although the trend is not as severe in Saudi Arabia, there is a measureable tendency to pursue such measures (Garbois et al. 2013).

3.6 Data Collection

The data collection procedure commenced during the second week of February 2012 and concluded by the end of June 2012. During these four months, a number of outlets and locations were visited by the researcher. To further the generalisability of the results, it was of particular importance to diversify data collection locations as much as possible. As such, the diversification efforts involved two main aspects: to distribute surveys in different cities and utilise different banks. Three major cities were chosen for this study (Riyadh, Dammam and Hafr Al-Batin). Table 3.10 presents population figures for each city. Further, 11 different physical branches representing five major banks in Saudi Arabia were approached to aid in survey distribution and collections. Table 3.11 lists the names of the banks and the number of surveys collected from each.

Further, in order for the researcher to ensure the participation of female customers and taking the social issues highlighted earlier into consideration, a number of surveys were given to three general branches from three different banks. The surveys were handed to employees who were contacted by the researchers and had agreed to help in this manner. By using the inter-bank mail system, the initial employees sent copies of the full questionnaire to their counterpart staff in five ‘female-only’ branches. They were asked to distribute the surveys to their female customers. In addition, with the aid of a group of willing participants, the researchers handed each person a number of surveys to pass to their female family members. Then, these

females distributed the questionnaire in their respective environments (e.g., school or work). The collection procedure followed the opposite path. Unsurprisingly however, after distributing over 700 copies, only 145 were collected (a response rate of 20.7 per cent).

Table 3.11 shows a breakdown of data collected via the different branches and banks with a total 595 collected surveys. In addition, the researcher collected 85 other surveys, which were either directly distributed by the researcher or via a proxy in the case of female participants. The overall data collection yielded 680 surveys.

Table 3.10: Population Breakdown for Participating Cities (Central Department of Statistics and Information 2010)

City	Males	Females	Total Population
Riyadh	3059287	2128999	5188286
Dammam	546924	356388	903312
Hafr Al-batin	148396	123246	271642

Source: Central Department of Statistics and Information, Saudi Arabia (2010)

Table 3.11: Data Collection Points in Banks' Branches

Bank Name (No. of Branches)	Distributed	Collected
Al-Rajhi Bank (2)	250	119
Samba (2)	250	93
National Commercial Bank (3)	350	186
Bank Al-Bilad (2)	250	43
Riyadh Bank (2)	250	57
Female-Only Branches (3) *(Samba, Al-Rajhi, and Riyadh banks)*	500	97
Total	1850	595

3.7 Data Screening Process

Following data input, few procedures have been followed to check for and deal with missing values, univariate and multivariate outliers, and data normality. First, cases with missing values have been identified. Overall, there was less than 10 per cent of total number of cases exhibiting multiple missing values for one or more key variables. In dealing with them, it is widely recommended to examine whether

missing values were distributed randomly or non-randomly. It is particularly important to know whether these missing values could distort the results (Tabachnick and Fidell 1996). Since the total number of cases with missing values is less than 10 per cent, various imputation techniques can be used to deal with these cases without major influence on the results in any substantial manner (Hair et al. 2010). By examining the cases separately, 27 of them showed a high number of missing values (ranging from 15 per cent to 90 per cent of one or more key variables in the survey). As the number of these cases was relatively low in comparison with total number of completed surveys, the decision was taken to eliminate them from this study, resulting in 653 surveys retained for further analysis.

Next, remaining cases underwent further tests to examine the randomness of the missing values using Little's missing completely at random (MCAR) test, which is a recommended approach to test overall randomness of missing data (Hair et al. 2010). By analysing the pattern of missing data, the test will indicate whether significant differences can be found. For the study, MCAR results were as follows: $\chi^2_{[3917]}$ = 3246.314, p-value = 1.00. These results indicate that there no significant differences exist and as such, the missing data can be classified as MCAR. Therefore, as the data exhibit low incidents of missing values as well as being completely random, a variety of imputation methods to replace missing values could be implemented (Hair et al. 2010). For this study, Expectation-Maximisation (EM) method has been selected to deal with the data's missing values, as it has been shown to provide accurate and consistent estimations when missing values are random and minimal (Gold and Bentler 2000).

After completing the process of dealing with missing values, attention was directed toward examining outliers in the data. Outliers are those cases that exhibit extreme scores on one or more variables (Hair et al. 2010). Screening for outliers is an essential step to avoid unnecessary distortion of the overall results. Two types of outliers have been examined. Univariate outliers are those responses that exhibit extreme scores on an individual variable. Multivariate on the other hand, exhibit extreme scores on two or more variables (Manning and Munro 2007). To identify

univariate outliers, z-score tests were conducted for all cases using SPSS 21. The z-score test is a method whereby the standard scores are calculated for each individual case/variable. To identify outliers using this method, any case that exhibits an absolute value that is greater than 3.29 standard deviation away from the mean will be noted as a univariate outlier (Manning and Munro 2007; Cousineau and Chartier 2010).

However, given that the study ultimately differentiates between those using unseparated[U] and separated[S] service delivery methods, it is advisable to conduct outliers' tests using two separate sets of data representing each group. The study hypothesised that these groups differ in their evaluation of the service method, therefore, it is expected that their responses to items in the scale will significantly differ. This can have a profound impact on the data normality (skewness and kurtosis). By examining each set separately, these issues can be avoided. The data will be split based on participants' response to subsection 2.1, which asks respondents to determine their most used banking methods (physical branch, online banking, telephone banking and others). Respondents who selected physical branch as their number one method were included in the unseparated[U] group. Respondents who selected either online or telephone banking as their first choice were collectively part of the second main group, separated[S]. Those respondents, who select option 4, were excluded from the study (27).

Initial results identified a total of 49 potential cases (17 unseparated[U], 32 separated[S]) of univariate outliers. However, before any decision is taken to deal with these cases, it is often recommended to conduct a multivariate test to identify those cases that exhibit both types of outliers. Following Tabachnick and Fidell's (1996, 67) methods of identifying multivariate outliers, the Mahalanobis distance test was conducted for all variables in the data. To conduct this test in SPSS 21, a multiple regression analysis is carried out, the sole aim of which is to calculate the Mahalanobis distance for each respondents using the main variables in the study's model (nine variables). To identify multivariate outliers, the Mahalanobis distance is compared to a critical value of 27.877. The critical value is derived from calculating

χ^2 statistics with a degree of freedom equals to number of variables (in this case, 9)) and a p-value less than .001. However, the critical value is often included as a table in most statistics books. This study used a table provided by Manning and Munro (2007, 58).

The result of the test identified 41 cases with Mahalanobis distance greater than the critical value of 27.877 (15 unseparated[U], 26 separated[S]). Upon closer inspection, 35 cases of which were also identified as univariate outliers (12 unseparated[U], 23 separated[S]). As such, the decision was taken to eliminate those 35 cases from any further analysis. The results of the data screening procedure provided researchers with 592 usable cases. All the analysis carried out hereafter used this set of data. Table 3.12 shows the overall results of data screening.

Table 3.12: Breakdown of Total Surveys

Exclusion Criteria	Unseparated [U]	Separated [S]	Total
Total collected	*N/A*	*N/A*	680
Preferred banking methods	*N/A*	*N/A*	[27]
Missing data	*N/A*	*N/A*	[27]
Outliers	[12]	[23]	[35]
Total retained	228	364	592

Notes: values in [brackets] represents number of cases excluded. N/A indicates stages were the data had not yet been split between methods.

3.8 Descriptive Statistics

This section will attempt to interpret the collected data by highlighting its characteristics and by providing a summary to describe the sample at hand. The descriptive procedure examines three sets of data: pooled[P] sample representing all retained data (n=592), unseparated[U] sample (n=228), separated sample[S] (n=364), thus painting a better picture of each set of data. The questions under examination here are those pertaining to customers' demographic profile (age, income, education and location) and customers' banking characteristics (preferred methods, length of relationship with their main bank and internet experience).

Table 3.13 shows some frequency and descriptive statistics for all samples (pooled[P], separated[S], and unseparated[U]). As can be seen, the total sample (*n*=592) comprises 453 males and 139 females. Despite the difficulty associated with gathering data from female respondents, the study still acquired a statistically sufficient number representing female customers. As for respondents' age distribution, the study acquired a good representation of the population with about 65 per cent of respondents being 35 years of age or younger. This percentage corresponds to a large extent with actual population figures for Saudi Arabia, in which about 70 per cent (~16 million) of the population is 35 years or younger (Central Department of Statistics and Information in Saudi Arabia 2010). Similarly, customers' education levels provide a good representation of the population, in which the majority of respondents have completed some levels of college education. For example, above 50 per cent of respondents have either bachelor or higher education degrees. Similarly, the sample provides a good distribution in terms of income levels. Each category in the survey received between 13 per cent and 21 per cent. As such, no particular category within the income brackets received higher than normal distribution as to bias the overall sample. As for respondents' location, Riyadh provided the largest sample (44 per cent) followed by Dammam (35 per cent) and Hafr-Albatin (18 per cent).

Table 3.13: Frequencies and Descriptive Statistics

	Unseparated[U] (*N* =228)		**Separated[S] (*N* =364)**		**Pooled[P] (*N* =592)**	
	Frequency	Percentage %	Frequency	Percentage %	Frequency	Percentage %
Gender						
Male	155	68.0	298	81.9	453	76.5
Female	73	32.0	66	18.1	139	23.5
Missing			0	0		
Age (years)						
18–24	30	13.2	52	14.3	82	13.9
25–30	62	27.2	105	28.8	167	28.2
31–35	51	22.4	87	23.9	138	23.3
36–40	50	21.9	53	14.6	103	17.4
41–50	24	10.5	48	13.2	72	12.2
51+	11	4.8	19	5.2	30	5.1
Missing	0	0	0	0		
Education						
Less than high school	8	3.5	9	2.5	17	2.9
High school	75	32.9	75	20.6	150	25.3
Diploma	34	14.9	53	14.6	87	14.7
Bachelor	97	42.5	178	48.9	275	46.5
Master/PhD	12	5.3	45	12.4	57	9.6
Others	1	0.4	4	1.1	5	0.8
Missing	1	0.4	0	0	1	0.2
Income/yr (in 000 Saudi Riyals)						
Less than 50	50	21.9	79	21.7	129	21.8
50–75	25	11.0	62	17.0	87	14.7
76–90	47	20.6	33	9.1	80	13.5
91–120	51	22.4	74	20.3	125	21.1
121–145	27	11.8	36	9.9	63	10.6
145+	27	11.8	77	21.2	104	17.6
Missing	1	0.4	3.0	0.8	4	0.7
City						
Riyadh	116	50.9	145	39.8	261	44.1
Hafr Al-Batin	56	24.6	53	14.6	109	18.4

Dammam	48	21.1	159	43.7	207	35.0
Others	8	3.5	7	1.9	15	2.5
Missing	0	0	0	0		

In regards to customers' characteristics, the following list of tables and figures provide information pertaining to their preferred methods, length of relationship with their main bank and internet experience.

First, interesting information relates to the length of the relationship between respondents and their main banks. For the unseparated sample, the data indicate that over 58 per cent of respondents have been customers of their main bank for more than four years. In fact, only five per cent of respondents indicated that they have been with their bank for less than a year. Coincidently, five per cent of the separated sample has indicated the same. In addition, the majority of the separated respondents also indicated that they have been with their main bank for over four years (68 per cent). These results are shown graphically in Figures 3.4 and 3.5 for unseparated and separated samples respectively.

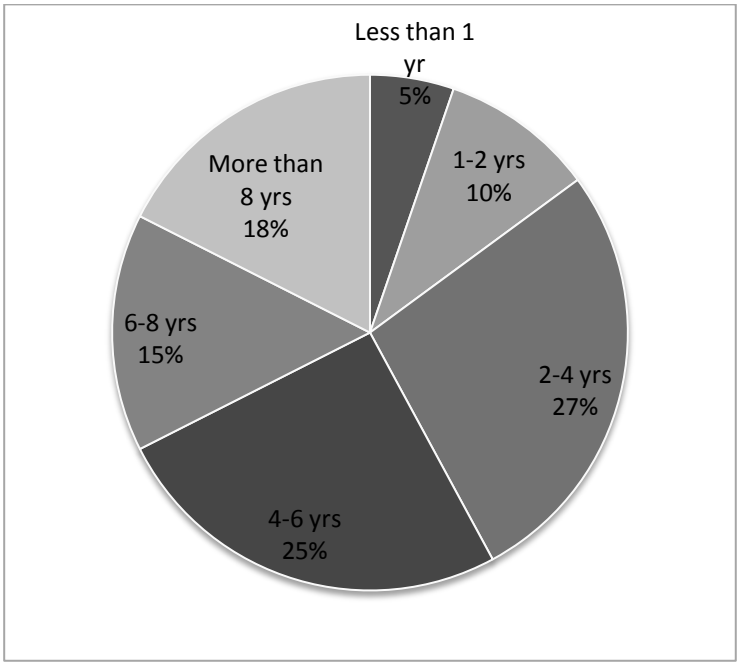

Figure 3.4: Length of Relationships - Unseparated

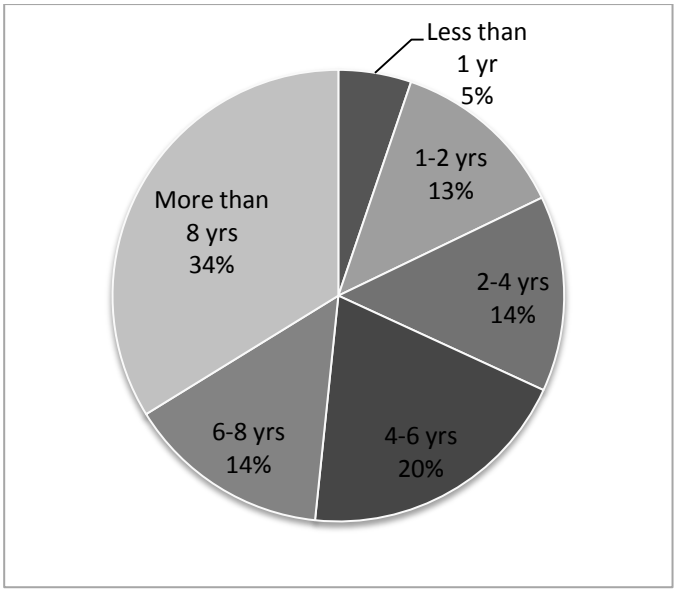

Figure 3.5: Length of Relationships - Separated

Another interesting factor relates to how long the customers have been using their preferred method. Since the overall sample in most of this study is split based on customers' preference to use either separated or unseparated mode of banking, it is of interest then to critically examine their usage patterns. Figure 3.6 and 3.7 provide such information in relation to the unseparated and separated samples.

In regard to how long they have been relying on their specific methods, over 75 per cent of respondents stated that they used their unseparated methods for at least two years. In fact, only 11 per cent of them used this method for less than a year as shown in Figure 3.6. Similarly, when looking at the separated sample, similar patterns emerge as shown in Figure 3.7. The majority of respondents have used the unseparated methods for longer at least two years (over 70 per cent) and only about 11 per cent for less than a year. The results of both the length of the relationship and length of usage provide ample evidence of the relevance and significance of respondents' evaluation of their preferred methods. Participants clearly had had significant time to evaluate the advantage and disadvantage of their selected methods as well as the services of their main banks when they participated in the study.

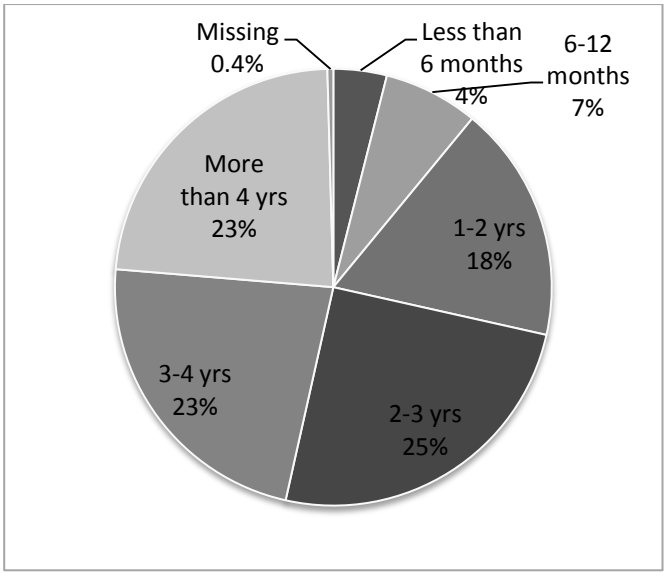

Figure 3.6: Period Using Unseparated Mode of Service Delivery

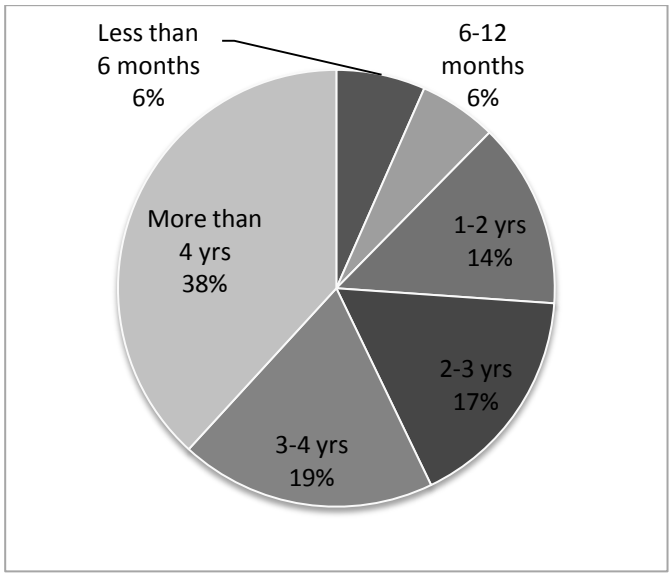

Figure 3.7: Period Using Separated Mode of Service Delivery

Another interesting issue that can be drawn from the descriptive part of the study pertains to customers' internet experience. Customers were asked to rate their overall internet experience by designating a number from 1 to 7 (1= very poor, 7= very good). This piece of information provides valuable insight on whether the selection of either of the service delivery methods is related to the level of respondents'

internet experience. Table 3.14 shows the results of independent t-test comparing the means of both samples. With an insignificant Levene's test of equality of variance, the t-test result indicate significant (p. < .01) differences between the two groups in relation to their internet experience. By consulting the mean statistics, it was evident that respondents in the separated[S] sample have higher levels of experience compared with the unseparated[U] sample (means of 5.60 and 4.68 respectively).

Table 3.14: Respondents' Internet Experience

Results of Independent T-Test for Respondents' Internet Experience using Pooled Sample					
	Banking Mode	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Internet experience	Unseparated[U] *(1 missing)*	227	4.68	1.336	.089
	Separated[P]	364	5.60	1.472	.077

4. Results

This chapter will endeavour to examine the data collected for this study. The data will be analysed using various statistical tools and tests. The first section of this chapter will highlight detailed descriptive statistics pertaining to the samples at hand. The structural analysis presented at the final section of this chapter endeavours to test the research hypotheses and follows Anderson and Gerbing's (1988) two-step approach hypotheses testing. In section three, means comparison between the groups is conducted to provide detailed information regarding customers' evaluations of the constructs of the study. More specifically, the section reports the findings of independent-sample t-tests that statistically examine the differences between the unseparated[U] and separated[S] samples.

4.1 Detailed Samples' Statistics—Bivariate Analysis

The information reported in this section reports the findings of a number of descriptive bivariate analysis pertaining to the selection of service delivery methods. In contrast to the demographic information presented in the earlier chapter (methodology), the information here is of high relevance to the study's hypotheses. The results of the bivariate analysis help determine the differences between a number of customers' characteristics (e.g., gender, age, etc.) and their selected service delivery methods.

4.1.1 Gender * Method

The first set of statistics provides a contingency table analysis for gender to establish whether there is significant relationship between gender and the selected service method. Table 4.1 summarises the results. In comparison between gender and their service delivery method, males show a higher preference for separated service, with about 66 per cent of the male sample. Females on the other hand show preferences for the unseparated sample, with just over half of them using physical branches as

their main banking outlet. The chi-square statistics indicate a significant relationship between gender and service methods, $\chi^2_{[1]} = 15.04$, n =592, $p < .05$.

Table 4.1: Relationship between Gender and Service Delivery Methods

Gender * Service Methods					
			Service Method		**Total**
			Unseparated[U]	**Separated**[S]	
Respondent gender	Males	Count	155	298	453
		Expected Count	174.5	278.5	453.0
		% of Total	34.2%	65.8%	100.0%
	Females	Count	73	66	139
		Expected Count	53.5	85.5	139.0
		% of Total	52.5%	47.5%	100.0%
Total		Count	228	364	592
		Expected Count	228.0	364.0	592.0
		% of Total	38.5%	61.5%	100.0%

Chi-squared results: $\chi^2_{[1]} = 15.04$, n =592, $p < .05$.

4.1.2 Income * Method

When examining the samples' selection of banking methods based on their income levels, similar conclusions emerge. As can be seen in Table 4.2, in most of the income brackets, the separated sample is still the preferred banking method for the sample. Only for those considered middle-income respondents (earning between SR76-90,000[2]), is the unseparated method the preferred method. Again, a significant relationship is found between income levels and service delivery methods based on the results of the chi-squared test ($\chi^2_{[5]} = 25.02$; n =592, $p < .05$).

[2] Average per capita income for Saudis for the past five years is around SAR 82,000 (Saudi Arabia Monetary Agency 2014).

Table 4.2: Relationship between Income and Service Delivery Methods

Income in Saudi Riyal * Method *(US$1 = SR3.75).*					
			Service Method		Total
			Unseparated[U]	Separated[S]	
Respondent Income in Saudi Riyal*	Less than SR 50k	Count	50	79	129
		Expected Count	49.8	79.2	129.0
		% of Total	38.8%	61.2%	100.0%
	SR 50–75k	Count	25	62	87
		Expected Count	33.6	53.4	87.0
		% of Total	28.7%	71.3%	100.0%
	SR 76–90k	Count	47	33	80
		Expected Count	30.9	49.1	80.0
		% of Total	58.8%	41.3%	100.0%
	SR 91–120k	Count	51	74	125
		Expected Count	48.3	76.7	125.0
		% of Total	40.8%	59.2%	100.0%
	SR 121–145k	Count	27	36	63
		Expected Count	24.3	38.7	63.0
		% of Total	42.9%	57.1%	100.0%
	More than 145k	Count	27	77	104
		Expected Count	40.1	63.9	104.0
		% of Total	26.0%	74.0%	100.0%
Total		Count	227	361	588
		Expected Count	227.0	361.0	588.0
		% of Total	38.6%	61.4%	100.0%

Chi-squared results: $\chi^2_{[5]} = 25.02$, n =592, $p < .05$.

4.1.3 Age * Method

Interestingly, when comparing the samples' banking methods to respondents' age, no striking differences emerge. As shown in Table 4.3, all age brackets showed overall preference for the separated service delivery method. A detailed look at the results indicates that one age group (36–40 years) showed a similar preference for

both methods, with roughly equal numbers between the methods. The chi-squared analysis, as such, shows insignificant relationships between income and method selections ($\chi^2 = 5.64_{[5]}$; n =592, p > .05).

Table 4.3: Relationship between Age and Service Delivery Methods

Age of Respondents * Methods					
			Service Method		Total
			Unseparated[U]	Separated[S]	
Respondent Age	18–24 yrs	Count	30	52	82
		Expected Count	31.6	50.4	82.0
		% of Total	36.6%	63.4%	100.0 %
	25–30 yrs	Count	62	105	167
		Expected Count	64.3	102.7	167.0
		% of Total	37.1%	62.9%	100.0 %
	31–35 yrs	Count	51	87	138
		Expected Count	53.1	84.9	138.0
		% of Total	37.0%	63.0%	100.0 %
	36–40 yrs	Count	50	53	103
		Expected Count	39.7	63.3	103.0
		% of Total	48.5%	51.5%	100.0 %
	41–50 yrs	Count	24	48	72
		Expected Count	27.7	44.3	72.0
		% of Total	33.3%	66.7%	100.0 %
	More than 51 yrs	Count	11	19	30
		Expected Count	11.6	18.4	30.0
		% of Total	36.7%	63.3%	100.0 %
Total		Count	228	364	592
		Expected Count	228.0	364.0	592.0
		% of Total	38.5%	61.5%	100.0 %

Chi-squared results: $\chi^2_{[5]} = 5.64$, n =592, p > .05.

4.1.4 Education * Method

By examining the contingency table analysis shown in Table 4.4, a clear pattern emerges. The higher the level of education, the higher the percentage of respondents leaning toward the separated service delivery method. Fifty-three per cent of respondents with ‘less than high school’ qualifications chose separated methods compared to over 79 per cent of those with ‘master or PhD’. This is well captured in the high and significant chi-square value: $\chi^2_{[5]} = 18.2$; $n = 592$, $p > .05$. Note however, that in this case, one chi-squared assumption is violated. The category of ‘other’ includes an expected frequency that is less than five, which is a requirement for chi-square analysis (Zikmund 2003). However, since only 16.7 per cent of the cells contain less than five, and none include less than one (minimum is 1.92 in this case), this assumption can be relaxed (Manning and Munro 2007).

Table 4.4: Relationship between Education and Service Delivery Methods

Education * Method					
			Service Method		Total
			Unseparated[U]	Separated[S]	
Respondent highest level of education	Less than High School	Count	8	9	17
		Expected Count	6.5	10.5	17.0
		% of Total	47.1%	52.9%	100.0%
	High School	Count	75	75	150
		Expected Count	57.6	92.4	150.0
		% of Total	50.0%	50.0%	100.0%
	2 yrs Diploma	Count	34	53	87
		Expected Count	33.4	53.6	87.0
		% of Total	39.1%	60.9%	100.0%
	Bachelor	Count	97	178	275
		Expected Count	105.6	169.4	275.0
		% of Total	35.3%	64.7%	100.0%
	Master or PhD	Count	12	45	57
		Expected Count	21.9	35.1	57.0
		% of Total	21.1%	78.9%	100.0%
	Other	Count	1	4	5
		Expected Count	1.9	3.1	5.0
		% of Total	20.0%	80.0%	100.0%
Total		Count	227	364	591
		Expected Count	227.0	364.0	591.0
		% of Total	38.4%	61.6%	100.0%

Chi-squared results: $\chi^2_{[5]} = 18.2$; n =592, $p > .05$

4.1.5 Internet Skills * Method

Another interesting issue that can be drawn from the descriptive part of the study pertains to customers' internet experience. Customers were asked to rate their overall internet experience by designating a number from 1 to 7 (1= very poor, 7= very good). This piece of information provides valuable insight on whether the selection

of either of the service delivery method is related to the level of respondents' internet experience. Since the sample's internet proficiency is measured with a ratio scale, an independent-sample t-test was conducted as opposed to chi-squared statistics to examine whether a relationship exists between samples' internet skills and their banking method. Table 4.5 shows the results of independent t-test comparing the means of both samples. With an insignificant Levene's test of equality of variance, the t-test result indicates significant (p. < .01) differences between the two groups in relation to their internet experience. By consulting the mean statistics, it was evident that respondents in the separated sample have significantly higher levels of internet experience compared with the unseparated sample (means of 5.60 and 4.68 respectively).

Table 4.5: Relationship between Choice of Service Methods and Internet Experience

Results of Independent T-Test for Respondents' Internet Experience using Pooled Sample					
	Banking Mode ([U], [S])	N	Mean	Std. Deviation	Std. Error Mean
Internet experience	Unseparated[U] *(1 missing)*	227	4.68	1.336	.089
	Separated[S]	364	5.60	1.472	.077

As indicated in the above statistics, decision makers in Saudi Arabia have a reasonable basis on which to formulate strategies that will help improve loyalty. However, to be truly effective in their efforts, the variables identified in the conceptual model will further enhance that capability.

4.2 Theory Testing

This section will attempt to test the proposed models for both samples by following a two-step approach of SEM testing (Anderson and Gerbing 1988). This procedure allows in the first step to test the proposed measurement model prior to conducting structural testing. This step aims to examine the fit and validity of the measurement model by examining the relations between the measure items and their specified

underlying constructs while allowing these construct to correlate without constraints (Anderson and Gerbing 1988; Hair et al. 2010). In the next step, the models will undergo structural theory testing, whereby the casual relationship between the constructs will be examined based on the underpinning theory. This step allows for direct examination of the hypotheses of this study.

The two-step approach has been shown to provide better structural testing because it requires a valid measurement model as a prerequisite to structural theory testing. Whereas a one-step approach looks at the overall fit of the model with no distinction between the measurement and structural model in the assessment. This approach has been shown to suffer from inadequacies in that it offers little in establishing the fitness of the measurement model based on which the theory is tested (Anderson and Gerbing 1988). In other words, model fitness using the one-step approach may not be indicative of the fitness of the measurement model itself. Thus, it is possible that despite having a valid structural theory and acceptable goodness-of-fit, the measurement model may still be poor (Hair et al. 2010).

4.2.1 Criteria for Evaluating Model's Goodness-of-Fit

Structural equation modelling procedures are utilised to examine measurement, functional and causal models. This study utilises AMOS 21 to perform SEM analysis for both the measurement and structural models using maximum-likelihood estimation. SEM provides a number of advantages that can help the researcher in evaluating hypotheses in a more precise and concise manner (Bagozzi and Yi 2012). More specifically, SEM provides an integrative approach that encompasses a diverse range of specifications, functions and evaluative methods that have enabled SEM to become 'an established element in the methodological toolbox of marketing researchers' (Henseler 2012, 402). The importance of SEM to marketing stems from its ability to correct measurement error and misspecifications, and to test multiple relationships simultaneously (Bagozzi and Yi 2012; Henseler 2012).

One of the benefits of SEM, when used with common popular software, is its ability to produce a number of fit indices that enable researchers to ascertain how their models fit their data. Despite the plethora of different fit indices, marketing literature has often narrowed down the selection to few commonly cited fit indices (Bagozzi and Yi 2012). The underpinning idea behind these fit indices is to evaluate the discrepancy between the proposed sample and the data.

Despite their popularity, these global fit indices present a number of issues that should always be taken in consideration when interpreting them. First, these criteria should be guided by the theory and not vice versa (Hair et al. 2010). In other words, these fit indices are meant to aid theory testing, but are not in themselves designed to establish or reject theories. Second, these fit indices have no established mathematical grounds for their use and can heavily be influenced (positively or negatively) by model misspecification (which highlights the significance of the first point) (McDonald and Ho 2002).

In line with the recommendations offered by Hair et al. (2010), the following indices are reported throughout this study when evaluating models' goodness-of-fit. It should be noted however, that clear and agreed upon cut-off guidelines for assessing model fit are non-existent in the extant literature. There is an on-going debate among statisticians regarding this issue (cf., Weston and Gore Jr. 2006). However, a review of the literature presents two sets of criteria. First, acceptable levels of model fit based on the work of Browne and Cudeck (1992) and Hu and Bentler (1995); second, stricter rules offered by Hu and Bentler (1999). However, due to their stringent nature, many others have criticised these benchmarks on the basis that they do not take into account model complexity and sample size (see Marsh et al. 2004). As such, a new stream of studies suggests the use of mixed guidelines depending on the size of the sample and/or model complexity. For samples of $\boldsymbol{n} > 500$, they argue that the stricter guidelines should be followed. For samples of fewer than 500 (300 in the case of Hair et al. 2010), the first (less strict) guidelines are recommended (McDonald and Ho 2002; Weston and Gore Jr. 2006; Hair et al. 2010). This study

adheres to these recommendations. Table 4.6 shows a list of these common fit indices with their recommended (acceptable and preferred) cut-off values.

4.2.1.1 χ^2 Statistics

The first and foremost fit index that is often considered a fundamental fit statistics is the chi-squared (χ^2) (Bagozzi and Yi 2012). The χ^2 statistic is considered a direct indicator of model fit when its statistic is insignificant (p. < .05) (Bagozzi and Yi 2012). However, the χ^2 index has often been criticised for being overly sensitive to sample size. With large samples (n > 200), it is often very difficult to produce a nonsignificant χ^2 statistics (Hair et al. 2010). Nonetheless, it is a common practice to reports the χ^2 statistics. Another part of the χ^2 statistics relates not to the significance or the p-value but to the relative or normed χ^2 that is measured against the degree of freedom in the models (χ^2/df), which is often suggested as an alternative to the χ^2 significance as it accounts for sample sizes (Tabachnick and Fidell 2007). Recommended values for χ^2/df are different in the literature, with some suggesting as high χ^2/df value as 5.0, and other recommending it to be less than 2.0 (Tabachnick and Fidell 2007; Hair et al. 2010).

4.2.1.2 Root Mean Error of Approximation

Another common fit index is the root mean error of approximation, commonly referred to as RMSEA. RMSEA is an absolute fit index that can be considered a badness-of-fit index, in that it provides estimates to the average levels of misfit per degree of freedom (Bagozzi and Yi 2012). As such, the larger the RMSEA value, the farther the specified model is from perfect fit (Hair et al. 2010). RMSEA values can range from 0.0 (perfect fit) to 1.0 indicating highly unacceptable fit. The common recommended range for theory testing is values below 0.08 (Hair et al. 2010).

4.2.1.3 Standardised Root Mean Square Residual

Standardised root mean square residual (SRMR) is a commonly used index that is also part of the badness-of-fit group of indices. SRMR examines those differences

between estimated and predicted correlations (Hu and Bentler 1995). Similar to RMSEA, the larger the value of SRMR, the farther the mode is from perfect fit. SRMR values often considered acceptable range from 0 (perfect fit), to 1.0 (bad fit) (Byrne 2010). As is the case with almost all indices, these values are often debatable. For example, Byrne (2010) recommend values below .05, while others indicate that values up to .08 can still be considered acceptable (Hu and Bentler 1995).

4.2.1.4 The Comparative Fit Index

The comparative fit index (CFI) is another popular fit index that is part of the incremental fit indices based on the non-centrality concept (Hu and Bentler 1995). Essentially, CFI is measure that examines the improvement of the proposed model (researcher's model) to a baseline model or independent model, as it is referred to in AMOS output (Hair et al. 2010). The CFI is often depicted as robust against sample size limitations and thus, often recommended to include in the results of SEM (Tabachnick and Fidell 2007). The literature often recommended a CFI value that is equal or greater than .95, however, others indicate that a CFI of as low as .9 can be considered acceptable (Hair et al. 2010).

4.2.1.5 Tucker-Lewis Index

The Tucker-Lewis Index (TLI) (often referred to as the nonnormed fit index [NNFI]) is a measure of relative fit and is shown to be resilient to sample size effects (Hu and Bentler 1999). TLI is often depicted to favour parsimony and penalise model complexity (Bagozzi and Yi 2012). Similar to CFI, it is often suggested that TLI values of .90 and above are considered acceptable with preferences for at least .95 depending on theoretical objectives (Hair et al. 2010).

Table 4.6: Fit Indices Criteria

Name	Acronym	Type	Accepted Model Fit Levels For *n* < 500	Preferred or 'Good' Model Fit Level	Notes
Chi- Square	χ^2	Absolute fit statistic	p < .05	p > 0.05	Greatly affected by sample size and distributional properties of the data
Normed Chi-Square	χ^2/df	Absolute fit statistic	1.0 to 5.0	1.0 to 3.0	An improved version of χ^2 statistics that takes into account sample size effects
The Comparative Fit Index	CFI	Incremental index	> 0.90	> 0.95	The approximate range of 0–1
The Tucker-Lewis Index	TLI	Incremental index	> 0.90	> 0.95	The approximate range of 0–1
The Standardised Root Mean Square Residual	SRMR	Absolute fit index	< 0.08	< 0.06	Some argue that an SRMR value of up to 1.0 is considered acceptable (see Weston and Gore Jr. 2006)
The Root Mean Square Error of Approximation	RMSEA	Absolute fit index	< 0.08	< 0.05	The lower bound is of zero, which indicates perfect model fit. The values between .05 to 0.8 indicate reasonable model fit

4.2.2 Measurement Model

This subsection will attempt to establish the measurement models for the two samples and examine their fit and validity. To establish the measurement model for this study, AMOS 21 is utilised to draw the full measurement model and examine the overall model fit and whether changes and improvement can made. The analysis will begin by examining the initial measurement model for the unseparated sample, then once finalised, the model's convergent and discriminant validities will be assessed.

Following that, the separated sample will be examined and the result of the two samples will be comparatively discussed.

It is noteworthy, however, that in the process of examining the measurement model and modification indices, only those changes applicable to both samples will be utilised. As the overarching purpose of this study is to compare the two samples, great care is taken to establish and maintain similar model structure between the two samples when possible to allow for meaningful comparison. This is most relevant to the evaluation of model goodness-of-fit indices. Although these indices provide suitable criteria to determine model's fitness, they should be considered in light of the overall theoretical purposes (Hair et al. 2010).

4.2.2.1 Confirmatory Factor Analysis and Samples' Goodness-of-Fit

Initial results of the confirmatory factor analysis (CFA) of the unseparated[U] model indicate somewhat acceptable model fit: χ^2= 1424.991, df= 666, χ^2/df =2.140, TLI=.900, CFI = .910, RMSEA = 0.071, SRMR =.0489. By consulting AMOS output, namely the modification indices, it was evident that some items exhibit covariance issues. Particularly items Social1 and 2, and items WOM2 and WOM4. As stated earlier, for the purpose of this study, only the very necessary changes and modifications are utilised to minimise the risk of variance in the specifications of the two samples. Since the model as it is showed acceptable model fit (albeit can be improved with some modifications), it was decided to only deploy the covariance stipulated above if they are evident in the separated sample.

By running the model with the separated[S] sample, the initial results indicate a better fit than the initially acquired by unseparated sample. The initial results of the separated sample were as follows: χ^2= 1315.980, df= 666, χ^2/df =1.976, TLI=.935, CFI = .941, RMSEA = 0.052, SRMR =.0475. By consulting the modification indices output of AMOS 21, it was clear that the same covariance issues highlighted for the unseparated items were also evident in the separated items. As such, the decision was taken to allow the covariance between these items (Social1 with Social2, and

WOM2 with WOM4) in both models. As such, the final results of the CFA for both models are included in Table 4.7 for ease of comparison. As depicted in the table, the two models (unseparated and separated), exhibit acceptable levels for all the goodness-of-fit indices given the criteria suggested by the literature.

Table 4.7: CFA's Fit Statistics for Both Samples

CFA	χ^2	Df	χ^2/df	TLI	CFI	RMSEA	SRMR
Unseparated[U]	1409.341	664	2.123	.901	.911	.070	.0489
Separated[S]	1214.234	664	1.829	.944	.950	.048	.0465

Therefore, after establishing the measurement model fit for both samples, further analysis pertaining to the models' convergent and discriminant validities will be assessed.

4.2.2.2 Unseparated[U] Model—Psychometric Evaluation

4.2.2.2.1 Convergent validity

For the purpose of measuring the model's validity, a closer look at the model's convergent validity is warranted. Convergent validity tests relate to examining the relationships between unobserved items and their specified latent variable (Kline 2011). For this study, two recommended tests are carried out to examine the model's convergent validity. First, the composite reliability (CR) of latent variables is examined. CR is a measure analogous to coefficient α, which should exceed 0.7 (Fornell and Larcker 1981). Second, the average variance extracted (AVE), which relates to the amount of variance exhibited in the measure in relation with random measurement errors, is evaluated (Fornell and Larcker 1981). Table 4.8 shows the results of these two tests. As can be seen, the CR for all constructs exceeds the cut-off point of 0.7 (ranging from 0.869 for loyalty to 0.946 for social benefits). These results support the model's internal consistency. Further, the AVE values shown in the Table 4.8 also exceed the recommended minimum of 0.50 suggested by Bagozzi and Yi (1988), with AVE values ranging from 0.626 for loyalty to 0.842 for access benefits. Further, Table 4.8 provides the standardised regression estimates (factor loadings) for each item in the model. All items' loadings are above the suggested

criteria of .6 (Hair et al. 2010). Therefore, it can be concluded that all the constructs in the model show acceptable levels of convergent validity.

Table 4.8 Convergent Validity Statistics for Unseparated Sample

Items	Construct Reliability	Avg. Variance Extracted (AVE)	Factor Loadings
Social Benefits	.946	.778	
Social1			.906
Social2			.907
Social3			.889
Social4			.879
Social5			.827
Confidence Benefits	.916	.732	
Confid1			.849
Confid2			.785
Confid3			.877
Confid4			.906
Access Convenience	.941	.842	
Access1			.908
Access2			.914
Access3			.931
Benefit Convenience	.938	.836	
Benefit1			.903
Benefit2			.935
Benefit3			.904
Trust	.938	.717	
Trust1			.863
Trust2			.868
Trust3			.888
Trust4			.857
Trust5			.821
Trust6			.779
Satisfaction	.937	.749	
Satisfy1			.870
Satisfy2			.861
Satisfy3			.866
Satisfy4			.883
Satisfy5			.848
Commitment	9.23	.707	
Commit1			.764
Commit2			.875
Commit3			.877
Commit4			.878
Commit5			.804
Loyalty	.869	.626	
Loyalty1			.764
Loyalty2			.771

Loyalty3			.882
Loyalty4			.740
WOM	.901	.696	
WOM1			.889
WOM2			.725
WOM3			.915
WOM4			.793

4.2.2.2.2 Discriminant validity

This section will attempt to assess and establish the model's discriminant validity, which is a crucial step for conducting structural modelling and hypotheses testing. The existence of discriminant validity improves on the explaining power of the model. Discriminant validity establishes two main things. First, that the latent variable can explain more variance in the unobserved items relating to it than measurement errors or other unknown influences. Second, it helps in establishing that the latent variable better explains the variance in the unobserved items than other latent variables (Fornell and Larcker 1981; Farrell 2010). For this study, two separate tests of discriminant validity will be carried out for both models (unseparated and separated). First, the squared AVE will be measured against correlation estimates. Using this method, the square of AVE for any two constructs (i.e., constructs *A* and *B*) should be greater than their correlation estimates, while the AVE value should be greater than 0.5 (Fornell and Larcker 1981; Hair et al. 2010). Table 4.9 shows the results of the AVE test. As can be seen, the squared AVE values (on the diagonal) are greater than the correlations estimates between the constructs (below the diagonal). As such, the model, overall, exhibits acceptable discriminant validity.

Table 4.9: Average Variance Extracted (AVE) Statistics for Unseparated Sample

	AVE	WOM	Social	Confid.	Access	Benefit	Trust	Satisfy	Commit	Loyal
WOM	**0.696**	**0.834**								
Social	**0.778**	0.532	**0.882**							
Confid.	**0.732**	0.246	0.199	**0.855**						
Access	**0.842**	-0.031	-0.047	0.294	**0.918**					
Benefits	**0.836**	-0.078	-0.113	0.214	0.630	**0.914**				
Trust	**0.717**	0.575	0.739	0.370	0.117	0.015	**0.847**			
Satisfy	**0.749**	0.517	0.607	0.422	-0.008	-0.037	0.598	**0.866**		
Commit	**0.707**	0.571	0.666	0.182	-0.017	-0.134	0.686	0.609	**0.841**	
Loyal	**0.626**	0.639	0.644	0.338	0.032	-0.071	0.661	0.601	0.581	**0.791**

Notes: Square-root of AVE on the diagonal, correlations below the diagonal.

The AVE method outlined above has become one of the commonly used methods in social sciences literature for its rigorousness (Farrell 2010). However, it is still possible for two latent variables to satisfy the requirement of this method while being nearly indistinct or identical since they may both produce very high AVE values (Shiu et al. 2011). In such a case, it is recommended to apply another test that does take into account perfect or near perfect unity. Using the bootstrapping method, discriminant validity can be established by looking at the 95 per cent confidence interval between latent variables. If the confidence intervals of any two variables does not contain the value of 1.0 (i.e., unity) then it can be concluded that these variables are distinct and, as such, pass the discriminant validity test (Anderson and Gerbing 1988). Table 4.10 shows both the 95 per cent confidence intervals of the correlations for both bias-corrected percentile and non-corrected percentile methods. As can be seen, no value of 1.0 is found in the lower or upper intervals, thus confirming the model's discriminant validity.

Table 4.10: Discriminant Validity Test for Unseparated Sample

Bias-Corrected Percentile Method						Percentile Method		
Parameter			**Correlations**	**Lower**	**Upper**	**Correlations**	**Lower**	**Upper**
Social	<-->	**Confid**	0.199	0.052	0.352	0.199	0.051	0.351
Social	<-->	**Access**	-0.047	-0.209	0.114	-0.047	-0.2	0.116
Social	<-->	**Benefit**	-0.113	-0.28	0.026	-0.113	-0.263	0.048
Social	<-->	**Trust**	0.739	0.631	0.824	0.739	0.64	0.833
Social	<-->	**Satisfy**	0.607	0.51	0.7	0.607	0.513	0.71
Social	<-->	**Commit**	0.666	0.535	0.765	0.666	0.535	0.765
Social	<-->	**WOM**	0.532	0.374	0.66	0.532	0.374	0.66
Social	<-->	**Loyal**	0.644	0.49	0.75	0.644	0.508	0.764
Confid	<-->	**Access**	0.294	0.125	0.439	0.294	0.132	0.448
Confid	<-->	**Benefit**	0.214	0.042	0.349	0.214	0.055	0.36
Confid	<-->	**Trust**	0.37	0.229	0.508	0.37	0.229	0.504
Confid	<-->	**Satisfy**	0.422	0.277	0.556	0.422	0.276	0.555
Confid	<-->	**Commit**	0.182	0.021	0.352	0.182	0.016	0.349
Confid	<-->	**WOM**	0.246	0.095	0.381	0.246	0.102	0.384
Confid	<-->	**Loyal**	0.338	0.18	0.493	0.338	0.178	0.49
Access	<-->	**Benefit**	0.63	0.524	0.705	0.63	0.534	0.72
Access	<-->	**Trust**	0.117	-0.05	0.265	0.117	-0.048	0.273
Access	<-->	**Satisfy**	-0.008	-0.162	0.165	-0.008	-0.164	0.157
Access	<-->	**Commit**	-0.017	-0.163	0.16	-0.017	-0.179	0.142
Access	<-->	**WOM**	-0.031	-0.186	0.115	-0.031	-0.176	0.121
Access	<-->	**Loyal**	0.032	-0.138	0.188	0.032	-0.133	0.192
Benefit	<-->	**Trust**	0.015	-0.161	0.16	0.015	-0.145	0.179
Benefit	<-->	**Satisfy**	-0.037	-0.209	0.123	-0.037	-0.2	0.13
Benefit	<-->	**Commit**	-0.134	-0.279	0.023	-0.134	-0.282	0.023
Benefit	<-->	**WOM**	-0.078	-0.239	0.084	-0.078	-0.23	0.103
Benefit	<-->	**Loyal**	-0.071	-0.249	0.078	-0.071	-0.224	0.096
Trust	<-->	**Satisfy**	0.598	0.473	0.699	0.598	0.478	0.702
Trust	<-->	**Commit**	0.686	0.572	0.779	0.686	0.572	0.779
Trust	<-->	**WOM**	0.575	0.455	0.694	0.575	0.434	0.677
Trust	<-->	**Loyal**	0.661	0.542	0.743	0.661	0.549	0.75
Satisfy	<-->	**Commit**	0.609	0.512	0.705	0.609	0.508	0.704
Satisfy	<-->	**WOM**	0.517	0.363	0.64	0.517	0.363	0.64
Satisfy	<-->	**Loyal**	0.601	0.485	0.722	0.601	0.481	0.717

Commit	<-->	**WOM**	0.571	0.413	0.705	0.571	0.401	0.703
Commit	<-->	**Loyal**	0.581	0.447	0.698	0.581	0.447	0.698
WOM	<-->	**Loyal**	0.639	0.505	0.723	0.639	0.51	0.733

4.2.2.3 Separated[S] Model Psychometric Evaluation

For the separated sample, similar procedures conducted for examining the unseparated sample are also utilised. Having initially established the model's goodness-of-fit. It is now time to examine its convergent and discriminant validities.

4.2.2.3.1 Convergent validity

Following the same procedures used in examining the unseparated sample, the two recommended tests are carried out to examine the model's convergent validity. First, the CR of latent variables is observed. CR for any latent variable should exceed 0.7 (Fornell and Larcker 1981). As can be seen in Table 4.11, the CR values for all the latent variables exceed this critical value of .7 (CR values ranging from 0.826 for confidence benefits to 0.955 for trust). Second is the AVE that relates to the amount of variance exhibited in the measure in relation with random measurement errors (Fornell and Larcker 1981). Table 4.11 shows the AVE values for all the latent variables. These values exceed the recommended minimum of 0.50 suggested by Bagozzi and Yi (1988), with AVE values ranging from 0.545 for confidence benefits to 0.778 for trust. Further, Table 4.11 provides the standardised regression estimates (factor loadings) for each item in the model. As can be seen, all items' loadings are above the suggested criteria of .6 (Hair et al. 2010). Therefore, it can be concluded that all the constructs in the model show acceptable levels of convergent validity.

Table 4.11: Convergent Validity Statistics for Separated Sample

Items	Construct Reliability	Avg. Variance Extracted (AVE)	Factor Loadings
Social Benefits	.912	.677	
Social1			.645
Social2			.811
Social3			.903
Social4			.871
Social5			.859
Confidence Benefits	.826	.545	
Confid1			.642
Confid2			.794
Confid3			.712
Confid4			.794
Access Convenience	.836	.631	
Access1			.743
Access2			.742
Access3			.889
Benefit Convenience	.899	.748	
Benefit1			.899
Benefit2			.891
Benefit3			.801
Trust	.955	.778	
Trust1			.893
Trust2			.890
Trust3			.904
Trust4			.879
Trust5			.912
Trust6			.811
Satisfaction	.910	.669	
Satisfy1			.779
Satisfy2			.798
Satisfy3			.837
Satisfy4			.807
Satisfy5			.865
Commitment	.910	.671	
Commit1			.722
Commit2			.899
Commit3			.762
Commit4			.894
Commit5			.805
Loyalty	.920	.742	
Loyalty1			.807
Loyalty2			.894
Loyalty3			.876
Loyalty4			.867
WOM	.873		
WOM1			.846
WOM2			.723
WOM3			.898
WOM4			.700

4.2.2.3.2 Discriminant validity

This section will attempt to assess and establish the model's discriminant validity following the same procedures used for the unseparated sample. The existence of discriminant validity improves on the explaining power of the model and as such, it is crucial to examine it. Table 4.12 shows the results of the AVE test. The model overall exhibits acceptable discriminant validity between all constructs.

Table 4.12: Average Variance Extracted (AVE) Statistics for Separated Sample

	AVE	WOM	Social	Confid	Access	Benefit	Trust	Satisfy	Commit	Loyalty
WOM	**0.634**	**0.796**								
Social	**0.677**	0.321	**0.823**							
Confid.	**0.545**	0.194	0.134	**0.738**						
Access	**0.631**	0.148	0.054	0.473	**0.794**					
Benefits	**0.748**	0.116	0.025	0.316	0.716	**0.865**				
Trust	**0.778**	0.624	0.376	0.062	0.132	0.096	**0.882**			
Satisfy	**0.669**	0.676	0.457	0.235	0.188	0.060	0.627	**0.818**		
Commit	**0.671**	0.610	0.398	0.172	0.111	0.093	0.554	0.743	**0.819**	
Loyal	**0.742**	0.566	0.401	0.136	0.194	0.130	0.525	0.650	0.624	**.862**

Notes: Square-root of AVE on the diagonal, correlations below the diagonal.

Further, using the complementary bootstrapping method discussed earlier, it is evident that the model achieved discriminant validity between all constructs, as illustrated in Table 4.13.

Table 4.13: Discriminant Validity Test for Separated Sample

Bias-Corrected Percentile Method						Percentile Method		
Parameter			**Correlations**	**Lower**	**Upper**	**Correlations**	**Lower**	**Upper**
Social	<-->	**Confid**	0.134	0.035	0.239	0.134	0.025	0.232
Social	<-->	**Access**	0.054	-0.038	0.16	0.054	-0.041	0.154
Social	<-->	**Benefit**	0.025	-0.069	0.118	0.025	-0.068	0.118
Social	<-->	**Trust**	0.376	0.298	0.456	0.376	0.29	0.454
Social	<-->	**Satisfy**	0.457	0.372	0.536	0.457	0.37	0.531
Social	<-->	**Commit**	0.398	0.299	0.485	0.398	0.296	0.482
Social	<-->	**WOM**	0.321	0.225	0.423	0.321	0.213	0.414
Social	<-->	**Loyal**	0.401	0.331	0.484	0.401	0.321	0.472
Confid	<-->	**Access**	0.473	0.366	0.564	0.473	0.369	0.572
Confid	<-->	**Benefit**	0.316	0.221	0.431	0.316	0.211	0.42
Confid	<-->	**Trust**	0.062	-0.044	0.165	0.062	-0.043	0.166
Confid	<-->	**Satisfy**	0.235	0.124	0.335	0.235	0.124	0.334
Confid	<-->	**Commit**	0.172	0.081	0.277	0.172	0.08	0.275
Confid	<-->	**WOM**	0.194	0.079	0.287	0.194	0.088	0.292
Confid	<-->	**Loyal**	0.136	0.026	0.24	0.136	0.022	0.235
Access	<-->	**Benefit**	0.716	0.639	0.776	0.716	0.649	0.784
Access	<-->	**Trust**	0.132	0.059	0.23	0.132	0.058	0.227
Access	<-->	**Satisfy**	0.188	0.094	0.274	0.188	0.102	0.285
Access	<-->	**Commit**	0.111	0.02	0.206	0.111	0.025	0.213
Access	<-->	**WOM**	0.148	0.064	0.236	0.148	0.068	0.24
Access	<-->	**Loyal**	0.194	0.105	0.29	0.194	0.103	0.29
Benefit	<-->	**Trust**	0.096	-0.008	0.178	0.096	0.007	0.188
Benefit	<-->	**Satisfy**	0.06	-0.045	0.154	0.06	-0.039	0.156
Benefit	<-->	**Commit**	0.093	-0.003	0.184	0.093	-0.001	0.191
Benefit	<-->	**WOM**	0.116	0.025	0.2	0.116	0.027	0.208
Benefit	<-->	**Loyal**	0.13	0.042	0.237	0.13	0.036	0.227
Trust	<-->	**Satisfy**	0.627	0.551	0.684	0.627	0.559	0.687
Trust	<-->	**Commit**	0.554	0.486	0.622	0.554	0.488	0.623
Trust	<-->	**WOM**	0.624	0.557	0.689	0.624	0.56	0.693
Trust	<-->	**Loyal**	0.525	0.436	0.597	0.525	0.442	0.602
Satisfy	<-->	**Commit**	0.743	0.685	0.799	0.743	0.685	0.798
Satisfy	<-->	**WOM**	0.676	0.607	0.74	0.676	0.6	0.737
Satisfy	<-->	**Loyal**	0.65	0.579	0.703	0.65	0.587	0.711

Commit	<-->	**WOM**	0.61	0.52	0.688	0.61	0.524	0.69
Commit	<-->	**Loyal**	0.624	0.56	0.697	0.624	0.557	0.695
WOM	<-->	**Loyal**	0.566	0.48	0.647	0.566	0.475	0.644

The measurement models for both samples meet step one highlighted by Anderson and Gerbing's (1988) two-step approach. The next step in the test involves examining the relationships between the variables. As such, hypotheses (H1-7) are now tested.

4.2.3 Structural Equation Modelling

In the previous section, the measurement model of the study was developed, tested and refined. It is now time to proceed to the second step in the two-step SEM process highlighted earlier. Having developed and tested the measurement model where items are assigned to the variables they represent, this stage involves assigning relationships between the constructs. Unlike CFA (measurement model), where the aim was to find correlations, structural model aims to find casual relationships between constructs based upon the theoretical model proposed in this study. This process involves few crucial theoretical and technical differences in model building. More specifically, building a structural model necessitate the use of straight single-headed arrows to describe casual relationships as opposed to the correlations double-headed arrows used in CFA. Further, during the CFA process, variables were, to some extent, treated equally and no distinction had been made. It is now time, however, to distinguish between the endogenous and exogenous variables. Exogenous variables are the independent constructs that are determined outside the scope of the model (Zikmund 2003). In other words, the antecedents to these variables are not included in the model. In this study, the exogenous variables are social benefits, confidence benefits, access convenience and benefit convenience. Endogenous variables on the other hand are those dependent variables that act as the outcome of the casual relationship (Hair et al. 2010). In this study, these include trust, satisfaction, commitment, loyalty and WOM.

Developing the structural model is a crucial step to test the theoretical model and hypothesis of this study. First, however, it is important to establish the structural model fit as it has been the case with measurement model. Further, it is crucial to establish the structural model's validity by comparing it to the CFA model. One guiding criteria here is to evaluate the χ^2 value between the two models. Theoretically, the χ^2 value in structural model should be higher the χ^2 acquired in CFA, for that structural model contains less relationships than that of CFA (Hair et al. 2010, 737).

4.2.3.1 Structural Model Fit for Unseparated[U] and the Separated[S] Samples

Using AMOS 21 SEM software, the structural model for the unseparated sample has been developed and tested. The goodness-of-fit results of the structural model for the unseparated[U] sample are as follows: χ^2= 1480.193, df= 676, χ^2/df =2.190, TLI=.895, CFI = .904, RMSEA = 0.072, SRMR =.0622. These results indicate two things. First, the model fit is acceptable (aside from the TLI index, all other indices show acceptable levels as per recommended values suggested in the literature for comparable sample sizes) (Hu and Bentler 1995); Second, as expected, the χ^2 value has increased from 1409.341 to 1480.193. Nonetheless, it is important at this stage to evaluate AMOS output for further diagnostics. More specifically, special attention is applied to path estimates, standardised residuals and modification indices to assess whether all statistically significant relationships (or paths) are accounted for (Hair et al. 2010). By analysing the standardised residuals and modification indices, it has become clear that there are no statistically significant relationships between constructs that have not been estimated. However, there were some issues of covariance between the RQ dimensions (trust, commitment and satisfaction). Before attempting to deal with this issue, it is vital to examine the condition of the separated sample to see whether this issue is also present.

Initial results for the separated[S] sample are as follows: χ^2= 1377.389, df= 676, χ^2/df =2.038, TLI=.930, CFI = .937, RMSEA = 0.053, SRMR =.05. As can be seen, the structural model fit for the separated is better than that of the unseparated sample.

However, by looking at the output of AMOS, it becomes clear that the dimensions of RQ are considerably problematic in the same manner shown in the unseparated model. As such, the decision was taken to correlate the error terms of these dimensions. By covarying the residual error terms between these latent variables of RQ, the model showed improved fitness for both samples. The literature provides supports for such measures. These constructs are theoretically related. In addition, this study makes no specific hypotheses pertaining to the relationships in-between these dimensions of RQ. Therefore, by correlating their error terms, the effect of any (significant or otherwise) unspecified relationships on the model's fit can be counteracted (Bagozzi and Yi 2012). Consequently, in both samples, these constructs are allowed to correlate. The final goodness-of-fit statistics for both samples are shown in Table 4.14.

Table 4.14: SEM Goodness-of-fit Statistics for Both Models

SEM	χ^2	df	χ^2/df	TLI	CFI	RMSEA	SRMR
Unseparated[U]	1437.340	673	2.136	.900	.909	.071	.0532
Separated[S]	1230.613	673	1.829	.944	.950	.048	.0487

4.2.4 Hypotheses Validation

Having established the structural models for both samples, it is time to test the hypotheses of the study. Tables 4.15 and 4.16 show the results of the structural regressions for each hypothesis. $^{+}$***H1a, b, c***, which stipulate that social benefits have a positive and direct impact on trust, commitment and satisfaction, are supported by the data. In fact, this is the case for both samples. Social benefits exert a significant influence on the dimensions of RQ. Nonetheless, the degree of the influence of social benefits on these dimensions varies between the constructs. In the offline environment, social benefits has the greatest influence on trust (std. est=.717) followed by commitment (.663) and satisfaction (.545). This contrasts the separated sample where the impact of social benefits on trust is the least powerful (.389) as opposed to .470 for satisfaction and .4 for commitment.

As for confidence benefits (***+H2a, b, c***), the results are somewhat different. For both samples, confidence benefits have a positive and significant impact on satisfaction and an insignificant impact on commitment. However, in the separated sample, the impact of confidence on trust is insignificant. Further, the strength of the impact of confidence on both trust and satisfaction is weaker in the separated sample (std. est.= .045, .127 respectively) than the unseparated sample (.203, .342 respectively).

As for the dimensions of convenience (+***H3a, b, c*** and +***H4a, b, c***), the results are mixed between both samples. For the unseparated sample, where customers rely on physical branches, both access and benefits conveniences are seemingly irrelevant. These two constructs have no significant impact on any of the dimensions of RQ. However, for the separated sample, access and benefits have a significantly positive impact on satisfaction, but not on trust or commitment. As to the impact of RQ dimensions on the relational outcomes of loyalty and WOM (+***H5a, b***, +***H6a, b***, +***H7a, b***), all the hypotheses are supported in both samples, albeit with varying degrees of strength. Trust is the strongest predictor for loyalty in the offline environment but the least powerful in the separated context. Satisfaction has higher impact on loyalty in the online context than both trust and commitment.

Table 4.15: Hypotheses Statistics—Unseparated[U] Sample (n=228)

No.	Hypotheses	Std. Est.	*p*-value	Path Outcome
$^{+}\mathbf{H_{1a}}$	*Social → Trust*	.717	*p*<0.01	Supported
$^{+}\mathbf{H_{1b}}$	*Social → Satisfy*	.545	*p*<0.01	Supported
$^{+}\mathbf{H_{1c}}$	*Social → Commit*	.663	*p*<0.01	Supported
$^{+}\mathbf{H_{2a}}$	*Confidence → Trust*	.203	*p*<0.01	Supported
$^{+}\mathbf{H_{2b}}$	*Confidence → Satisfy*	.342	*p*<0.01	Supported
$^{+}\mathbf{H_{2c}}$	*Confidence → Commit*	.059	p>0.1	*Not supported*
$^{+}\mathbf{H_{3a}}$	*Access → Trust*	.101	p>0.1	*Not supported*
$^{+}\mathbf{H_{3b}}$	*Access → Satisfy*	-.086	p>0.1	*Not supported*
$^{+}\mathbf{H_{3c}}$	*Access → Commit*	.074	p>0.1	*Not supported*
$^{+}\mathbf{H_{4a}}$	*Benefit → Trust*	.015	p>0.1	*Not supported*
$^{+}\mathbf{H_{4b}}$	*Benefit → Satisfy*	-.003	p>0.1	*Not supported*
$^{+}\mathbf{H_{4c}}$	*Benefit → Commit*	.122	p>0.1	*Not supported*
$^{+}\mathbf{H_{5a}}$	*Trust → Loyalty*	.412	*p*<0.01	Supported
$^{+}\mathbf{H_{5b}}$	*Trust → WOM*	.299	*p*<0.01	Supported
$^{+}\mathbf{H_{6a}}$	*Satisfy → Loyalty*	.275	*p*<0.01	Supported
$^{+}\mathbf{H_{6b}}$	*Satisfy → WOM*	.190	*p*<0.05	Supported
$^{+}\mathbf{H_{7a}}$	*Commit → Loyalty*	.159	*p*<0.05	Supported
$^{+}\mathbf{H_{7b}}$	*Commit → WOM*	.269	*p*<0.05	Supported

Table 4.16: Hypotheses Statistics—Separated[S] Sample (n=364)

No.	Hypotheses	Std. Est.	*p*-value	Path Outcome
$^{+}\mathbf{H_{1a}}$	*Social → Trust*	.389	*p*<0.01	Supported
$^{+}\mathbf{H_{1b}}$	*Social → Satisfy*	.470	*p*<0.01	Supported
$^{+}\mathbf{H_{1c}}$	*Social → Commit*	.400	*p*<0.01	Supported
$^{+}\mathbf{H_{2a}}$	*Confidence → Trust*	.045	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{2b}}$	*Confidence → Satisfy*	.127	*p*<0.05	Supported
$^{+}\mathbf{H_{2c}}$	*Confidence → Commit*	.086	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{3a}}$	*Access → Trust*	.129	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{3b}}$	*Access → Satisfy*	.228	*p*<0.05	Supported
$^{+}\mathbf{H_{3c}}$	*Access → Commit*	.041	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{4a}}$	*Benefit → Trust*	.011	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{4b}}$	*Benefit → Satisfy*	.145	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{4c}}$	*Benefit → Commit*	.031	*p*>0.1	*Not supported*
$^{+}\mathbf{H_{5a}}$	*Trust → Loyalty*	.169	*p*<0.01	Supported
$^{+}\mathbf{H_{5b}}$	*Trust → WOM*	.323	*p*<0.01	Supported
$^{+}\mathbf{H_{6a}}$	*Satisfy → Loyalty*	.347	*p*<0.01	Supported
$^{+}\mathbf{H_{6b}}$	*Satisfy → WOM*	.353	*p*<0.01	Supported
$^{+}\mathbf{H_{7a}}$	*Commit → Loyalty*	.293	*p*<0.01	Supported
$^{+}\mathbf{H_{7b}}$	*Commit → WOM*	.195	*p*<0.01	Supported

4.2.5 Group Moderation

The findings from the structural equation modelling so far have provided answers to the hypotheses pertaining to each sample. To fully appreciate the results between the contexts, it is vital to statistically identify which of these differences are significant. To do so, a group moderation test is conducted using AMOS 21 to examine the moderating role of the service delivery methods on the relationships between the constructs examined in this study. The process utilised here is composed of three steps: a multi-group analysis that follows a similar approach to that suggested by Dagger and Sweeney (2007), Jin and Kim (2008) and Dagger and O'Brien (2010). This technique has been shown to be robust and versatile in detecting group invariances on a structural level (Steenkamp and Baumgartner 1998; Byrne 2010; Dagger and O'Brien 2010).

The process begins by developing a baseline model containing a pooled sample. Then, using AMOS group function, the data are split based on the service delivery methods. This approach yields one overall model fit for the data. In this base model, all the paths between the constructs are set to run freely with no constrains. Then, a closer examination of the output is needed to identify those paths that are insignificant for both groups and trim them from the model. This process will eliminate any unwanted statistical noise and yields a better baseline model for comparison (Keller and Warrack 1999). This process is iterative in nature and requires one path at a time (only those that are insignificant for both groups simultaneously) to be trimmed before the results are consulted to identify the next path if any.

The final model that includes only the paths that are significant in either group is taken as the base model. Once the base model is identified, a new model is developed, where all remaining structural paths are constrained to be equal (Steenkamp and Baumgartner 1998; Byrne 2010; Dagger and O'Brien 2010). The aim here is to examine the difference using χ^2 statistics. If the difference is

significant, then it can be argued the two cohorts statistically differ at the structural level. At that point, a closer look at each path is required to point out the differences. As such, the initial split model fit statistics are as follows: χ^2= 2668.629, df= 1346, χ^2/df =1.983, TLI=.925, CFI = .932, RMSEA = 0.041, SRMR =.0532. The model exhibits acceptable fit statistics. However, of concern at this juncture is the identification of those paths that are not significant in both samples. The selection criteria for trimming will begin by examining the output for the sample that shows the least number of insignificant paths. In this case, however, both samples show an equal number of insignificant paths (refer to hypotheses in Tables 4.15 and 4.16). Therefore, the process of trimming will begin with the least significant path. In this case, it is the path between benefits convenience and satisfaction in the unseparated[U] sample ([U]p-value =.963). Table 4.17 (step one –S1) shows the results after trimming the first path.

After trimming this path from the model, the results indicate few changes to the relationships. Most notably, the path between access and satisfaction in the separated sample becomes insignificant with a [S]p-value of .097, as seen in Table 4.17. However, continuing with the same procedure, the unseparated sample is examined to identify the next target, since this sample has fewest insignificant paths. As seen in the Table 4.17, the link between benefits and trust shows the highest insignificance ([U]p-value = .802). Table 4.18 summarises the new results. As seen, both samples now have five remaining insignificant paths. These results highlight one new change. The link between access and trust in the separated sample has become significant, with a [S]p-value =.036. Since both samples now show an equal number of insignificant paths, the link between access and commitment is now the candidate for trimming since it shows the highest insignificant value ([S]p-value =.684). As depicted in Table 4.19, the results indicate some changes relating to the number of insignificant paths. Now, the separated sample has only three remaining insignificant paths, as the link between access and satisfy is now significant. Based on the results shown in the table, the next path for trimming is confident-commitment since it is insignificant in both samples.

As seen in Table 4.20, the final results show three insignificant paths for the unseparated sample, and two for the separated. Most importantly however, there is no path that is not significant for both samples. As such, no more trimming is necessary and this is now the final base model. The following tables show the process of the multi-step trimming.

Table 4.17: Group Moderation Trimming Process—S1

No.	Structural Paths	Unseparated[U] p-value	Separated[S] p-value
$^{+}\mathbf{H_{1a}}$	*Social → Trust*	***	***
$^{+}\mathbf{H_{1b}}$	*Social → Satisfy*	***	***
$^{+}\mathbf{H_{1c}}$	*Social → Commit*	***	***
$^{+}\mathbf{H_{2a}}$	*Confidence → Trust*	***	.584
$^{+}\mathbf{H_{2b}}$	*Confidence → Satisfy*	***	.023
$^{+}\mathbf{H_{2c}}$	*Confidence → Commit*	.322	.141
$^{+}\mathbf{H_{3a}}$	*Access → Trust*	.114	.446
$^{+}\mathbf{H_{3b}}$	*Access → Satisfy*	.140	.097
$^{+}\mathbf{H_{3c}}$	*Access → Commit*	.306	.674
$^{+}\mathbf{H_{4a}}$	*Benefit → Trust*	.802	.351
$^{+}\mathbf{H_{4c}}$	*Benefit → Commit*	.078	.107
$^{+}\mathbf{H_{5a}}$	*Trust → Loyalty*	***	.002
$^{+}\mathbf{H_{5b}}$	*Trust → WOM*	***	***
$^{+}\mathbf{H_{6a}}$	*Satisfy → Loyalty*	***	***
$^{+}\mathbf{H_{6b}}$	*Satisfy → WOM*	.018	***
$^{+}\mathbf{H_{7a}}$	*Commit → Loyalty*	***	.004
$^{+}\mathbf{H_{7b}}$	*Commit → WOM*	.034	***

Table 4.18: Group Moderation Trimming Process—S2

No.	Structural Paths	Unseparated[U] p-value	Separated[S] p-value
$^{+}\mathbf{H_{1a}}$	*Social → Trust*	***	***
$^{+}\mathbf{H_{1b}}$	*Social → Satisfy*	***	***
$^{+}\mathbf{H_{1c}}$	*Social → Commit*	***	***
$^{+}\mathbf{H_{2a}}$	*Confidence → Trust*	***	.513
$^{+}\mathbf{H_{2b}}$	*Confidence → Satisfy*	***	.025
$^{+}\mathbf{H_{2c}}$	*Confidence → Commit*	.322	.151
$^{+}\mathbf{H_{3a}}$	*Access → Trust*	.067	.036
$^{+}\mathbf{H_{3b}}$	*Access → Satisfy*	.140	.089
$^{+}\mathbf{H_{3c}}$	*Access → Commit*	.313	.684
$^{+}\mathbf{H_{4c}}$	*Benefit → Commit*	.081	.090
$^{+}\mathbf{H_{5a}}$	*Trust → Loyalty*	***	.002
$^{+}\mathbf{H_{5b}}$	*Trust → WOM*	***	***
$^{+}\mathbf{H_{6a}}$	*Satisfy → Loyalty*	***	***
$^{+}\mathbf{H_{6b}}$	*Satisfy → WOM*	.018	***
$^{+}\mathbf{H_{7a}}$	*Commit → Loyalty*	***	.004
$^{+}\mathbf{H_{7b}}$	*Commit → WOM*	.034	***

Table 4.19: Group Moderation Trimming Process—S3

No.	Structural Paths	Unseparated[U] p-value	Separated[S] p-value
$^{+}$**H$_{1a}$**	*Social → Trust*	***	***
$^{+}$**H$_{1b}$**	*Social → Satisfy*	***	***
$^{+}$**H$_{1c}$**	*Social → Commit*	***	***
$^{+}$**H$_{2a}$**	*Confidence → Trust*	***	.485
$^{+}$**H$_{2b}$**	*Confidence → Satisfy*	***	.029
$^{+}$**H$_{2c}$**	*Confidence → Commit*	.211	.161
$^{+}$**H$_{3a}$**	*Access → Trust*	.078	.031
$^{+}$**H$_{3b}$**	*Access → Satisfy*	.078	.043
$^{+}$**H$_{4c}$**	*Benefit → Commit*	.152	.052
$^{+}$**H$_{5a}$**	*Trust → Loyalty*	***	.002
$^{+}$**H$_{5b}$**	*Trust → WOM*	***	***
$^{+}$**H$_{6a}$**	*Satisfy → Loyalty*	***	***
$^{+}$**H$_{6b}$**	*Satisfy → WOM*	.018	***
$^{+}$**H$_{7a}$**	*Commit → Loyalty*	***	.005
$^{+}$**H$_{7b}$**	*Commit → WOM*	.034	***

Table 4.20: Group Moderation Trimming Process—S4

No.	Structural Paths	Unseparated[U] p-value	Separated[S] p-value
$^{+}$**H$_{1a}$**	*Social → Trust*	***	***
$^{+}$**H$_{1b}$**	*Social → Satisfy*	***	***
$^{+}$**H$_{1c}$**	*Social → Commit*	***	***
$^{+}$**H$_{2a}$**	*Confidence → Trust*	***	.390
$^{+}$**H$_{2b}$**	*Confidence → Satisfy*	***	.094
$^{+}$**H$_{3a}$**	*Access → Trust*	.074	.026
$^{+}$**H$_{3b}$**	*Access → Satisfy*	.089	.024
$^{+}$**H$_{4c}$**	*Benefit → Commit*	.250	.011
$^{+}$**H$_{5a}$**	*Trust → Loyalty*	***	.002
$^{+}$**H$_{5b}$**	*Trust → WOM*	***	***
$^{+}$**H$_{6a}$**	*Satisfy → Loyalty*	***	***
$^{+}$**H$_{6b}$**	*Satisfy → WOM*	.017	***
$^{+}$**H$_{7a}$**	*Commit → Loyalty*	***	.004
$^{+}$**H$_{7b}$**	*Commit → WOM*	.032	***

The base model fit statistics are as follows: χ^2= 2778.504, df= 1356, χ^2/df =2.049, TLI=.920, CFI = .927, RMSEA = 0.042, SRMR =.0603. The new base model exhibits acceptable statistics, however, of importance at this point are the χ^2 statistics ($2778.504_{[1356]}$). These values will be used to compare the unconstrained model with a fully constrained model. Constraining all the paths between the groups to be equal, the changes in χ^2 statistics show significant differences between unconstrained and constrained models ($\Delta\chi^2_{[14]}$=46.4) as shown in Table 4.21; thus, signifying *prima*

facia, that each of the remaining relationships are potentially significantly different between the groups.

To identify which particular paths are different, each path is constrained one at a time between the groups, while the remaining paths are set free. The resulting χ^2 statistics are then compared with the baseline model. Table 4.21 summarises the results of this process. As can be seen, 8 out of 14 paths were statistically different between the cohorts. The results, as such, partially support hypothesis [H_8], which stipulates that all the links between the hypothesised variables (H1-7) across the two modes of service delivery are different.

Table 4.21: Group Moderation—Constrained and Unconstrained Models Comparison

Model	χ^2	*df*	$\Delta\chi^2$	Δdf	p-value
Baseline Model	2778.504	1356			
Constrained Model	2824.905	1370	46.4	14	.000***
Social → Trust	2787.791	1357	9.28	1	.002***
Social → Satisfy	2779.33	1357	0.826	1	.363
Social → Commitment	2785.411	1357	6.907	1	.009***
Confidence → Trust	2785.278	1357	6.774	1	.009***
Confidence → Satisfy	2784.480	1357	5.976	1	.015**
Access → Trust	2780.303	1357	1.799	1	.180
Access → Satisfy	2786.348	1357	7.844	1	.005***
Benefit → Commitment	2786.131	1357	7.627	1	.006***
Trust → Loyalty	2784.969	1357	6.456	1	.011**
Trust → WOM	2778.512	1357	0.008	1	.929
Satisfy → Loyalty	2779.382	1357	0.878	1	.349
Satisfy → WOM	2781.577	1357	3.073	1	.080*
Commitment → Loyalty	2780.136	1357	1.632	1	.201
Commitment → WOM	2778.842	1357	0.338	1	.561

To examine these differences in greater detail, Table 4.22 summarises the SEM results of the final model with the standardised estimates for each significant path, and the squared multiple correlations (R^2) for each endogenous construct in the model.

Table 4.22: Summary of SEM Moderation Results

No.	Structural Paths	Unseparated[U] Standardised Estimates	Separated[S] Standardised Estimates
$^{+}\mathbf{H_{1a}}$	*Social → Trust*	.720***	.390***
$^{+}\mathbf{H_{1c}}$	*Social → Commit*	.679***	.410***
$^{+}\mathbf{H_{2a}}$	*Confidence → Trust*	.198***	-.056
$^{+}\mathbf{H_{2b}}$	*Confidence → Satisfy*	.327***	.090*
$^{+}\mathbf{H_{3b}}$	*Access → Satisfy*	-.094*	.126**
$^{+}\mathbf{H_{4c}}$	*Benefit → Commit*	-.061	.124**
$^{+}\mathbf{H_{5a}}$	*Trust → Loyalty*	.413***	.168***
$^{+}\mathbf{H_{6b}}$	*Satisfy → WOM*	.190**	.355***
	Construct	R^2	R^2
	Trust	.628	.168
	Satisfaction	.478	.283
	Commitment	.475	.186
	Loyalty	.517	.442
	WOM	.405	.489
**p < .1, **p < .05, ***p < .01*			

4.2.6 Testing of Alternative Models

Consistent with recommendations in the literature endorsing the comparison with an alternative model (Kelloway 1998), the current study proposes and tests an alternative model. This approach is commonly advocated in the literature as a way of confirming the focal model of interest. One of the common assumptions generally found in the literature is that achieving acceptable or even great fit indices results suggest that the focal model is the best explanation to the data. This is an inaccurate view in that it neglects the essence of fit indices. Fit indices such as chi-squared statistics, CFI and TLI, are employed to test the suggested or focal model against a null base model to ascertain which is better, but it does not exclude other alternatives that could present even better fit (Vandenberg 2006). In other words, rejecting the null or the base model does not signify that the focal or suggested model is acceptable, nor is that it is only the possibility (Vandenberg 2006).

One of the main guidelines for building an alternative model is for the new model to be theoretically plausible (Kelloway 1998). For this study, following the approach undertaken by Hennig-Thurau, Gwinner and Gremler, (2002), and Morgan and Hunt (1994), this study presents two alternative models. The first is an unmediated model

where all the construct of RQ (mediators) are placed as exogenous variables that have a direct effect on the outcomes of the study, loyalty and WOM. The second model replicates a common practice in relationship marketing literature to place RQ's constructs as second order variables under the higher order construct of RQ; thus, these constructs serve as dimensions of RQ (see Palmatier et al. 2006; Marquardt 2013).

For model comparisons, two main criteria are followed following the approach utilised by Hennig-Thurau, Gwinner and Gremler (2002). First, the alternative model's goodness-of-fit statistics are compared to the research model. Then, the Akaike's Information Criterion (AIC) and the Consistent AIC (CAIC) results outputted by AMOS 21 are compared between the models. AIC statistics are commonly used for model comparison, as they have been shown to produces reliable statistics that can simultaneously examine multiple nested and nonnested models (Posada and Buckley 2004). For AIC statistics, smaller values are considered a representation of better fit (Hennig-Thurau, Gwinner and Gremler 2002; Posada and Buckley 2004).

Table 4.23 summarises the results of model fit statistics for the research model and the two alternatives (ALT1, ALT2). As seen, the hypothesised research model presents the best model fit in comparison to the other two alternatives. A closer examination indicates that the research model shows slight improvement over the unmediated model (ALT1). A result that is similar to that of Hennig-Thurau's et al. (2002) study. However, when examining the standardised regression output, it is shown that, apart from social benefits, none of the original exogenous variables has significant relationship with either loyalty or WOM. As for the second alternative where the constructs of trust, satisfaction and commitment are grouped under a higher order construct of RQ (ALT2), the model fit has clearly deteriorated in all the indices.

Table 4.24 summarises the results for the separated sample. Like the unseparated sample, the unmediated model (ALT1) shows slight deterioration in model fit

statistics. Similarly, the second alternative model (ALT2) shows the worst fit in all the tested models. Further, as is the case in the unseparated sample, none of the original constructs, apart from social benefits, has any significant relationships with loyalty or WOM. Drawing on these results, it can be concluded that the research model is superior to both alternatives in terms of fit statistics.

Table 4.23: Alternative Model Comparison—Unseparated Sample

SEM – UNSEPARATED[U]	χ^2/df	TLI	CFI	RMSEA	AIC	CAIC
Research Model (Base)	2.136	.900	.909	.071	1651.34	2125.28
ALT1: Unmediated	2.146	.899	.909	.071	1657.05	2166.43
ALT2: RQ as a higher order construct	2.427	.874	.884	.079	1851.2	2285.3

Table 4.24: Alternative Model Comparison—Separated Sample

SEM – SEPARATED[S]	χ^2/df	TLI	CFI	RMSEA	AIC	CAIC
Research Model (Base)	1.829	.944	.95	.048	1444.61	1968.60
ALT1: Unmediated	1.833	.944	.95	.048	1448.93	2012.10
ALT2: RQ as a higher order construct	1.95	.936	.94	.051	1531.01	2010.92

4.2.7 Mean Comparison

Having identified the differences between the two samples in relation to the structural model, this section attempts to highlight the differences between the groups by examining their means. In doing so, it attempts to test hypotheses nine to 16. That is, the purpose of this section is to test the research hypothesis (**H1**) that there are significant differences between the groups' means for each of the constructs in the model. Put formally:

(H0) (null hypothesis): The groups' means *do not* statically differ for each of the constructs being examined in this study (social and confidence benefits, access and benefit conveniences, trust, satisfaction, commitment, loyalty and WOM).

(H1) (research hypotheses H9–17): The groups' means *do* statically differ for each of the constructs being examined in this study.

The hypotheses are examined with a confidence interval of 95 per cent. Therefore, p-values that are less than 0.05 are used in this study to test the hypothesis. This is consistent with the common levels of risks of committing type I errors (rejecting a true H0) for customer research (Lind, Marchal and Wathen 2005). For the purpose of this examination, an independent-samples t-test is utilised. T-test is one of the most often used statistical methods for mean comparison between two independent groups (Cooper and Schindler 2003). An independent-sample t-test, nevertheless, is built on a number of basic assumptions. First, the test assumes that the two samples are unrelated and drawn from a normal distribution population (Zikmund 2003). Second, that the samples being examined are equal in number (*n*); third, that the variance between the samples is also equal. Variance relates the distribution of the data and its deviation from the mean (Cooper and Schindler 2003). Violation of any of these assumptions can jeopardise the findings and increase the risk of committing a type I error (Lix, Keselman and Keselman 1996).

Realistically however, data collected from large samples often present some violations to these the assumptions that are required in statistical hypothesis tests, such as t-test or analysis of variance (ANOVA) (Lind et al. 2005). This study, for example, violates at least one of these assumptions, which relates to the sample size. The samples examined here are unequal. Nonetheless, the large samples utilised in this study do, to some extent, provide better grounds for t-statistics compared with small samples (e.g., $n < 30$). Large samples often minimise the risk of violating the normal distribution assumption, for instance (Lix, Keselman and Keselman 1996).

To deal with these common issues, a great part of statistical literature has been devoted to dealings with situations where all or any of these assumptions are violated (Lix, Keselman and Keselman 1996). More specifically, the literature offers a number of alternatives tests and methods for statistical hypotheses testing that are more robust and resilient to the effects of assumption violation (cf. Nordstokke and Zumbo 2010). One such test is Welch's t-test, which was designed to deal with violations of equal variance and equal sample size assumptions (Welch 1947; Lix, Keselman and Keselman 1996; Pan 2002; Rasch, Kubinger and Moder 2011).

Welch's procedure utilises calculations aimed at correcting the t-test results that are affected by inequality of variances (Welch 1947; Pan 2002; Rasch, Kubinger and Moder 2011).

This thesis utilises SPSS 21 statistical software to conduct the mean comparison using independent-sample t-test method. The benefit of using SPSS is that it automatically provides two sets of t-test results. The first set assumes equal variance between the groups (traditional t-test). The second test does not assume equal variance and is in fact Welch's t-test. In doing so, SPSS output will highlight the incidents where violation of the assumptions are present based on Levene's test of equality of variance and simultaneously calculate Welch's t-value. To identify which t-test is most applicable, Levene's test of equality is consulted first. In cases where Levene's test is significant ($p < .05$), Welch's statistics are considered. In cases where the variance assumptions are not violated (Levene's $p > .05$), the traditional t-statistics are considered to assess the hypothesis.

Further, the study uses Cohen's *d* values to examine the effect size or the practical significance for the differences. This particular test examines the effects size of the differences between the groups under examination (Rosenthal 1996). In essence, Cohen's *d* statistic provides a more detailed picture into the direction and magnitude of the effects of the differences highlighted by the t-tests in this study. Cohen's *d* effects are commonly described in four different levels based on the following criteria (Rosenthal 1996; Durlak 2009):

- *d* values below .2 are considered small
- *d* values between .2 and .5 are considered moderate or medium
- *d* values above .5 but less than .8 are considered large
- *d* values equal to .8 or above are judged to be very high

However, it is noteworthy to ascertain that these are guidelines and are only intended as such. They are given to provide a feel of the effect sizes but should not be taken strictly and must be interpreted in line with their practical values given the theories

and knowledge based on which the study is concerned (Rosenthal 1996; Durlak 2009).

The following sections examine the t-statistics for each construct in the study. The tables below provide the main statistics of the t-test and Cohen's *d* values.

4.2.7.1 Social Benefits (H9)

For the construct of social benefits, it is argued in this study that the unseparated context provides better grounds for establishing social interactions between customer and firm. Therefore, it is hypothesised that customers who mainly rely on unseparated[U] service methods have higher levels of social benefits [H9]. As seen in Table 4.25, the results of the t-test for social benefits indicate that the two groups differ significantly and the effect size of the difference is large (Cohen's *d* = .7). Participants who use unseparated methods show higher levels of social benefits (M= 4.38) than those using separated service delivery method (M=3.44). Therefore, the results reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported.

Table 4.25: Social Benefits t-test Results (H9)

Construct	*n*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Social Benefits								
Unseparated[U] *Sample*	228	4.38	1.32					
Separated[S] *Sample*	364	3.44	1.34	4.76	8.309[a]	489.2	.000	0.70

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.2 Confidence Benefits (H10)

For the construct of confidence benefits, it is argued in this study that customers in the unseparated[U] sample have higher levels of confidence benefits (H10). The assumption is partially based on the idea that unseparated service delivery provides

them with more information about their exchange partner, thus reducing their anxiety. The results of the t-test shown in Table 4.26 indicate otherwise. Although the H0 is rejected with probability levels exceeding 99 per cent, the direction is not what is hypothesised. Customers using the separated[S] sample statistically have higher levels of confidence benefits (M=5.36) than the unseparated[U] sample (M= 4.58) based on the results of the independent-sample t-test. The magnitude of this difference between the groups is also large, based on the results of Cohen's *d* test (-.76). The equal variance is *not* violated in this test; therefore, traditional t-test statistics are used and reported.

Table 4.26: Confidence Benefits t-test Results (H10)

Construct	*N*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Confidence Benefits								
Unseparated[U] *Sample*	228	4.58	1.06	.265	-9.13[a]	590	.000	-0.76
Separated[S] *Sample*	364	5.36	.98					

[a]Equal variance assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.3 Access Convenience (H11)

It is argued in this study that the separated[S] service delivery methods provide customers with higher levels of access convenience than the unseparated methods (H11). The results of the t-test confirm this hypothesis. Customers using the separated methods score a mean of 5.52 as opposed to 4.02 for the unseparated sample. The results indicate that the difference in the mean is statistically significant and with very large magnitude (Cohen's *d* = -1.3). Therefore, the results reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported. Table 4.27 summarises the results.

Table 4.27: Access Convenience t-test Results (H11)

Construct	*N*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Access convenience								
Unseparated[U] *Sample*	228	4.02	1.42					
Separated[S] *Sample*	364	5.52	.90	57.01	-14.19[a]	343.9	.000	-1.26

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.4 Benefit Convenience (H12)

Similar to the results of access convenience, customers using the separated methods scored higher mean levels than those using the unseparated[U] sample (5.31 and 3.91 respectively), as shown in Table 4.28. Again, the power of the differences between the two groups in the level of benefits they enjoy is considerably large based on Cohen's *d* statistics (-1.11). Therefore, the results reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported. As such, (H12) is supported.

Table 4.28: Benefit Convenience t-test Results (H12)

Construct	*N*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Benefit convenience								
Unseparated[U] *Sample*	228	3.91	1.40					
Separated[S] *Sample*	364	5.31	1.11	15.66	-12.77[a]	403.2	.000	-1.11

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.5 Trust (H13)

For the variable of trust, the mean results indicate that customers using the unseparated sample enjoy higher levels of trust in comparison with the separated sample. The results are statistically different and with a moderate effect size of 0.43 based on Cohen's *d* test. Without going into much detail, and as outlined earlier, the moderate results are based on the recommended criteria offered by the literature but are context and objective-driven. For marketers and businesses, a so-called 'moderate' effect in terms of customer trust might not be so moderate given the

importance of trust in the context of marketing and business overall. For the time being, the results will be reported 'as is' and will save the discussion of their significance to marketing and to the current study's objectives to a later chapter. In conclusion, the results reject the H0 with probability levels exceeding 99 per cent, thus supporting the research hypothesis that trust is higher in the unseparated[U] context (H13) as indicated in Table 4.29. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported.

Table 4.29: Trust t-test Results (H13)

Construct	*N*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Trust								
Unseparated[U] *Sample*	228	4.89	1.09					
Separated[S] *Sample*	364	4.36	1.36	20.63	5.00[a]	590	.000	0.43

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.6 Satisfaction (H14)

For the construct of relationship satisfaction, the results indicate that the separated sample shows slightly higher levels of satisfaction than the unseparated sample ([U]M = 4.58, 4.53 respectively). However, the differences are small and statistically insignificant (p = .62). Therefore, the research hypothesis (H14) is not supported here. The results, as such, failed to reject the H0. Nonetheless, it is noteworthy to highlight that the equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported as shown in Table 4.30.

Table 4.30: Satisfaction t-test Results (H14)

Construct	*n*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Satisfaction								
Unseparated[U] *Sample*	228	4.53	1.13					
Separated[S] *Sample*	364	4.58	1.33	17.56	-.490[a]	537.1	.624	-0.04

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.7 Affective Commitment (H15)

The results of the t-test (Table 4.31) indicate that the unseparated sample shows higher levels of affective commitment in comparison to the separated sample, which supports the research hypothesis (H15). The unseparated[U] sample scored a mean of 4.54 as opposed to 4.0 for the separated sample. The Cohen's *d* estimate indicates a moderate level of effects. Therefore, the results reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported.

Table 4.31: Affective Commitment t-test Results (H15)

Construct	*n*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Aff. Commitment								
Unseparated[U] *Sample*	228	4.54	1.12					
Separated[S] *Sample*	364	4.00	1.44	29.647	4.82[a]	590	.000	0.41

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.8 Loyalty (H16)

As for the relational outcome of loyalty, the results also show higher levels of mean for the unseparated sample in comparison to the separated sample (M= 4.63, 4.1 respectively). This is consistent with the research hypothesis that the unseparated context can be effective in nourishing higher levels of customers' loyalty (H16). Accordingly, the results reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported. Table 4.32 summarises the results.

Table 4.32: Loyalty t-test Results (H16)

Construct	*n*	Mean	SD	*F*-value	*t*-value	df	*p*-value	Cohen's *d*
Loyalty								
Unseparated[U] *Sample*	228	4.63	1.10					
Separated[S] *Sample*	364	4.12	1.33	15.10	4.84[a]	590	.000	0.42

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

4.2.7.9 WOM (H17)

Like loyalty, WOM potential is shown to be higher in the unseparated sample with a mean of 4.41 in comparison to the separated sample, which scored 4.07, thus, supporting the research hypothesis (H17). However, the differences based on Cohen's criteria can be assessed as small to medium (*d*= 0.26). Nonetheless, the results reported in Table 4.32 reject the H0 with probability levels exceeding 99 per cent. The equal variance assumption is violated in this test; therefore, Welch's t-test statistics are used and reported.

Table 4.33: Loyalty t-test Results (H17)

Construct	*n*	Mean	SD	*F*-value	*t*-value	Df	*p*-value	Cohen's *d*
Loyalty								
Unseparated[U] *Sample*	228	4.41	1.17					
Separated[S] *Sample*	364	4.07	1.41	19.467	3.05[a]	590	.000	0.26

[a]Equal variance not assumed (Levene's test *p*-value < .05) therefore Welch's t-test is reported.

To sum up the findings of the t-test, Table 4.34 shows the final results, along with the decisions relative to the study's general hypotheses. As the results indicate, apart from two, the hypotheses are well supported. One of the major unexpected results here relates to the concept of confidence benefits. The results indicate exactly the opposite direction to what was hypothesised. The separated sample enjoys higher levels of confidence with their service delivery methods. As shown earlier, confidence benefits have a significant impact on all the RQ dimensions (trust, satisfaction and commitment). Now it is time to discuss all the findings highlighted in this chapter to evaluate their significance and relevance from a relationship marketing perspective.

Table 4.34: Summary of the Findings from Means Comparison Procedure

No.	Hypotheses	Outcomes
$\mathbf{H_9}$	Unseparated[U] sample has higher levels of social benefits	**Supported**
$\mathbf{H_{10}}$	Unseparated[U] sample has higher levels of confidence benefits	*Not supported*
$\mathbf{H_{11}}$	Separated[S] sample has lower levels of access convenience	**Supported**
$\mathbf{H_{12}}$	Separated[S] sample has lower levels of benefit convenience	**Supported**
$\mathbf{H_{13}}$	Unseparated[U] sample has higher levels of trust	**Supported**
$\mathbf{H_{14}}$	Unseparated[U] sample has higher levels of satisfaction	*Not supported*
$\mathbf{H_{15}}$	Unseparated[U] sample has higher levels of commitment	**Supported**
$\mathbf{H_{16}}$	Unseparated[U] sample has higher levels of loyalty	**Supported**
$\mathbf{H_{17}}$	Unseparated[U] sample has higher levels of WOM	**Supported**

5. Conclusion and Discussion

This chapter presents the final sections of this thesis. The aims of these sections are to discuss the findings and highlight their theoretical and practical significance. The overarching objective of this study is to examine the impact of service separation on customer-firm relationships. As highlighted in the introduction of this study, service separation has altered the interface between customers and service providers due to the emergence of new streams of self-service technologies. In effect, this has necessitated that service providers remodel their marketing efforts to adopt to this new service environment. The study, therefore, has endeavoured to subject traditional marketing paradigms to a new service context for which they have not been developed and in which they have not been sufficiently tested. Given that the new trend in marketing literature is to shift the focus from transactional exchange to a more relational-based exchange, it becomes only expected for a research such as this one to focus on relationally-based concepts and examine how their dynamics are evolving to cope with a changing business environment.

The following subsections re-examine each of the conceptual variables included in this study, discuss their relevant findings, and highlight any convergence or discrepancy to the extant literature. The idea here is to provide an easy-to-follow flow of discussion that takes into account the interplay between the concepts and their uniqueness at the same time. As such, the discussion begins by examining the exogenous constructs of social and confident benefits, and access and benefit conveniences. Then a detailed discussion of the relational constructs of trust, satisfaction and affective commitment follows. The final subsection then examines the impact of the service method on the outcomes of loyalty and WOM. Finally, the discussion proceeds to discuss the significance of the findings from both theoretical and managerial perspectives.

5.1 Social Benefits (H1A, B, C; H8; H9)

H1: Social benefits have a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.
H8: The association between the constructs in the model (H1-7) significantly differs across separated [S] and unseparated [U] service contexts.
H9: Customers in the unseparated [U] context have higher levels of social benefits than customers in the separated [S] context.

Social benefits have long been portrayed as one of the key outcomes of long-term customer-firm relationships. These benefits relate to customers' emotional evaluation of their relationships with their providers. It includes feelings of friendship, rapport and feelings of familiarity (Gwinner et al. 1998). The importance of this construct to marketing efforts stems from the recognised impact of such emotional aspects on customers' overall evaluation of their service providers. More specifically, social benefits can drive customers' satisfaction in the relationship and commitment to it (Hennig-Thurau, Gwinner and Gremler 2002).

In the context of this study, social benefits are of great relevance to banking customers. The banking industry is greatly dependent on long-term relationships (cf., Wu, Zhou and Wu 2011; Rajaobelina et al. 2013; Heinonen 2014). This is most specifically applicable to cultures of high-context, such as Saudi Arabia where social exchanges are expected and most often preferred to non-social exchange (Zhang, Beatty and Walsh 2008). Further, as it has been highlighted when reviewing the banking context in Saudi Arabia, social interactions are still present despite the rising popularity of separated service methods, such as online or telephone banking. The banking system in itself still relies heavily on physical branches to provide a number of services that are not yet integrated to the separated modes (e.g., updating contacts). Therefore, the opportunity for social interactions is still available regardless of customers' preference of service method. What differs in this regard, however, is the number of these exchanges. Customers who prefer unseparated

methods are understandably engaged in more social interactions with banks' employees. Those who prefer the separated methods are only engaged in such social interactions when the need (legal or regulatory) arises.

Therefore, given the anticipated levels of social interactions in the unseparated context, this thesis hypothesises that unseparated service mode generates higher levels of social benefits (H9). The results of this study clearly support this assumption. When looking at the results of mean comparison between the groups, customers who prefer the unseparated method of banking, scored significantly higher levels of social benefits than those who preferred the separated sample (M= 4.38 and M= 3.44 respectively). Given the recognised importance of social benefits to customer-firm relationships, these results have significant implications on firms' marketing efforts. At a time when marketing literature attempts to move to a relationship-oriented dogma (cf., Gummesson 2002; Vargo and Lusch 2004a), it is perturbing that their efforts can potentially be undermined by their own rush to adopt new technologies. This may sound exaggerative at this point given the complexity of the issue at hand, but a closer look at the details of the results may help paint a clearer picture.

At the moment, the results clearly indicate that the levels of social benefits derived from the relationship are greater for the unseparated sample. It is time to examine how such levels translate when examining the effects of social benefits on other relational factors. By relying on a number of theoretical foundations, one of which is social exchange theory (Thibaut and Kelley 1959; Blau 1964), and through extrapolation, this study hypothesised that social benefits have a positive and direct impact on RQ. Of particular interest here are the effects of social benefits on customers' overall trust, relational satisfaction and affective commitment. As indicated by the study's findings, the hypotheses are confirmed for both constructs. These findings corroborate other studies in this regards, most notably the study of Hennig-Thurau, Gwinner and Gremler (2002), albeit their study looked at the effects of social benefits based on a unified sample. However, the effects of social benefits are found to vary in strength between the two samples at hand. In particular, social

benefits are found to be the strongest indicator of trust in the unseparated sample (std. est. = 717), and the weakest, although remains significant, in the separated sample (std. est. =.389). Further, as shown in the group moderation sections, this observed difference in the link between social benefits and trust is statistically significant ($p < .05$).

The variations in the impact of social benefits on trust can be explained by the characteristics of each context. In the unseparated sample, customers have the potential to evaluate the services, the employees and the general atmosphere; thereby customers are better equipped to develop their own evaluation of the risks associated with the exchange. Such evaluations can have less ambiguity given their first hand observation. This goes hands in hand with the definition of trust as the party's own evaluation of the reliability and integrity of their exchange partner (Morgan and Hunt 1994) that is shown to be driven by social interactions and reciprocity (Rousseau et al. 1998). In the separated sample, however, such levels of certainty can be unattainable. The online environment contains a number of additional risks and uncertainties given the spatial and temporal separation created by such an environment. These elements may include system-dependent (e.g., technical difficulties) and/or transaction specific risks (e.g., lack of sufficient information) (Grabner-Kraeuter 2002). Given such levels of uncertainty, coupled with lower levels of social interactions that could mitigate these risks, the association between social benefits and trust can understandably suffer as a result, as is the case in this study.

When examining the impact of social benefits on affective commitment, similar observations emerge. Social benefits are found to positively influence affective commitment in both contexts. Likewise, however, the impact is stronger in the unseparated (std. est. = .663) than separated sample (std. est. = .400). As is the case for trust, the group differences in this regards are statistically significant. Undoubtedly, it is not unrealistic to argue that such differences can be attributed to the level of social benefits being received and the contextual differences between the two samples.

Affective commitment is another emotional construct that encompasses one's identification and sharing of similar values with exchange partner (Allen and Meyer 1990). It is also highly related to the levels of uncertainty and ambiguity. From a social theory perspective, commitment is a function of mitigating uncertainty. In other words, a person may commit to a known exchange partner for the sole reason of avoiding having to deal with another unknown partner (Cook, Cheshire and Rice 2013). Given that in the separated sample the levels of social benefits are lower (hence familiarity with the partner is lower), and that the separated context poses additional uncertainty levels (Grabner-Kraeuter 2002; Harridge-March 2006), it seems reasonable to see the impact of social benefits on commitment to drop in comparison to unseparated sample as evident in the results of this study.

As to the impact of social benefits on relationship satisfaction, the data analysis presents interesting conclusions. The impact of social benefits on satisfaction is both positive and significant for both contexts, thus supporting the hypothesis of this study. However, this study hypothesises that the impact of social benefits on satisfaction is different between the groups. This has not materialised, which, in retrospect, can be explained by a number of factors. Satisfaction is conceptualised in this study as customers' overall assessment of the relationship with their service provider (De Wulf et al. 2002). To this end, social benefits, by working on creating social bonds between partners, can help increase the perception of the quality of the relationships and therefore levels of satisfaction (Reynolds and Beatty 1999; Gremler and Gwinner 2000). When such social benefits are reduced, it is logical to extrapolate, *ceteris paribus*, that satisfaction levels will be equally reduced or vice versa. It is only when the interactions between social benefits and satisfaction become influenced by another unknown issues (e.g., contextual differences) that this linear link can be interrupted. For example, when examining the links between social benefits on the one hand, and trust and affective commitment on the other, the group differences were explained by the rise in the uncertainty levels generated by the difference in context. For satisfactions, these changes are seemingly irrelevant. This can be attributed to the nature of satisfaction development, which is more rational

than the other two relational constructs (e.g., Anderson and Narus 1990; Caro and García 2007).

It is noteworthy here that the link between social benefits and satisfaction is found to be positive and significant in both samples, a finding that is contrary, for example, to Hennig-Thurau, Gwinner and Gremler (2002) and Molina, Martin-Consuegra and Esteban (2007). Hennig-Thurau, Gwinner and Gremler's (2002) study, for instance, which can be considered one of the earliest to examine the connexion between social benefits and satisfaction, failed to establish a significant relationship between these two constructs, and surprisingly neglected to elaborate on the possible cause of such a phenomenon. In hindsight, the different outcomes between Hennig-Thurau, Gwinner and Gremler's (2002) study and the findings portrayed in this thesis can be attributed to cultural differences between the samples. Saudi Arabia, as mentioned earlier, is a high-context society where social interactions are fundamental features of both business and social relationships. In such contexts, there is high involvement between the units in the society (Kim, Pan and Park. 1998). Therefore, the social bond on which satisfaction is hypothesised to be influenced (in this study as well as in Hennig-Thurau, Gwinner and Gremler (2002)), is much more prominent. Other studies have also pointed out the effects of high/low contexts on customers' perception of satisfaction (e.g., Voss et al. 2004; Java et al. 2007).

5.2 Confidence Benefits (H2A, B, C; H8; H10)

H2: Confidence benefits have a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

H8: The association between the constructs in the model (H1-7) significantly differs across separated [S] and unseparated [U] service contexts.

H10: Customers in the unseparated [U] context have higher levels of confidence benefits than customers in the separated [S] context.

As pointed out earlier, confidence benefits relate to customers' overall feeling of reduced uncertainty and ambiguity (Gwinner et al. 1998). Drawing on SET (Thibaut and Kelley 1959; Blau 1964), the literature offers a number of explanations for customers' sense of confidence (or lack of). For example, Sheth and Parvatiyar (1995) point out those customers typically seek to engage on long-term relationships with their supplier as a method of risk reduction. Having known a particular service provider from previous engagements, customers often are able to ascertain with some levels of certainty what to expect from the provider in future dealings. Therefore, the risks associated with the exchange are minimised with every passing transaction. Such risk minimisation efforts on the part of customers increase their confidence in the exchange partner and their unwillingness to switch to other alternative; hence, they become committed to the relationship (Dwyer, Schurr and Oh 1987; Dagger and O'Brien 2010). This process, as suggested by Dwyer, Schurr and Oh (1987), develops over time and is weakened or strengthened by the number of interactions between the parties, and the quality of the interactions. Based on these assumptions, this thesis hypothesised that confidence benefits have a direct and positive impact on the construct of RQ (H2a, b, c). Further, given that the social interactions permitted in the unseparated context provides better grounds for such processes to develop, this study hypothesised that customers who use the unseparated sample perceive higher levels of confidence benefits (H10).

As to the levels of confidence benefits between the groups, the results of t-test and Cohen's *d* analysis indicate significantly strong difference between the unseparated and separated sample that is contrary to the hypothesis. The results indicate that the separated sample (M = 5.36) have higher levels of confidence benefits than unseparated (M = 4.58) with a Cohen's *d* value of -.076. At first, these findings seem unexpected given that the unseparated context tentatively provides customers with greater opportunity to gather more information about their exchange partner, as suggested by a number of studies (cf., Keh and Pang 2010; Dagger and O'Brien 2010; Yen et al. 2014). In retrospect however, one could argue the results may be truer than expected. Separated service methods provide customers with arguably more control over the process. For example, when conducting online banking, a

person chooses the time and location of the transaction, and has more confidence in the outcomes since he or she is no longer dependant on the performance of another human (e.g., bank's employee). Therefore, banking customers can eliminate the risk of another human's error and/or exploitation for instance.

Keh and Pang (2010) argued that service separation increase customers' perception of risks (psychological and performance related risks). However, these perceptions were partially affected by customers' technology-related anxiety. The authors suggest that customers' technology anxiety may have increased their perception of having less control over the process. In the current study however, the separated sample scored significantly higher levels of internet proficiency (M = 5.6) than those unseparated customers (M = 4.6). It seems logical therefore, to argue that separated sample perceived internet competency, in this study at least, may have played a role in increasing their perception of control, and consequently, their confidence levels in the separated context. This is a reasonable assumption given that customers ultimately choose the method of banking that is most suited to their needs and capabilities. In general, banking in Saudi Arabia up to this point in time offers both methods freely without imposing significant penalties or offering any additional incentives for selecting one method over the other.

As to the links between confidence benefits and RQ's constructs, the findings reported in the results chapter indicate mixed conclusions. For the unseparated sample, the link between confidence benefits and trust is supported ([U]H2a). Yet, for the separated sample, the link between confidence benefits and trust is not supported ([S]H2a). Although the link between confidence benefits and trust in online environment has not been examined in previous studies, it is still relevant to compare the results to previous studies that examined the link in different contexts. For instance, Dagger and O'Brien's (2010) findings indicate a strong link between confidence benefits and trust. Their study, nonetheless, examined the differences of the effect of confidence on RQ constructs between novice and experienced users. Their findings indicate that confidence benefits significantly affect the relational construct of trust in both groups. On the other hand, Lacey (2007) failed to find such

significant relationships. Lacey's study utilised two large samples drawn from different industries (retail and hospitality). In both these contexts, the findings indicate no relationships between confidence benefits and trust. The author in his discussion attributed such results to the 'strong overlap between these two constructs' (Lacey 2007, 328).

Since, in this study, the link between confidence benefits and trust is found in one context and not the other, the underlying reasons need be more than just a result of a supposed overlap. As stated earlier, confidence benefits relate to customers' evaluation of the risk associated with the exchange (Sheth and Parvatiyar 1995; Gwinner et al. 1998; Lacey 2007). With such operationalisation, the confidence (or lack of) relates to the *process* of the exchange as whole. This process may include human elements (unseparated context) or be purely automated (separated sample). Trust in this study is operationalised as a direct reflection of customers' perception of the integrity of the exchange partner, rather than trust in a process as commonly used in online trust literature (cf., Bart et al. 2005; Beldad, de Jong and Steehouder 2010). Given these underpinnings, it is of no surprise that the link between confidence benefits and trust only materialised in the unseparated contexts. The unseparated context includes human elements to which trust can be directed. In the separated contexts, the lack of human elements in the exchange process renders the association between confidence benefits and *relationship trust* (as conceptualised in this study) inapplicable.

In fact, it is this very nature of confidence benefits as a rational risk evaluation and mitigation technique that could explain the failure to support the link between it and affective commitment in both groups in this study. As the results of the structural equation modelling indicate, confidence benefits have no direct relationship with affective commitment in both contexts, thus rejecting hypotheses [U][S]H2c. Again, this corroborates some studies and conflicts others. For instance, Hennig-Thurau, Gwinner and Gremler's (2002) study failed, as is the case in this study, to find a relationship between confidence benefits and commitment. On the other hand, Dagger et al. (2011, 274) examined the link between confidence benefits and

commitment in nine different service contexts and found a strong link between these constructs. Erroneously however, these authors claimed that their result corroborates the findings of Hennig-Thurau, Gwinner and Gremler (2002). As highlighted earlier, Hennig-Thurau, Gwinner and Gremler (2002, 242) found an 'insignificant relationship between confidence benefits and commitment' (242). Nonetheless, the link between confidence benefits and commitment has also been established by Lacey (2007) and Kim and Ok (2009). Noteworthy however, that out of these studies, only Lacey (2007) and Kim and Ok (2009) examined affective commitment as a sub-dimension rather than the unidimensional concept of commitment that may incorporate elements other than emotional attachment.

As to the findings of the thesis in terms of the relationship between confidence benefits and satisfactions, no surprises were found. The relationship is significant and strong in both contexts. This is consistent with previous studies, namely those of Hennig-Thurau, Gwinner and Gremler (2002), Kinard and Capella (2006), Molina, Martín-Consuegra and Esteban (2007). The findings emphasise the rational nature of both confidence benefits and satisfaction that transcend contexts. Regardless of whether human interaction is available or not, confidence benefits have been shown to exert significant impact on customers' satisfaction levels. These findings emphasise the importance of buildings customers' confidence in firms and their processes. Customers, as previously pointed out, expect a higher level of services that goes beyond the core service (Gwinner et al. 1998) and instilling confidence in them goes a step in that direction, regardless of the method by which the service is being offered.

5.3 Convenience (H3A, B, C; H4A, B, C; H8; H11–12)

H3: Access convenience has a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.
H4: Benefits convenience has a positive impact on customers' (a) trust, (b) satisfaction and (c) affective commitment.

H8: The association between the constructs in the model (H1-7) significantly differs across separated [S] and unseparated [U] service contexts.
H11: Customers in the separated context [S] have higher levels of access convenience than customers in the unseparated [U] context.
H12: Customers in the separated context [S] have higher levels of benefits convenience than customers in the unseparated [U] context.

Service convenience relates to customer's perception of time and effort needed for a given service (Berry, Seiders and Grewal 2002). Past literature has repeatedly highlighted the importance of convenience to service delivery process given its impact on customers' perception of service quality, satisfaction, fairness and overall evaluation of firms' offerings (Seiders et al. 2007; Keh and Pang 2010; Thuy 2011; Nguyen, DeWitt and Russell-Bennett 2012). This study, as highlighted earlier, utilises two distinct dimensions of convenience, namely access and benefit conveniences (Seiders et al. 2007). These two constructs are found to be most applicable to the contexts examined and to the concept of service separation (Keh and Pang 2010).

Accordingly, this thesis hypothesises that access and benefits conveniences have a positive and direct impact on the RQ constructs of trust, satisfaction and affective commitment ($^{[U][S]}$H3a, b, c, and $^{[U][S]}$H4a, b, c respectively). Further, the study hypothesises that the levels of convenience are far greater in the separated context than in the unseparated contexts (H11 and H12). The results of this study, however, provide a number of unexpected findings that may challenge some of the common perceptions of the importance of convenience that is often reiterated in the literature. It needs to be noted here that the concept of convenience is a relative newcomer to service literature. It has yet to be fully understood given the complexity of the service industries and the susceptibility of the construct of convenience to changes in contexts, cultures and service types (Seiders et al. 2007; Kaura, Prasad and Sharma 2013; Lai, Ulhas and Lin 2014). Indeed, the results of this study attest to the volatility of the concept of convenience.

As to examining the levels of the two types of conveniences between the two service delivery contexts of this study, the results indicate significant and very strong differences between the groups. The separated samples clearly enjoy higher levels of access and benefit conveniences than the unseparated samples. The separated sample scored a mean 5.52 with a Cohen *d* of -1.3 for access convenience as opposed to a mean of 4.02 for the unseparated sample. Similarly, the separated sample scored a mean of 5.31 with a Cohen *d* of -1.11 for benefits conveniences as opposed to only 3.9 for the unseparated sample. These results confirm the hypotheses (H11 and H12) that stipulate that the separated context offers better levels of two types of convenience to customers. No doubt that remote banking (online or telephone) offers customers a convenient method that requires less time and efforts on their part. Therefore, from a purely functional point of view, offline-banking using physical branches offers no contest to online or telephone banking. However, whether this superiority of the separated sample translates to closer and better relationships between customers and firms is an entirely different issue as the results indicate.

When examining the impact of access and benefits conveniences on customer-firm RQ, the results show that convenience, for the most part, is an extraneous concept to the development of RQ. This is more evident in the unseparated contexts. Access and benefits conveniences have an insignificant impact on any of the RQ constructs. Even in the separated sample, where customers enjoy significantly higher levels of conveniences, there is no significant impact on trust or commitment. The only significant relationship established in the results is between access convenience and satisfaction, although statistically weak (std. est. = .13).

These results present contrasting views to a number of studies in the extant literature and, in doing so, provide new insights into the interactions between convenience and customer-firm relationships. Past research on conveniences, albeit limited, has presented a mixed bag of results pertaining to the relationship between convenience, on the one hand, and customers' satisfaction, trust and commitment on the other (Thuy 2011; Wu 2011; Nguyen, DeWitt and Russell-Bennett 2012). Nonetheless, it needs to be reiterated here that the current study is the first in the literatures that examines the impact of access and benefits conveniences on the constructs of RQ

while taking into account the impact of social interactions and service separation. Further, unlike previous studies (cf. Seiders et al. 2007; Wu 2011; Kaura, Prasad and Sharma 2013; Lai, Ulhas and Lin 2014), this study examines access and benefits conveniences in a high-context culture and in high credence service contexts simultaneously.

Previous research into the interplay between services types and attributes on customer-firm relationships has often highlighted that customers' evaluation and responses differ depending on contexts and service types. Credence services, such as banking, often present higher levels of risks and complexity (Keh and Sun 2008; Mann and Kaur 2013). Therefore, customers' evaluations are often based on relational aspects that help mitigate such trepidations (Ennew and Binks 1999; Wu 2011). In this instance, customers-firm relationships and interpersonal relationships are more central to customers' overall evaluation than purely functional attributes, such as convenience (Ennew and Binks 1999; Fiol, Callarisa, Tena and García 2011). Given such characteristics of credence services, it is of no surprise that the high levels of conveniences failed to affect customers' trust and commitment in the relationships specifically.

Prior research into the importance of service conveniences (ease of access in particular) has indicated that it can play a major role in locking customers into long-term relationships (Rowley 2005). However, as the results of this study show, such impact of conveniences is contingent on the type of service examined and the risk associated with such a service. Convenience may play a major role where services are routine, simple and require low involvement (Devlin 1998; Wu 2011). However, for high involvement and high risks services, in contrast to conventional wisdom mere access and benefits conveniences are not robust predictors of successful customer-firm relationship (Jones, Mothersbaugh and Beatty 2003).

5.4 Relationship Quality (H5A, B; H6A, B; H7A, B; H8; H13–15)

H5: Trust has a positive impact on (a) loyalty and (b) WOM.

H6: Relationship satisfaction has a positive impact on (a) loyalty and (b) WOM.
H7: Affective commitment has a positive impact on (a) loyalty and (b) WOM.
H8: The association between the constructs in the model (H1-7) significantly differs across separated [S] and unseparated [U] service contexts.
H13: Customers in the unseparated [U] context have higher levels of trust than customers in the separated [S] context.
H14: Customers in the unseparated [U] context have higher levels of relationship satisfaction than customers in the separated [S] context.
H15: Customers in the unseparated [U] context have higher levels of affective commitment than customers in the separated [S] context.

Customer-firm RQ has been the focal interest for services and relationship marketing literature over the past two decades (Crosby, Evans and Cowles 1990; De Wulf et al. 2001; Palmatier et al. 2006). The crux of such an emphasis on customer-firm relationships reflects a common recognition among scholars and practitioners of the importance of nourishing and maintaining a successful and healthy connection to the survival of businesses. In this study, RQ is conceptualised as a higher order construct composed of trust, affective commitment and relationship satisfaction. A major component of such a conceptualisation of RQ in marketing is rooted in SET (Blau 1964) that encompasses elements of risks, interdependence and reciprocity (Rousseau et al. 1998). SET posits that social interactions are fundamental elements of the development of mutual reciprocity and interdependence that breeds confidence, trust and commitment between parties in the exchange (Cook and Emerson 1978; Morgan and Hunt 1994). Therefore, building on these underpinning theories, this study brings about a number of hypotheses pertaining to customers' levels of trust, affective commitment and relationship satisfaction and how the interplay between these constructs influences loyalty and WOM.

In particular, one of the main arguments presented in this study relates to customer-firm interactions and how different contexts affect such interactions. The study hypothesises that the over reliance on new information technologies has created a social gap between customers and their service providers that could have a profound

impact on firms' relationship building efforts. More specifically, the separation between customers and firms that is facilitated by new self-service technologies is reducing social interactions; in doing so, it affects customer-firm RQ and ultimately their loyalty. The initial findings indicated earlier attest to this reduction in social connection. As shown earlier, customers in separated contexts receive fewer social benefits from their relationship with their banks. Customers as such are socially less familiar with their providers. To further understand the significance of these issues, a closer look at the results pertaining to the RQ constructs is warranted.

To first appreciate the impact of service separation on customer-firm RQ, the results of mean comparison are discussed. The results clearly reflect the impact of service separation on customer-firm RQ, particularly on trust and affective commitment. As the results show, the unseparated sample scored significantly higher levels of trust and commitment to their banks than the separated sample, despite the high levels of conveniences and confidence benefits offered by service separation. As to satisfaction, there were no significant differences between the groups in the study. These findings undoubtedly reflect the impact of social interactions on customer-firm RQ. As stated, in the separated contexts, it has been established that customers enjoy higher levels of convenience and confidence benefits, but they experience lower levels of social benefits. As a result, it can be argued that due to the weakness of their social benefits, customers' trust and commitment are significantly lower, especially considering that the results of this study clearly show that social benefits are the strongest predictors for all the relationship constructs and in both contexts.
On the other hand, confidence benefits and conveniences clearly have positive effect on satisfaction. As highlighted earlier, access conveniences have a direct and positive impact on satisfaction in the separated context, as do confidence benefits.

Therefore, it can be argued that while service separation may have adversely affect\ed customers' trust and commitment, it can make up for it by increasing their satisfaction levels. For such a claim to materialise, however, satisfaction has to be the strongest indicator of the ultimate relational outcomes sought by firms, namely loyalty and WOM. Not only that, the impact of satisfaction has to be so strong that it

can generate higher or at least equal levels of loyalty and WOM among customers. The overall findings of this study indicate that this is evidently not the case. Before expanding on this particular point, however, the unseparated sample, the benchmark in this study, is first considered for further discussion.

When looking at the impact of the relationship constructs on loyalty and WOM, it is evident that the unseparated sample trust is the strongest indicator of both loyalty and WOM (std. est. = .412 and .299 respectively). Satisfaction is the second strongest indicator for loyalty and third strongest for WOM (std. est. = .275 and .190 respectively). Affective commitment is the third strongest impact on loyalty and the second on WOM (std. est. = .159 and .269 respectively). These findings are largely consistent with previous studies examining the antecedents of loyalty in relationship marketing literature (e.g., Garbarino and Johnson 1999; Kumar, Pozza and Ganesh 2013; Brun, Rajaobelina and Ricard 2014). Indeed, Pan, Sheng and Xie (2012) revealed that, having reviewed tens of marketing studies in their synthesis of the antecedents of loyalty, it is evident that trust has the highest impact and effect size on loyalty in comparison to a number of other predictors including satisfaction and commitment, which were also identified as critical factors in predicting customers' loyalty.

As to the results of separated sample, satisfaction took the leading role in predicting loyalty and WOM. Indeed, relationship satisfaction in the separated sample is practically twice as powerful as trust in predicting loyalty (std. est. = .347 for satisfaction vs. .169 for trust) but only marginally higher for WOM (std. est. = .353 for satisfaction vs. .323 for trust). Affective commitment is the second highest predictor of trust and third highest for WOM (std. est. = .293 and .195 respectively).

The discrepancy in the results between the two samples is indeed insightful and thought provoking. To understand this discrepancy, it is necessary to examine the contexts from which the data are drawn. As indicated earlier, relationship marketing literature identifies a continuum of association with transactional relationship on the one hand and relational exchanges on the other (Dwyer, Schurr and Oh 1987).

Transactional exchanges reflect repetitive purchases or exchanges that incorporate little or any personal relationships or obligations whereas relational-based exchanges incorporate elements of social interactions, mutual benefits, measureable levels of trust and commitment (Dwyer, Schurr and Oh 1987). Thus, customers' evaluations of the importance of relational elements such as trust, commitment and satisfaction, can be highly influenced by their position on the relationship continuum. Indeed, Garbarino and Johnson's (1999) study confirmed such a phenomenon. In their study, the authors identified two types of customers based on their interaction levels with their provider (transactional v. relational). Their findings indicate that for customers who engage or repetitive transactional exchanges, overall satisfaction was considered the primary indicator of future intentions and behaviours (e.g., loyalty). Conversely, for participants described as relational customers, trust and commitment were the primary factors affecting their future behavioural intentions. The findings of this thesis are, to a large extent, consistent with Garbarino and Jonhson's study (1999). In fact, the findings confirm this study's overall goal in identifying the impact of service separation on customer-firm relationships. The study argues that the increasing reliance on separated services is, to a large extent, reducing the levels of social interactions and relationships, and eliminating any obligations for future exchanges, at least from a relational standpoint; in doing so, effectively moving customers from the relational side of the continuum to the transactional side. How much separation is affecting customers' behavioural intentions (loyalty and WOM in this study) can be gauged by examining the results pertaining to these two constructs.

5.5 The Relational Outcomes of Loyalty and Word-of-Mouth (H16–17)

H16: Customers in the unseparated [U] context have higher levels of loyalty than customers in the separated [S] context.

H17: Customers in the unseparated [U] context have higher levels of WOM than customers in the separated [S] context.

Customers' loyalty and advocacy are two of the most fundamental assets to the success of any for-profit business (Reinartz and Kumar 2002; Toufail, Ricard and Perrien 2013; Reichelt, Sievert and Jacob 2014). The importance of these two concepts reflects an agreement in marketing literature pertaining to their impact on firms' overall profitability and survivability (Brown et al. 2005; Rauyruen and Miller 2007). For this, the current study includes these constructs as the two key relational outcomes. Up to this point in the discussion of the results, the overall findings indicate significant differences between the two groups examined. The results also show that service separation indeed affects the development of RQ between customers and their providers, namely their banks in this study. Having substantiated the impact of service separation on the dynamics of RQ, it is time to investigate how this impact translates to meaningful and measurable effects. In other words, the consequences of such an impact need to be understood. From a relationship marketing perspective, the ultimate goals of any marketing activity ultimately boil down to retaining a loyal customer base (Oliver 1999; Reichheld, Markey and Hopton 2000; Wu, Zhou and Wu 2011).

In the previous subsection, it was noted that in the separated context, satisfaction is the primary indicator of customer loyalty and WOM. Based on this, it was argued that it is possible that service separation can overcome its shortage in creating similar levels of commitment and trust to the unseparated context if (1) it produces higher levels of satisfaction in the separated sample, and (2) the impact of satisfaction is so strong that it can generate higher levels of loyalty and WOM. In the previous discussion, it was noted that there was no significant difference in satisfaction levels between the groups, nonetheless satisfaction was the strongest predictor of loyalty and WOM, whether this is sufficient can be examined by discussing the results of loyalty and WOM means between the groups.

The results clearly indicate that despite the high impact of satisfaction on both constructs in the separated context, loyalty and WOM have suffered because of service separation. Customers in the unseparated sample enjoy significantly higher

levels of loyalty and are more active in their advocacy. These results further indicate that the effect size of such difference is strong, specifically for loyalty where it scored a Cohen *d* of .42. As argued herein, service separation has indeed moved customers from a relational platform to a transactional platform that, from a SET perspective, is not suited to develop mutual obligations and benefits. SET is at the heart of relationship marketing as it provides the foundations on which trust, commitment, mutual benefits and obligations are built (Morgan and Hunt 1994; Luo and Donthu 2007). Indeed, the results for the most part support these assertions. Not only did service separation generate lower levels of trust and commitment, its impact is noticeable where it matters most, on customers' loyalty and advocacy.

To further understand the significance of the above results, the following subsection re-examines the findings and discusses their implications from both theoretical and managerial perspectives.

5.6 Theoretical Implications

This study makes a number of theoretical contributions that further advances our understanding of the dynamics of customer-firm relationships. From the outset, it has been emphasised that there is a distinct paucity of research into the impact of service separation on customer-firm relationships. Service separation reflects customers' absence from the production of services (Keh and Pang 2010) and in the context of this study, separation is accentuated by the over reliance on self-service technologies, particularly in the financial industry. To date, the greater part of service and marketing literature has been based on the traditional (offline) environment (Athanasopoulou 2009; Keh and Pang 2010), leaving a noticeable gap pertaining specifically to the impact of new technical developments on customer-firm relationships (Walsh et al. 2010; Johns 2012; Paluch and Blut 2013; Brun, Durif and Ricard 2014). As such, the primary contribution of this thesis is that it addresses this gap by providing a number of useful insights that highlight the need to re-examine the current thinking in both theoretical and practical realms.

As such, one of the main contributions of this thesis is that it methodologically addresses the concept of service separation by building and validating a conceptual framework of customer-firm relationships that takes into account the multifaceted nature of service separation. Taking a lead from Keh and Pang (2010), this thesis fills a clear gap in the extant literature pertaining to the impact of service separation on customer-firm relationship and customers' loyalty and WOM. Indeed, this is the first study in marketing literature that takes a holistic approach in examining the concept of service separation by examining the relational and functional benefits of separated context, the impact of such benefits on customer-firm RQ, and ultimately, on customers' overall loyalty and WOM—all while comparing such dynamics to a traditional service context.

Further, a major contribution of this thesis is that it evokes the need to re-examine current thinking in relationship marketing. Certainly, for the most part, contemporary marketing literature, particularly relationship marketing, is rooted in various theoretical underpinnings that have been developed for, tested in, and modelled to fit traditional offline business environments (Walsh et al. 2010). One such underpinning theoretical concept is SET, which has been one of the most commonly cited and used theoretical concept in relationship marketing (cf., Dwyer, Schurr and Oh 1987; Anderson and Narus 1990; Crosby, Evans, and Cowles 1990; Morgan and Hunt 1994; Möller and Halinen 2000; Hunt, Arnett and Madhavaram 2006; Brun, Durif and Ricard 2014). SET to a large extent forms the backbone of RQ literature in that it provides the underpinning theoretical mechanism to explain the dynamics between the constructs of RQ, particularly the dynamics between commitment and trust (Morgan and Hunt 1994; Möller and Halinen 2000). From a relationship marketing perspective, the defining power of SET relates its identification and explanation of the relational interdependence that develops between parties in the exchange that, over time, leads to the development of trust and commitment (Dwyer, Schurr and Oh 1987; Morgan and Hunt 1994; Lambe, Wittmann and Spekman 2001; Nunkoo and Ramkissoon 2012).

Initially conceptualised in social sciences to assess interactions between individuals (Blau 1964), one of the major assumptions on which social exchange theory has been developed (and inherently any theories built upon it or conclusions drawn from it) is that the parties need to engage in social interactions as a method of exchange (Lambe, Wittmann and Spekman 2001). It is through social interactions and exchanges between individuals, SET posits, that we move from purely economic exchanges of tangible elements such as products (or services for that matter) to intangible elements, including the social rudiments of friendship and rapport that nurture trust and commitment (Blau 1964; Lambe, Wittmann and Spekman 2001).

The preceding recap of SET literature is intended to strictly emphasise one important issue: social interactions are the *sine quibus non* of social exchange; service separation, exemplified by self-service technologies, is to a large extent violating this assumption on which social exchange theory is built. In its purest form, service separation eliminates social interactions. Therefore, one of the early issues raised by this thesis relates to whether current relationship marketing theories such as commitment-trust theory (Morgan and Hunt 1994), which are built upon the concept of social exchange, are transferrable to the separated environment (e.g., online environment). The findings of this thesis have, to a large extent, helped in answering part of this all-encompassing question. Understandably, due to many practical limitations, a comprehensive answer is not unattainable. For that, the study focused on the major conceptual framework of RQ to examine the impact of service separation not only on the relational outcomes of loyalty and WOM, which are understandably the ultimate goals of relationship marketing, but rather on the underpinning theoretical grounds on which RQ literature in itself is established. In doing so, the results provide a significant contribution to relationship marketing literature and fill a clear gap in our understanding of how the expansion of the digital age is affecting the very ground on which relationship marketing stands (Brun, Durif and Ricard 2014).

Based on the findings in this thesis, it can safely be assumed the constructs of satisfaction, trust and commitment, which constitute the higher order construct of RQ, are to some extent applicable to separated environments. The constructs were

found to be relevant and significant in both contexts and have to a degree succeeded in predicting both loyalty and WOM. However, part of the issues relate not only to whether the constructs are valid in separated contexts, but also on how the dynamics of RQ differ between contexts; the findings clearly show significant differences that both scholars and practitioners need not to overlook. In the offline environment, trust and commitment played the leading roles in influencing both loyalty and WOM. This is consistent with social exchange literature that highlights the importance of these two constructs in building long-term relationships. In the unseparated contexts, banking customers enjoy significantly higher levels of social interactions and benefits. Thus, as suggested by social exchange literature, such social interactions inevitably have created some levels of interdependence, friendship, rapport and sense of reciprocal obligations leading customers to trust and commit to the relationship. The findings clearly support such deduction. It is noteworthy here to recall that these findings are consistent and significant, despite the fact that unseparated customers were forthright in accepting that an unseparated context is far less convenient, which attests to the power of social interaction in building successful customer-firm relationships and increasing customers' overall loyalty to the their exchange partner.
Interestingly, these findings were not replicated in the separated context; trust and commitment were, but on the backburner. The convenience of the separated method, along with the higher level of confidence, singled out satisfaction as the highest predictor of loyalty and WOM. These findings clearly demonstrate a clear shift in priorities in the online banking context and further illustrate the changing dynamics of RQ, a point that has been highlighted by Walsh et al. (2010), which considerably challenges the assumption that online context is relational in nature (cf., Harris and Goode 2004). Of the three RQ constructs, satisfaction is the only concept that reflects a mixture of relational and transactional benefits; for it to be underlined as the key factor in the exchange supports the notion maintained in this study that the separated environment is indeed shifting the exchange from a relational side of the relationship's continuum to the transactional side.

Another contribution of this study pertains to methodological approach to examine the concepts at hand. As highlighted by Fullerton (2014, 657), the issues of

relevance to marketing at this stage of development is not whether there is a relationship between the various relational constructs (an issue dealt with extensively in the literature) but rather on 'understanding the conditions under which the relationship is strong or weak'. Fullerton (2014), in this instance, was referring to the connection between service quality and loyalty; however, his sentiment is applicable to broader relational subjects as well, particularly to the relational concepts examined in this thesis. This thesis not only provides support to the relationships between the construct, but highlights the significance of relationships, the strength and directions, and in doing so evaluates the different conditions under which these relationships change.

Such a systematic approach revealed a number of theoretically interesting issues that exemplified the complexity of modelling customer-firm relationships and that otherwise would not have been possible had the thesis only focused on the supporting the linkage between the constructs. Of particular importance is what Reichheld, Markey and Hopton (2000, 137) referred to as the 'satisfaction trap'. According to the authors, the over reliance on customers' satisfaction is undermining the link between customers and their providers and represents a dangerous oversimplification of the complexity of customers' behaviour; a sentiment that is echoed by a number of other scholars (cf., Oliver 1999; Harris and Goode 2004; Wu, Zhou and Wu 2011). A fine depiction of the 'satisfaction trap' is the study of Wu, Zhou and Wu (2011). The authors argue that their findings indicate that the impact of satisfaction on loyalty is curvilinear in nature in that up to a certain level any increase investment on satisfaction may 'find no corresponding improvement in customer loyalty' (1771). The findings of this thesis provide a hint of support to such conclusions. Despite the high levels of satisfaction in the separated context, customers' loyalty and WOM were significantly lower in comparison to the unseparated contexts.

Arguably, the results of this thesis may point to possibly another so-called 'trap': the convenience trap. Convenience literature is admittedly growing. However, this thesis is one of the first to examine the impact of convenience on RQ in a holistic manner;

in doing so, it highlights the limitation of convenience. As the results indicate, convenience is largely irrelevant particularly to the unseparated sample. The only convenience-related significant impact measured in this study is between access convenience and satisfaction in the separated context. As such, convenience may be considered a complement to satisfaction, which, in light of the preceding discussion on 'the satisfaction trap', should not be overemphasised. This particular point will be discussed further in the following managerial section.

5.7 Managerial Implications

The managerial implications of the results of this thesis are manifold. As highlighted earlier, this thesis is first to examine the impact of service separation on the interplay between diverse relational constructs and outcomes. In doing so, it answers a number of key questions that may help interested managers and practitioners to learn a great deal about building and maintaining strong customer-firm relationships while taking into the account the changing dynamics of the service environment and customers' needs. Given that this thesis examined and tested the framework using banking customers, the managerial implications are therefore particularly relevant to the banking industry.

In general, the banking industry is one of the leading investors in information technologies over the last two decades (El-manstrly, Paton, Veloutsou and Moutinho 2011), while at the same time one of the leading industries in its focus on building and sustaining long-term relationships (Foscht et al. 2009; Heinonen 2014). These two elements render the industry particularly vulnerable to the consequences of service separation. It is commonly acknowledged that banks in today's intensely competitive environment are becoming increasingly unified in their offerings. Their products and services are becoming commodities that provide banks with little if any differentiating competitive advantage. With such limitations from an offering perspective, banks have placed tremendous efforts in establishing and maintaining long-term relationships with their customers as a means to establish such a competitive advantage (Rajaobelina et al. 2013; Samaha et al. 2014). Hence, from

the perspective of the banking industry, the findings of this study relate to one of the biggest challenges facing it: maintaining a loyal customer base (Heinonen 2014), a problem that is the underpinning issue behind this thesis objective.

Overall, the findings indicate that banking efforts in establishing strong bonds with their customers are relevant across the two service delivery modes identified in this thesis. In both contexts, RQ is an effective tool to strengthen customers' loyalty and WOM intentions. However, what bank managers should be aware of is that the elements constituting RQ differ in their importance and therefore, should not be treated equally. As outlined in earlier in the discussion of the findings, trust and commitment are particularly important in both contexts. Any variation in their levels has a profound impact on the relational outcomes of loyalty and WOM. This, in essence, is consistent with the earlier argument presented that satisfaction may not be as central as some studies and practitioners perceive. To put this argument into context, the findings of a recent banking report are especially interesting. According to a recent banking report, banking customers have in general reported higher levels of positive experiences and satisfaction with their banks than in previous years, yet over 50 per cent of those interviewed were unsure whether they stay with their current banks (World Retail Banking Report 2013). The report further concludes that '[c]ustomer satisfaction levels often overestimate customers' likelihood to stay with their bank' (World Retail Banking Report 2013, 5); a finding that is consistent with the results of this study. The results of this thesis show that customers in the separated context have higher levels of satisfaction but lower levels of loyalty and WOM. For bank managers, these results should not be discounted as they have profound impact on their relationship marketing efforts. Therefore, they should remain mindful of not only the benefits of satisfaction, a fact that is not ignored in this thesis, but also of satisfaction's limitation.

Equally significant are the results pertaining to convenience. As indicated earlier, convenience is another concept that has, to some extent, been greatly endorsed in recent years in both literature and practice. As the results indicate, convenience to a large extent was irrelevant to the contexts of this study. The impact of conveniences

on RQ and ultimately on customers' loyalty and WOM was minimal at best. The ease of use, the close proximity of banks, and the accessibility of online products may well be worthwhile in leading to higher levels of satisfaction, but their long-term impacts on maintaining the relationship are indeed questionable. Part of this may relate to the temporary effects of conveniences. Convenience can be critical in establishing relationships as it may intrigue customers into engaging with the firm in the first place; a point that may explain the rising interest in convenience in e-adoption studies (cf., Durkin et al. 2008; Hoehle, Scornavacca and Huff 2012; Harrison, Onyia and Tagg 2014). However, its impact on the continuity of the relationship may yet be another overestimation as suggested by the results of this study. Bank managers, therefore, are advised to take into consideration, as is the case with satisfaction, the potential for offering convenient but separating service methods to harm their relationships with their clients.

Customers evaluate the levels of the offerings' convenience at their initial stages of the relationships or in the screening process that precedes their engagement. Understandably, during that early stage of the relationships, the elements of trust and affective commitment or even satisfaction may not be present. Convenience, on the other hand, can be observed as it is often visible and easy to determine. It is on that stage that the impact of convenience is most critical as often cited in e-adoption and e-banking literature (Harrison, Onyia and Tagg 2014). If the customer perceives the service to be inconvenient, he or she may withdraw their interest in establishing the relationship in the first place. Again, this is profoundly relevant and important to banking in particular. As stated earlier, banks suffer from lack of differentiation as they essentially offer similar products and services. In this regard, any particular convenience offered by a bank is either offered by other banks or can be replicated within a relatively short period. It would take a tremendous amount of innovation to produce a convenient service that is not easily replicable by competition. In the event that this rare event happens, it would be extremely hard to imagine that it would take other banks long to either replicate or offer alternative options that negate its value. In such a manner, managers need to be reminded that convenience, in essence, is a process-related construct. Processes are replicable. RQ, loyalty and WOM are

concepts that relate to the partner in the exchange rather than the process of the exchange. As such, they are far more resistant to replication and/or transferability.

The above discussion is by no mean intended to imply that managers should neglect satisfaction and/or convenience entirely. The intention here is to stress that banks' relational marketing efforts should broaden their strategies and objectives to include elements other than functional quality. More specifically, customer-firm relationships inherently contain social and emotional elements; therefore, any marketing efforts should cater for such social and emotional needs. In fact, as shown by the results of this study, social and confidence benefits are critical factors in the development of trust, commitment and satisfaction regardless of service delivery mode. Social benefits in particular, are shown to have the highest impact of all the constructs in this study, specifically on customers' trust and commitment.

To reiterate, this research argues that trust and affective commitment should be the central theme on which banks' relationship marketing strategies should be built. For trust and affective commitment to materialise, social benefits are needed. This line of thought is mostly consistent with recent calls to broaden firms' relationship efforts to include social and emotional elements (cf., Wu, Zhou and Wu 2011; Rajaobelina et al. 2013). Managers should be aware that the formation of loyalty is to a large extent contingent on their efforts to establish customers' trust and commitment to the relationships. Based on the results of this study, therefore, it is highly recommended that banking managers direct part of their resources to developing and nurturing these two concepts, as they are more likely to positively affect the development of loyalty and WOM than investing in developing highly convenient and satisfactory products. As Wu, Zhou and Wu (2011, 1771) put it, overlooking trust and affective commitment 'in the blind pursuit of customer satisfaction is likely to cause a company to fall into the "satisfaction trap"'.

This line of thought is also consistent with recent moves by some major banks to reconnect with their clients on social levels. One particular example that reflects the callings of this thesis relates to the successful efforts of Citibank to stand out in an

extremely competitive environment. Having noticed the disconnection between the bank and their customers, Citibank remodelled their marketing and service delivery methods to introduce personalised services, despite their awareness of the increasing costs associated with such an approach (Walsh et al. 2010); a risky step given that most other banks were heading the opposite direction to save costs. Nonetheless, such a close-knit approach with customers played a role in leading Citibank to become one of the largest wealth management banks in Asia (du Toit and Burns 2013).

Certainly, service separation offers a number of benefits in terms of reducing operation costs and providing convenient service channel for customers. Its impact on overall customer-firm relationships should not be neglected. Prior research into the impact of impersonal services has collectively iterated these points. For instance, Walsh et al. (2010, 139) maintain that despite the importance of e-services, their quality 'tend to be perceived to be inferior to traditional face-to-face services'. Similar conclusions were offered by others, including De Wulf et al. (2001), Gefen and Straub (2004), Rajaobelina et al. (2013) and Levy (2014) to name a few. The impersonal environment introduced by service separation makes it far easier for customers to switch banks as it weakens their emotional and social attachments. Bank managers need to be aware of the potentially negative consequences of service separation when developing their marketing strategies. They need to ensure that, at every strategic level, improving customers' trust and commitment levels are part of the equation. For this, as the results indicate, banks need to formulate their marketing strategies to increase the personalisation of services and social presence of the bank at every level, regardless of the service delivery mode. Banks, therefore, are advised to think outside the box to ensure that they benefit from the cost-reducing benefits of service separation, while at the same time incorporate elements that build social attachment with their customers to ensure their loyalty and to increase their switching costs.

Further, this research fills a noticeable gap in the literature pertaining to studies examining important yet often neglected emerging markets. This also has managerial

implications, given the global nature of the banking industry and the constant need to look for new markets. The Saudi economy is the largest in Middle East and the 19th largest in the world (World Factbook 2014), yet there is a dearth of marketing studies that examine these important emerging markets (Al-Hawari 2014). From a managerial perspective, the study's findings provide useful insights into this lucrative market. The findings are particularly significant for banks currently operating or potentially planning to operate in Saudi Arabia. The Saudi banking sector has experienced a number of recent deregulations that, in effect, have transformed the industry. Of particular importance and relevance to the findings of this thesis are the changes in regulatory banking laws that effectively allowed foreign banks to enter the Saudi market (Assaf, Barros and Matousek 2011) and the introduction of the first ever mortgage lending system that is expected to grow substantially over the next few years (Business Monitor 2014). The importance of the first point relating to the entrance of foreign banks stems from its impact on the competitiveness of the industry. Understandably, with the growing competition, existing banks face increasing challenges to maintain their customer base. The findings of this study can be useful in tackling this issue. Saudi customers, as indicated by results, value social benefits and interactions. Existing banks should therefore emphasise the social elements in their marketing efforts to improve customers' trust and commitment and ultimately, their loyalty.

Similarly, the introduction of mortgage systems may serve as a locking-in mechanism to ensure customers commitment for years. However, today's customers are far more informed, empowered and vigilant in their selection. As such, they are far more aware that mortgage lending is a long-term commitment. Having satisfying and convenient experiences with their bank is far less likely to influence their decision than feelings of trust and affective bonds. Building a successful and beneficial customer-bank relationship is a long-term approach that requires banking managers to treat each customer transaction as an opportunity to connect with their clients, not build every possible disconnecting mechanism in the name of offering convenience.

5.8 Concluding Remarks

The emergence of new technologies has revolutionised the firm's service offerings and provided them with an abundance of opportunities to improve efficiency, productivity and competitiveness. Similarly, it has presented customers with an unprecedented amount of bargaining power as a consequence of having more immediate access to, and much wider scope of empowering information. Indeed, the infusion of new technologies has created a new business context and operational environment that, while providing new opportunities for firms, presents a number of new challenges for its decision makers. In particular, by examining the manner the firm-customer relationship can be modelled to ensure enduring associations with the customer this has also uncovered a wide array of issues. This research endeavours to provide answers to some of these issues. More specifically, an attempt is made to understand the impact of service separation, a phenomenon prompted by the infusion of technology into service offerings, on customer-firm relationship, and in turn, the capacity of service providers to use relationship marketing as an intrinsic part of their business model.

Indubitably, the impact of new technologies on service marketing and marketing generally has been so austere that a number of prominent scholars have begun to question whether current service marketing thinking (and models) is still applicable (cf., Bowen 2000; Lovelock and Gummesson 2004; Johns 2012; Brun, Durif and Ricard 2014). For instance, in noticing the urgency to adopt new technologies in service contexts, Bowen (2000, 62) states 'technology is the biggest factor that has and will affect the future of services marketing'. He correspondingly expresses alarm that the 'ability to obtain and consume services without interacting with a human provider challenges much of our existing knowledge'. His particular point regarding the absence of human interactions induced by new technologies has been the focal point for this thesis. From the onset, this thesis has highlighted that technologies are reshaping the nature of services and this in turn impacts upon the manner the firm-customer interface is and should be modelled.

Typically, the view that services, which have for long been characterised as inseparable in nature – that is, production and consumption occurs simultaneously with the presence of the customer, needs to change. As a consequence of technological advancements such a way of viewing service marketing can no longer the case and therefore alternative models and the modus operandi need to be explored and empirically scrutinised. The corollary to this is that service separation has now become the norm across a multitude of industries and services. Despite such prominence, service separation has been rarely examined (Keh and Pang 2010; Johns 2012; Paluch and Blut 2013), therefore providing much of the impetus behind this study. This thesis has attempted to fill part of this void in the extant literature by studying the effects of service separation on customer-firm relationships. In doing so, a number of insights that are most critical to marketing scholars and practitioners have been highlighted. Like any study of this nature these insights cannot be exhaustive however a number of limitations and future research directions are unveiled. These are now discussed.

5.8.1 Limitations and Future Research

As it is the case with any scientific research, this study has a number of limitations that may affect its generalisability; therefore, caution in interpreting the findings is both warranted and advised. Nonetheless, the limitations of this study suggest a number of trajectories for future research. One major limiting factor relates to the cross-sectional nature of this research. The cross-sectional approach is a prevalent approach in marketing studies, yet is not without limitations or weaknesses. Cross-sectional studies are often highlighted in the literature to suffer from common method variances, which in turn limit its causal inferences (cf., Rindfleisch et al. 2008). Although such critique is often directed toward survey-based research in general, it is particularly relevant to this study.

The constructs examined in this study are highly temporal. For instance, the relational constructs of trust, satisfaction and affective commitment, the central

factors in this study, are prone to fluctuations over time independently of each other (Cooil et al. 2007). As highlighted by Dywer, Schur and Oh (1987), customer-firm relationships go through stages during which customers begin to develop a better understanding of the benefits in the exchange. In addition, during the early stages of the relationships, the intensity of each relational construct varies depending on circumstantial factors, such as the depth of the relationships and perceived risk associated with the exchange. Another factor, perhaps most importantly, is the possible occurrences of minor service failures that may not be serious enough to terminate the relationship, but enough to slow down the progress of the relationship development. For instance, Bejou and Palmer (1998) argue that the impact of service failure on trust and commitment is contingent on the severity of the service failure and on the stage at which the relationship is. A point that is consistent with much recent findings in the service recovery literature (cf., Wang et al. 2011; Suh et al. 2013). The cross-sectional approach therefore, may fall victim to such circumstantial variations that not only influence the participants' answers, but also weaken the inferential capacity of the findings (Rindfleisch et al. 2008; Aurier and N'Goala 2010).

Therefore, future studies may tackle these issues by applying diverse methods in their approach. For instance, longitudinal studies into the impact of service separation will surely be a valuable addition to the literature in that it may help capture not only the links between the concepts being examined, but also the breadth and depth of the relationships and how they fluctuate over time (Bolton et al. 2004; Aurier and N'Goala 2010). Indeed, the longitudinal approach may offer great insights into the development of RQ and how each construct under its umbrella evolves over time. Such knowledge can be of great benefits to managers in appreciating the significance of each construct at different stages, and how they can tailor their marketing efforts to target the right construct at the right time. In fact, this is not only recommended for the construct of RQ, but for the perceived benefits as well. For instance, it was highlighted in the earlier managerial section that convenience might be an important concept at the early stage of the relationships as it could be useful in prompting the customer to enter into a relationship. Thus,

longitudinal research could be very useful in tracking the importance of convenience as the relationship matures and compare that to the other benefits (e.g., social and confidence benefits).

Another important major limitation of this study pertains to the research setting. This study focuses on retail banking, thus limiting the generalisability of the findings within the industry itself (e.g., retailing v. corporate banking) and the service sector as a whole. Understandably, such limitation is widespread in nature and is evident to some extent in every scientific research, particularly when, as it is the case in service sector, the industry is significantly large and encompasses a diverse range of providers and offerings. Nonetheless, future research is advised to widen the scope of coverage to include other service sectors. A larger study will understandably help expand the generalisability of the study's conceptual framework as well as provide a method of meaningful comparison between the sectors. This is especially important if future studies include different types of services. For instance, the current study focuses on banking, which is often regarded as a credence service, associated with high involvement and risks (Mattila and Wirtz 2002). Future studies may examine services high with 'experience' attributes (e.g., hospitality and tourism industries). The differences in the service characteristics will most definitely yield interesting results. Services high in experience attributes may be associated with higher involvement from the customer side and less risks for instance. It would be intriguing to examine customers' responses under such situations, particularly how the impact of service separation on customer-firm relationships may differ.

Another relevant context-related limitation pertains to the level of interactions in each service delivery mode. In this thesis, the attempt to examine the impact of service separation relied on the Saudi banking context. As noted earlier, currently the banking industry in Saudi Arabia consists of banks that are well established in the market and offer both offline and online services. In addition, the current banking system requires to some extent customers to visit physical branches for certain transactions (e.g., administrative works such as updating details). The effects of this are evident in the results of the levels of social benefits. As highlighted earlier, even

the separated sample scored relatively high levels of social benefits. Thus, it would be highly interesting to repeat the study utilising a representative sample of purely online banks (e.g., ING direct). Such comparison between purely separated and traditional methods would certainly further intensify the differences between the samples and shed further light on the impact of service separation on customer-firm relationships.

In addition, the fact that this study is carried out using Saudi samples brings about another culturally-based limitation. Culture is a common theme in marketing research given its recognised influence on customers' behaviour and the challenges it represents to marketers in both theory and practice (Huff and Kelley 2005; Cannon et al. 2010; Samaha, Beck and Palmatier 2014). In the context of this study, the role of culture may have played two distinct roles in influencing the outcomes. First, culture has often been regarded as a factor that influences the links between the relationships constructs (Samaha, Beck and Palmatier 2014). As such, common cultural characteristics whether it pertain to Hofstede's classifications—individualism/collectivism, masculinity/femininity, power distance, and uncertainty avoidance (Hofstede and Hofstede 2010)—or other cultural attributes (e.g., high/low involvement) have been examined exhaustively in marketing in particular to examine their impact on marketing outcomes (Soares, Farhangmehr and Shoham 2007; Samaha, Beck and Palmatier 2014). The use of such classifications has typically involved the incorporation of one or more cultural variables and examines their impact on whatever framework the researchers employ (see Soares, Farhangmehr and Shoham 2007 for a meta-analysis of the use of cultural variables in marketing). To this end, the findings of this study may have indeed fallen under the influence of one or more of these cultural attributes which in essence not only limit the generalisability of the findings, but call for further investigation to examine the existence and the extent of such influences.

Another important cultural influence, which is surprisingly less emphasised in marketing literature, pertains not to whether certain cultural characteristic influence links between marketing constructs, but on their actual formation. Culture, not only

influences the strength or breadth of trust, for instance, but could also influence its existence in the first place. This is somewhat a given in social sciences and social exchange literatures (Fukuyama 1995; Mitchel, Cropanzano and Quisenberry 2012) but rarely comes to the light in marketing, to the best of the author's knowledge. One major argument presented in these areas of social science is that culture may inhibit the development of trust and commitment. As highlighted by the seminal work of Yamagishi et al. (1998, 166), numerous social studies have confirmed that 'intense group ties, often observed in collectivist cultures, prevent trust from developing beyond group boundaries'.

According to this line of research (which has since become known in social arena as the emancipation theory of trust) despite the prevalence of social interactions in such societies, trust is harder to develop than in societies that are generally characterised as less social, as is the case in Western countries for instance (Yamagishi et al. 1998). Using data from a social survey spanning 31 European nations, Gheorghiu, Vignoles and Smith (2009) empirically confirmed Yamagishi and associates' theory. Their findings indicate that overarching cultural traits (as opposed to individual level traits) were the leading factors in influencing the development of trust with strangers. This tendency for people with strong family and group ties to have lower levels of trust in individual or entities outside their group was also empirically captured by a more recent study by Ermisch and Gambetta (2010). Using an experimental 'trust game' approach, their findings indicate that individuals with strong family ties were less inclined to trust outsiders than those with weaker family connections.

Surprisingly, however, having tracked the cross-references in Google Scholar, despite the significance and relevance of such issues to marketing, less than a handful of marketing studies even remotely mentioned Yamagishi et al. (1998) and almost none referred to the emancipation theory of trust. Those studies that referenced the work were particularly interested in the first point highlighted earlier, namely the linkage between the constructs of relationships, not the formation. Point in hand is the study of Griffith, Myers and Harvey (2006), which examined the moderating effects of national cultures on the linkage between trust and

commitment. From a marketing perspective, such research has profound implications for marketing efforts. This is especially pertinent for foreign banks entering the Saudi market after the recent deregulations highlighted earlier. Foreign banks need to have a clear understanding of the mind set of Saudi customers to better tailor their marketing campaigns. To provide such an understanding, future research is encouraged to integrate the emancipation theory of trust within their research framework, not only to further test its applicability to the Saudi market or any other market for that matter, but also to ascertain the salient impact of culture that goes beyond its commonly referred to cultural characteristics.

On a similar front, the limitations of this study extend not only to the different types of services, industries or cultures but also to types of customers. Of particular importance here is customers' propensity to engage in relationships. As highlighted in social and marketing literatures, individuals vary in their need/want to establish and maintain long-term relationships, and consequently their preferences to social interactions (Sheth and Parvatiyar 1995; Camarero 2007; Lin 2013). In marketing, this is often referred to as customers' relationship proneness (CRP) (Garbarino and Johnson 1999; De Wulf et al. 2001; Hennig-Thurau, Gwinner and Gremler 2002; Parish and Holloway 2010). De Wulf et al. (2001, 38) define CRP as 'consumer's relatively stable and conscious tendency to engage in relationships with retailers'. This tendency is acknowledged to be different among individuals. This can play a major role in customers' evaluation of the worthiness of firms' relationship marketing activities. For example, Driver and Johnston's (2001) examination of customer relationship orientation reveals that customers differ in their evaluation of services: those who place more significance on the interpersonal aspects of services, and those who place more importance to the noninterpersonal aspects of services. One possible explanation for these differences is the assertion that some customers (or individuals in general) are 'psychologically predisposed to belong to relationships' (Christy, Oliver and Penn 1996, 180). As such, it is expected that customers will evaluate the effects of service separation (which limits the interpersonal relationships) differently depending on the customers' relationship

orientation or their need for social interactions (Dabholkar and Bagozzi 2002; Lin 2013).

Indeed, in a recent study that attested to the significance of CRP, Lin (2013) found that CRP significantly moderates firms' efforts to improve customers' RQ, particularly trust and satisfaction. Similarly, Parish and Holloway (2010) further argue that CRP not only moderates the impact of firms' relationship efforts, but also has a direct and significant impact on the development of customers' trust and commitment. This is especially the case, as the authors argue, in high involvement and relational contexts (healthcare in their study) as opposed to transactional ones (call centre). Therefore, given the importance of CRP on influencing customer-firm relationships, future research are encouraged to further explore the connection between CRP and firms' relationship efforts while taking into accounts the impact of service separation. For example, through extrapolation one may argue that the impact of service separation identified in this thesis would be higher for customers high in CRP and/or vice versa.

Another intriguing avenue for future research may consider another important customer characteristic that is particularly relevant to service separation, namely customers' technology anxiety. Technology anxiety relates to customers' fear and apprehension when considering the use of technology (Scott and Rockwell 1997). The extant literature provides abundant of evidence that confirm the effects of technology anxiety in driving customers to pursue less technologically-driven options (Meuter et al. 2003; Schumann, Wünderlich and Wangenheim 2012; Collier et al. 2014). It would be particularly beneficial that future research examining the impact of service separation incorporate customers' technology anxiety in their studies. Certainly, when the examination of the effects of service separation takes place in a technology-influenced context, customers' reactions can be highly influenced by their attitude toward that technology (Keh and Pang 2010). Therefore, it is highly expected that the level of technology-related anxiety will play a part in mediating the effects of service separation on the dimensions of RQ.

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Appendix A: Survey in English

Ref/ SOM2012004

CURTIN UNIVERSITY

The Impact of Technology Facilitated Service Separation on Customer-Firm Relationships

INFORMATION SHEET FOR PARTICIPANTS

a) Your consent is given to participate in this research.

b) This survey should take approximately 25 minutes.

c) All information collected from this survey will be kept confidential and your name will not be used in this study.

d) All data will be stored in a safe place at Curtin University in accordance with the Australian national protocol guidelines for ethical research.

e) The focus is upon self-service technologies in banking.

f) The questionnaire is related to the influence of self-service technology in banking.

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Customer-Firm Relationship Survey

GENERAL INFORMATION AND INSTRUCTIONS

1) This survey is designed to establish factors influencing relationships between customers and their banks.
2) For the purpose of this survey, please answer all questions in relation to your main bank. **If you have more than one bank that you are currently dealing with, please think of the bank that you most use to carry out your everyday banking needs in order to answer the questions**.
3) Please answer by circling one number for each of the statements in this questionnaire.

1a	**Thinking of your relationship with your main bank, please show the extent to which you agree or disagree with the following statements.** (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1.	I recommend my bank to anyone who seeks my advice.	1	2	3	4	5	6	7
2.	My bank is a good company to do business with.	1	2	3	4	5	6	7
3.	I feel that my bank is always faithful.	1	2	3	4	5	6	7
4.	Usually, I feel apprehensive about using technology.	1	2	3	4	5	6	7
5.	I have great confidence in my bank.	1	2	3	4	5	6	7
6.	I hesitate to use most forms of technology for fear of making mistakes.	1	2	3	4	5	6	7
7.	I think I did the right thing when I decided to do business with my bank.	1	2	3	4	5	6	7
8.	I enjoy certain social aspects of the relationship with my bank.	1	2	3	4	5	6	7
9.	I am familiar with the employees who serve me at my bank.	1	2	3	4	5	6	7
10.	I do not feel a strong sense of belonging to my bank.	1	2	3	4	5	6	7
11.	In general, I am very satisfied with the services offered by my bank.	1	2	3	4	5	6	7
12.	My bank is perfectly honest and truthful.	1	2	3	4	5	6	7
13.	I often avoid technology because it is unfamiliar to me.	1	2	3	4	5	6	7
14.	I hesitate to refer my acquaintances to my bank.	1	2	3	4	5	6	7
15.	The likelihood of me trying other banks' services is very high.	1	2	3	4	5	6	7
16.	Too much of my life would be disrupted if I decided to leave my bank	1	2	3	4	5	6	7
17.	Generally, I am someone who wants to be a steady customer of the same bank.	1	2	3	4	5	6	7
18.	I can rely on my bank to do what is right.	1	2	3	4	5	6	7
19.	I think there is a great chance of me staying with my bank.	1	2	3	4	5	6	7
20.	I am recognized by certain employees in my bank.	1	2	3	4	5	6	7

Section 1a continues…

1a	**Thinking of your relationship with your main bank, please show the extent to which you agree or disagree with the following statements.** (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
21.	I have developed a friendship with my bank's employees.	1	2	3	4	5	6	7
22.	My bank has high integrity.	1	2	3	4	5	6	7
23.	I want to remain a customer to my bank more than other banks.	1	2	3	4	5	6	7
24.	I believe that I have a very strong relationship with my bank.	1	2	3	4	5	6	7
25.	I feel emotionally attached to my bank.	1	2	3	4	5	6	7
26.	I often say positive things about my bank to other people.	1	2	3	4	5	6	7
27.	Technical terms sound like confusing jargon to me.	1	2	3	4	5	6	7
28.	Generally, I am someone who likes to be a regular customer of one bank.	1	2	3	4	5	6	7
29.	I really like doing business with my bank.	1	2	3	4	5	6	7
30.	Overall, the service offered by my bank meets my expectations.	1	2	3	4	5	6	7
31.	I have developed a closer business relationship with my bank than other banks.	1	2	3	4	5	6	7
32.	My bank's employees know my name.	1	2	3	4	5	6	7
33.	I do not encourage friends to do business with my bank.	1	2	3	4	5	6	7
34.	At times, my bank cannot be trusted.	1	2	3	4	5	6	7
35.	Overall, I am very satisfied with my relationship with my bank.	1	2	3	4	5	6	7
36.	I am very likely to switch to another bank in the near future.	1	2	3	4	5	6	7

1b	**How long have you been a customer to your main bank?** (Please circle one answer only).		
1.	Less than 1 year	4.	4 to 6 years
2.	1 to 2 years	5.	6 to 8 years
3.	2 to 4 years	6.	More than 8 years

1c	**Your Internet experience** (Please circle one answer only).	*Very Poor*						*Very Good*
1.	How would you rate your Internet experience?	1	2	3	4	5	6	7

2a	**Thinking of how you carry out your everyday banking, please rank the following banking methods based on how often you use each method. *Please rank from 1 to 4.***	*Place your ranking here* Please write one number (from 1 to 4) in each box
1.	Using the bank's branch.	[_____]
2.	Using the bank's website.	[_____]
3.	Using the bank's tele-banking service.	[_____]
4.	Using other means. Please Specify: _____	[_____]

2b	**To what extent do you use the method you have ranked 1 in the previous question?** (Please circle one answer only).		
1.	Less than 30% of the time	3.	51 to 70%
2.	31 to 50%	4.	More than 70% of the time

2c	**How long have you been using this method?** (Please circle one answer only).		
1.	Less than 6 months	4.	2 to 3 years
2.	6 months to 1 year.	5.	3 to 4 years
3.	1 to 2 years	6.	More than 4 years

2d	**Thinking of the method you have ranked 1, please show the extent that you agree or disagree with the following statements. Using this method…:-** (Please circle one number for each statement).	*Strongly Disagree*						*Strongly Agree*
1.	The time required to receive the benefits of the bank's service is appropriate.	1	2	3	4	5	6	7
2.	I am able to get the service quickly.	1	2	3	4	5	6	7
3.	I feel that I get my bank's highest level of service.	1	2	3	4	5	6	7
4.	I have more control over the process of receiving the banking services I need.	1	2	3	4	5	6	7
5.	I feel in control to carry out my everyday banking needs.	1	2	3	4	5	6	7
6.	It is easy to contact my bank.	1	2	3	4	5	6	7
7.	I have less anxiety when carrying out my banking needs.	1	2	3	4	5	6	7
8.	I am able to get the benefits of the service with minimal effort.	1	2	3	4	5	6	7
9.	I know what to expect when I use the service.	1	2	3	4	5	6	7
10.	I have more confidence the service will be performed correctly.	1	2	3	4	5	6	7
11.	It is easy to carry out my banking needs.	1	2	3	4	5	6	7
12.	It does not take time to reach my bank.	1	2	3	4	5	6	7

To analyze the information we get from this survey, we need to be able to classify information. As stated in the cover sheet, the information about yourself will not be used for identification, but used only for establishing broad demographic categories. Please answer all questions.

3a	**What is your gender?** (Please circle one answer only).		
1.	Male	2.	Female

3b	**What is your age?** (Please circle one answer only).		
1.	18 – 24 years	4.	36 – 40
2.	25 - 30	5.	41 - 50
3	31 - 35	6.	51 or more

3c	**What is your approximate personal annual income? (In Saudi Riyal)** (Please circle one answer only).		
1.	Less than SR50,000 a year	4.	SR91,000 – 120,000
2.	SR50,000 – 75,000	5.	SR121,000 – 145,000
3.	SR76,000 – 90,000	6.	More than SR145,000

3d	**What is the highest level of education you have completed?** (Please circle one answer only).		
1.	Less than High School	4.	Bachelor degree
2.	High School	5.	Master's or Doctoral Degree
3.	2 years Diploma	6.	Others. Please specify: _____

3e	**What city do you live in? [_____].** (Please write the city's name in the box provided).

**********End of Survey – Thank you for participating **********

Appendix B: Survey in Arabic

المرجع : SOM2012004

جـــــامعة كـــــيرتن
Curtin University

أثـر الـخدمـات الـتقـنـيـة الـذاتـيـة
عـلـى الـعلاقـات بـيـن الـشركـة والـعمـيـل

معلومات للمشاركين في الاستبيان

أ) تعد موافقتك شرط أساسي للمشاركة في هذا الاستبيان.

ب) قد يستغرق هذا الاستبيان حوالي 25 دقيقة.

ت) نؤكد على سرية البيانات التي سيتم تجميعها خلال الاستبيان كما نؤكد على عدم استخدام اسمك في الدراسة.

ث) سيتم حفظ جميع البيانات في مكان آمن بجامعة كيرتن طبقا لتعليمات البروتوكول الوطني الاسترالي للأخلاقيات البحثية.

ج) يتمحور الموضوع حول تأثير تقنيات الخدمات الذاتية على العلاقه مابين المصارف والعملاء.

ح) للتواصل مع القائمين على البحث بالجامعة:

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استبيان حول علاقة العملاء بالمصارف

معلومات وإرشادات عامة

1) يهدف هذا الاستبيان إلى معرفة العوامل المؤثرة في العلاقات ما بين العملاء ومصارفهم.
2) لإتمام هذا الاستبيان, نرجو منك التكرم بالإجابة على جميع الأسئلة المتعلقة بمصرفك الرئيسي. **وإذا كان لديك أكثر من مصرف تتعامل معه في الوقت الحالي, فيرجي ان تفكر في المصرف الذي تستخدمه بشكل أكبر في إجراء معاملاتك المصرفية, من أجل الإجابة على الأسئلة.**
3) نرجو الإجابة بوضع دائرة حول رقم واحد من الأرقام الموضحة أمام كل من فقرات الاستبيان التالي.

1 أ	**بالنظر الى علاقتك بمصرفك الرئيسي, نرجو توضيح مدى موافقتك أو رفضك للفقرات التالية.** (نرجو وضع دائرة على الرقم الذي تختاره لكل فقرة)	**أرفض بشدة**					**أوافق بشدة**	
.1	أنصح أي شخص يطلب مشورتي باستخدام مصرفي	1	2	3	4	5	6	7
.2	يمثل مصرفي شركة جيدة لإتمام أعمالي معها	1	2	3	4	5	6	7
.3	أشعر بأن مصرفي دائما ما يتميز بالأمانة	1	2	3	4	5	6	7
.4	عادة ما أشعر بالقلق من استخدام التكنولوجيا	1	2	3	4	5	6	7
.5	لدي ثقة كبيرة في مصرفي	1	2	3	4	5	6	7
.6	أتردد في استخدام معظم أشكال التكنولوجيا لتخوفي من ارتكاب الأخطاء	1	2	3	4	5	6	7
.7	أعتقد بأنني كنت مصيبا حين قررت التعامل مع مصرفي	1	2	3	4	5	6	7
.8	أرتبط في علاقتي بمصرفي ببعض الجوانب الاجتماعية الخاصة مع موظفي البنك	1	2	3	4	5	6	7
.9	أعرف الموظفين الذين يقدمون الخدمة لي في مصرفي معرفة جيدة	1	2	3	4	5	6	7
.10	لا أشعر بانتماء قوي تجاه مصرفي	1	2	3	4	5	6	7
.11	بشكل عام، أنا مقتنع تماما بالخدمات التي يقدمها مصرفي	1	2	3	4	5	6	7
.12	يتميز مصرفي بالأمانة والمصداقية التامة	1	2	3	4	5	6	7
.13	في كثير من الأحيان أبتعد عن إستخدام الوسائل التقنية لأنها غير مألوفة بالنسبة لي	1	2	3	4	5	6	7
.14	أتردد في إحالة معارفي إلى مصرفي	1	2	3	4	5	6	7
.15	هناك احتمالية عالية جدا لأن أجرب خدمات مصرف آخر	1	2	3	4	5	6	7
.16	ستضطرب أمور عديده في حياتي إذا قررت أن أترك مصرفي	1	2	3	4	5	6	7
.17	بشكل عام، أنا شخص يريد أن يكون عميلا دائما لنفس المصرف	1	2	3	4	5	6	7
.18	يمكنني أن أعتمد على مصرفي في ان يفعل الشئ الصحيح	1	2	3	4	5	6	7
.19	أعتقد أن فرصة استمراري مع مصرفي كبيرة	1	2	3	4	5	6	7
.20	أنا معروف لدى بعض الموظفين في مصرفي	1	2	3	4	5	6	7

تكملة الجزء 1 أ

1 أ	**بالإشارة لعلاقتك مع مصرفك الرئيسي, نرجو توضيح مدى موافقتك أو رفضك للفقرات التالية.** (نرجو وضع دائرة على الرقم الذي تختاره لكل فقرة)	**أرفض بشدة**					**أوافق بشدة**	
.21	قمت بتطوير علاقة صداقة مع موظفي مصرفي	1	2	3	4	5	6	7
.22	يتمتع مصرفي بقدر عال من النزاهة	1	2	3	4	5	6	7
.23	أود أن أظل عميلا لمصرفي أكثر من المصارف الأخرى	1	2	3	4	5	6	7
.24	أعتقد بأن لدي علاقة قوية جدا مع مصرفي	1	2	3	4	5	6	7
.25	أشعر فعلا بأنني مرتبط عاطفيا بمصرفي	1	2	3	4	5	6	7
.26	كثيرا ما أقول أشياء إيجابية عن مصرفي للآخرين	1	2	3	4	5	6	7
.27	تمثل المصطلحات التقنية بالنسبة لي لهجة غريبة ومربكة	1	2	3	4	5	6	7
.28	بشكل عام، أنا شخص يريد أن يكون عميلا منتظما لمصرف واحد	1	2	3	4	5	6	7
.29	في الحقيقة، أنا أحب التعامل مع مصرفي	1	2	3	4	5	6	7
.30	الخدمة التي يقدمها مصرفي تفي بتوقعاتي بشكل عام	1	2	3	4	5	6	7
.31	أعتقد أنني طورت علاقة عمل وثيقة مع مصرفي، أكثر من المصارف الأخرى	1	2	3	4	5	6	7
.32	يعرف موظفوا مصرفي اسمي	1	2	3	4	5	6	7
.33	لا أشجع أصدقائي على التعامل مع مصرفي	1	2	3	4	5	6	7
.34	أحيانا, لا يمكن الوثوق في مصرفي	1	2	3	4	5	6	7
.35	بشكل عام، أنا راض تماما عن علاقتي مع مصرفي	1	2	3	4	5	6	7
.36	من المحتمل إلى حد كبير أن أنتقل في المستقبل القريب إلى مصرف آخر	1	2	3	4	5	6	7

1 ب	**كم مضى عليك وأنت عميل لمصرفك الرئيسي؟** (نرجو وضع دائرة على الرقم الذي تختاره لكل فقرة)		
.1	منذ أقل من سنة واحدة	.4	منذ 4 إلى 6 سنوات
.2	منذ سنة إلى سنتين	.5	منذ 6 إلى 8 سنوات
.3	منذ سنتين إلى 4 سنوات	.6	منذ أكثر من 8 سنوات

1 ج	**خبرتك في استخدام الإنترنت** (برجاء وضع دائرة على الرقم الذي تختاره)	ضعيفة جدا					جيدة جدا	
.1	ما هو تقييمك لخبرتك في استخدام الإنترنت؟	1	2	3	4	5	6	7

2 أ	**بالنظر لكيفية تنفيذك لأعمالك المصرفية اليومية, نرجو ترتيب الطرق المصرفية التالية بناء على كثرة استخدامك لكل طريقة. <u>برجاء الترتيب من 1 إلى 4</u>** (مستخدما الترتيب 1 لأكثرها استخداما و 2 للترتيب الثاني وهكذا)	**ضع ترتيبك هنا** نرجو كتابة رقم واحد فقط (من 1 إلى 4) في كل مربع
.1	زيارة فرع المصرف	[ ]
.2	استخدام الموقع الإلكتروني للمصرف (الإنترنت)	[ ]
.3	استخدام الخدمات التليفونية للمصرف	[ ]
.4	استخدام وسائل أخرى. برجاء وصف تلك الوسائل الأخرى: _____	[ ]

2 ب	**بالرجوع للسؤال السابق, إلى أي مدى تستخدم الطريقة التي أعطيتها الترتيب رقم 1؟** (برجاء وضع دائرة على إجابة واحدة فقط)		
.1	أقل من 30 % من عدد مرات الاستخدام	.3	من 51 إلى 70%
.2	من 31 إلى 50 %	.4	أكثر من 70% من عدد مرات الاستخدام

2 ج	**منذ متى وأنت تستخدم تلك الطريقة التي أعطيتها الترتيب رقم 1؟** (برجاء وضع دائرة على إجابة واحدة فقط)		
.1	منذ أقل من 6 أشهر	.4	منذ عامين إلى ثلاثة أعوام
.2	منذ 6 أشهر إلى عام	.5	منذ 3 إلى 4 أعوام
.3	منذ عام إلى عامين	.6	منذ أكثر من 4 أعوام

2 د	**بالنظر الى الطريقة التي أعطيتها الترتيب رقم 1, نرجو توضيح مدى موافقتك أو رفضك للفقرات التالية.** (نرجو وضع دائرة على الرقم الذي تختاره لكل فقرة)	**أرفض بشدة**					**أوافق بشدة**	
.1	*بإستخدام هذه الطريقه* يصبح الوقت اللازم للحصول على الخدمات المصرفية ملائماً	1	2	3	4	5	6	7
.2	*بإستخدام هذه الطريقه* يصبح من السهل قضاء احتياجاتي المصرفية	1	2	3	4	5	6	7
.3	*بإستخدام هذه الطريقه* أشعر بحصولي على أعلى مستوى من الخدمة المصرفية	1	2	3	4	5	6	7
.4	*بإستخدام هذه الطريقه* أشعر بالتحكم بشكل أكبر في عملية تلقي الخدمات المصرفية التي أحتاج إليها	1	2	3	4	5	6	7
.5	*بإستخدام هذه الطريقه* لا أستغرق الكثير من الوقت للتواصل مع مصرفي	1	2	3	4	5	6	7
.6	*بإستخدام هذه الطريقه* أعرف ما يجب توقعه عند استخدامي للخدمة المصرفية	1	2	3	4	5	6	7
.7	*بإستخدام هذه الطريقه* يكون لدي قلق أقل عند قضاء احتياجاتي المصرفية	1	2	3	4	5	6	7
.8	*بإستخدام هذه الطريقه* يصبح بإمكاني الحصول على المزيد من الخدمات المصرفية وبأقل مجهود	1	2	3	4	5	6	7
.9	*بإستخدام هذه الطريقه* يكون من السهل التواصل مع مصرفي	1	2	3	4	5	6	7
.10	*بإستخدام هذه الطريقه* يصبح لدي ثقة أكبر بأن تلك الطريقة ستتم بشكل سليم	1	2	3	4	5	6	7
.11	*بإستخدام هذه الطريقه* أصبح قادراً على الحصول على الخدمات بسرعة	1	2	3	4	5	6	7
.12	*بإستخدام هذه الطريقه* أشعر بالتحكم في قضاء احتياجاتي المصرفية اليومية	1	2	3	4	5	6	7

لتحليل المعلومات التي حصلنا عليها من هذا الاستطلاع, نحتاج للقدرة على تصنيف تلك المعلومات. ونحيطك علما ان جميع المعلومات الخاصه بك والمتعلقه بهذا الاستبيان لن تستخدم للكشف عن هويتك بتاتاً, ولكنها ستستخدم فقط في عمل مجموعات إحصائية أوسع للعملاء من أجل الاغراض الدراسية. برجاء الإجابة على جميع الأسئلة.

3 أ	**الجنس؟** (برجاء وضع دائرة عل اى رقم الإجابة المناسبة)		
	.1	ذكر	.2 أنثى

3 ب	**العمر؟** (برجاء وضع دائرة على إجابة واحدة فقط)		
	.1	18 – 24 سنة	.4 36 – 40 سنة
	.2	25 – 30 سنة	.5 41 – 50 سنة
	.3	31 – 35 سنة	.6 51 سنة فأكثر

3 ج	**ما هو المعدل التقريبي لدخلك السنوي؟ (بالريال السعودي)** (برجاء وضع دائرة على إجابة واحدة فقط)		
	.1	أقل من 50000 ريال سعودي	.4 من 91000 – 120000 ريال سعودي
	.2	من 50000 – 75000 ريال سعودي	.5 من 121000 – 145000 ريال سعودي
	.3	من 76000 – 90000 ريال سعودي	.6 أكثر من 145000 ريال سعودي

3 د	**ما هي أعلى درجة علمية حصلت عليها؟** (برجاء وضع دائرة على إجابة واحدة فقط)		
	.1	أقل من الثانوية العامة	.4 درجة البكالوريوس
	.2	الثانوية العامة	.5 درجة الماجستير أو الدكتوراه
	.3	دبلوم عامين	.6 غير ذلك. برجاء الوصف: [____]

3 هـ	**في أي مدينة تقيم؟** (برجاء ذكر اسم المدينة في الخانة الموضحة) [_____]

********* نهاية الاستطلاع . مع جزيل الشكر على المشاركة********