

Exploring Relationship Proneness in Consumer-to-Business Relationships

Maria Raciti, University of the Sunshine Coast, mraciti@usc.edu.au*

Abstract

Consumer-to-business relationships are critical to the success of services. Many service organisations invest in relationship marketing (RM) as a mechanism to create competitive advantage and enhance profitability, yet gaps remain in the literature regarding the role of consumer's personality traits and the influence these traits have on consumer-to-business relationships. Relationship proneness is a personality trait of growing interest and is the focus of this study. A quantitative study of 312 Australian consumers found that relationship proneness positively impacted upon consumer's desire for a relationship with the service organisation; their level of involvement in the relationship; and their relationship-based retention intentions. These findings address known gaps in the literature, extending our knowledge of consumer-to-business relationships. Importantly, the findings of this study offer meaningful insights for service organisations that invest in RM by explaining, in part, the various levels of engagement by consumers in RM initiatives.

Keywords: relationship marketing, relationship proneness

Track: Services Marketing

1.0 Introduction

Consumer-to-business relationships are the cornerstones of service business success (Christopher *et al.*, 2013). Consumer's personality traits, while beyond the influence of service organisations, do influence aspects of consumer-to-business relationships such as the display of citizenship behaviours (Anaza, 2014). Relationship proneness is a personality trait that has implications for RM but has been under-researched (Kim *et al.* 2012). In particular, the influence of consumer's relationship proneness on their decision to partake in a relationship with an organisation, their level of involvement in the relationship and their intention to stay with the service provider as a result of the relationship are gaps in existing knowledge that are addressed by this research. Accordingly, this study set out to address the research question: *'Does consumer's relationship proneness impact their relationship desire, relationship involvement and relationship-based retention intentions (RBRI) in consumer-to-business relationships with service organisations?'*

2.0 Relationship proneness in consumer-to-business relationships

Relationship proneness is a personality trait of growing interest in studies of consumer-to-business relationships (e.g. Adjei and Clark, 2010; Kim *et al.*, 2012; Odekerken-Schröder *et al.*, 2003). As is the nature of personality traits, such psychological characteristics are independent of the environment in which the individual finds themselves and manifest in terms of universal attitudes and behaviours (Kassarjian and Sheffet, 1991). An individual's psychology has implications for marketing in that personality traits are reflected in particular shopping and consumption patterns and their predisposition to engage in relationships (Bendapudi and Berry, 1997; Sheth *et al.*, 1988). However, the extent of the impact of relationship proneness on consumer-to-business relationships and subsequent behavioural intentions in various service settings remains unclear.

In the seminal study by Odekerken-Schröder *et al.* (2003), they described relationship proneness as being a stable tendency of the consumer to engage in a relationship with a business. Focusing upon a product-oriented context, Odekerken-Schröder *et al.* (2003) found that relationship proneness impacted upon relationship commitment, questioning Kalwani and Narauandas (1995) suggestion that such consumers would be relatively more difficult to satisfy in a consumer-to-business relationship. Nonetheless, Odekerken-Schröder *et al.* (2003) strongly advocate the inclusion of relationship proneness in all RM research with mixed results emerging in the few studies to date. For example, Bloemer *et al.* (2003) extended exploration of relationship proneness from a product-oriented context to a single service setting, namely hairdressing. Bloemer *et al.* (2003) found no support for the impact of relationship proneness directly upon repeat purchasing for hairdressing services. Others have found evidence of a positive impact upon relationship satisfaction, perceived risk, trust and related buyer behaviour measures in retail settings (e.g. Adjei and Clark, 2010; Beatty *et al.*, 1996; Kim *et al.*, 2012).

2.1 The influence of relationship proneness on consumer's relationship desire

Relationship desire refers to consumer's choice to engage in a relationship with a service organisation — the *want* for the relationship as alluded to by Arnold and Bianchi (2001), Danaher *et al.*, (2008) and Noble and Phillips (2004). Consumers are faced with numerous relationship offers from service organisations, more than they can practically undertake (Fournier *et al.*, 1998). Thus, consumer's desire to participate in a relationship with a service organisation is clearly critical to the success of that organisations RM efforts and, ultimately, their retention agenda (Bendapudi and Berry, 1997; Christopher *et al.*, 2012). Despite acknowledgement that much of the success of a RM program rests with the consumer's choice to participate (Becker, 1960), relationship desire is under-researched. As relationship proneness is a personality trait of the consumer, it operates as an antecedent in consumer-to-business relationships (Odekerken-Schröder *et al.*, 2001). Intuitively, it seems apparent that the relationship proneness of the consumer would be linked to a desire to be part of a consumer-to-business relationship. That is, consumer's whose personality means they have a psychological predisposition to engage in relationships are more likely to choose to participate in a relationship with a service organisation. Formally stated:

H1. Relationship proneness positively impacts upon relationship desire.

2.2 The influence of relationship proneness on consumer's relationship involvement

Relationship involvement draws from the concept of consumer involvement. Consumer involvement is an established notion in the marketing literature that describes the personal relevance of a decision to an individual (Zaichkowsky, 1985) and it remains an important area of research (e.g. Fatima and Razzaque, 2013; Pick and Eisend 2014). Anchored in consumer behaviour theory, Zaichkowsky's (1985) seminal work in developing a personal involvement inventory sought to address the notion that consumers do not approach each purchase situation in a uniform manner but rather that they engage different levels of involvement dependent on the purchase at hand. Consumer's involvement plays a role in consumer-to-business relationships, particularly as a mediator of decision making (*see* De Wulf *et al.*, 2001; Varki and Wong, 2003). For this study, relationship involvement was defined as a measure of the personal relevance of the relationship to the consumer and this forms the basis for determining their level of engagement in the RM efforts of the service organisation. This focus upon personal relevance is congruent with the work of Krugman

(1967), Rothschild (1984) and Zaichkowsky (1985). Drawing from the extant literature, it was anticipated that a consumer's relationship proneness was likely to influence their level of relationship involvement. Hence, the following hypothesis is offered:

H2. Relationship proneness positively impacts upon relationship involvement.

2.3 The influence of relationship proneness on consumer's RBRI

RBRI is important to service organisations as retention is the key output of RM activities and, indeed, is the core appeal of RM (Payne and Frow, 2013). Retention intentions are the focus of this research as the best predictor of an individual's overt behaviour is their stated intention to perform the behaviour (Fishbein and Ajzen, 1975) and the relationship between intentions and actual behaviour has been found generally to be positive and significant (Young *et al.*, 1998). The link between relationship proneness and consumers decision to stay with a service organisation is mixed. While Bloemer *et al.* (2003) found no direct relationship between relationship proneness and the broader measure of behavioural intentions for a single service, the larger study of retailers conducted by Adjei and Clark (2010) provided contrary evidence, perhaps reflective of the research setting. Adjei and Clark (2010) did establish an empirical link between relationship proneness and the broader measure of behavioural intentions which, in turn, led them to conclude that high levels of relationship proneness are associated with a lesser inclination to switch providers.

Retention intentions may be influenced by many factors and while the aforementioned studies employ the broader measure of behavioural intentions; this research is concerned specifically with the consumers' intention to remain with their current service provider based upon their evaluation of their relationship with the service organisation. As such, the output measure of interest in this research is more narrowly focused upon RBRI. Thus, drawing from the extant literature, it is hypothesised that:

H3. Relationship proneness positively impacts upon RBRI.

3.0 Methodology

The quantitative survey for this study was pre-tested on a convenience sample of 37 respondents. For the subsequent main study mail-based survey, a sample of the general population in Australia was sought. The sampling frame was equally divided by Australian State/Territory, gender and age-group. A permission-based, commercial survey panel provider supplied a mailing list of a national sample of 5,000 people aged 18 year or older via a systematic random draw from their database. After removing incomplete surveys and those with incorrect address details, a total of 312 useable surveys were returned for this study, resulting in a response rate of $312 / (5000 - 91) = 6.4\%$. Low rates of response such as this are typical in mail surveys (Dillman, 1991). There remains no minimum standard for an acceptable response rate (Cummings *et al.*, 2001) and gains in terms of wide geographic coverage, less distribution bias and increased likelihood of more thoughtful replies (Erdos, 1974) were afforded by the administration of a national mail survey. Response rate does not singularly indicate nonresponse bias; therefore, as recommended by Dillman (1991), an assessment of the presence of nonresponse bias and the similarity in characteristics of the respondents to the population of interest (being general Australian consumers) was conducted. Accordingly, Armstrong and Overton's (1977) test for non-response bias reported no

significant difference between early respondents and late respondents ($p > 0.05$) in terms of their age, their level of income and level of education attainment. Further, national data reflected a similar profile to that of the respondents with an ageing population, more females than males and a largely tertiary level of educational qualifications (Australian Bureau of Statistics, 2012; 2013). Together the test for non-response bias and comparison to national population information indicated that data were appropriate for analysis.

Regarding measures, existing scales were adapted as necessary following pre-testing. The relationship proneness scale was adapted from Odekereken-Schröder *et al.* (2003); the relationship involvement scale was adapted from Zaichkowsky (1994); and the relationship desire scale was adapted from Mano and Oliver (1993), Bagozzi and Warshaw (1990) and Maheswaran and Meyers-Levey (1990). The RBRI scale was developed for this research and included four items such as ‘*The relationship I have with this service provider is an important part of my decision to remain a customer of this service provider*’ and ‘*I keep going back to this service provider because of the relationship I have with them*’. All items were measured on 7-point Likert-type scales with 1 representing ‘strongly disagree’ and 7 representing ‘strongly agree’. Exploratory factor analysis using SPSS verified the factor structures with all scales found to be one-dimensional. The subsequent confirmatory factor analysis in SPSS found that all items were strong measures of their respective constructs (relationship proneness = 5 items, loadings 0.82-0.90, $\alpha = 0.90$; relationship involvement = 4 items, loadings 0.86-0.90, $\alpha = 0.91$; relationship desire = 5 items, loadings 0.89-0.92, $\alpha = 0.95$; and RBRI = 4 items, loadings 0.89-0.96, $\alpha = 0.95$).

All construct reliability estimates exceeded 0.70 and average variance extracted exceeded the criterion value of 0.50 indicating consistency among the items in the scale (Hair *et al.*, 2010). Item loadings indicated convergent validity was apparent (Anderson and Gerbing, 1988). Harman’s single-factor test found no evidence of common method bias (Podsakoff *et al.*, 2003). Multicollinearity was not evident and Fornell and Larcker’s (1981) test for discriminate validity was met. Following assessment of the measures, scale items were combined into composite variables for each construct for which Cronbach’s alpha values (0.90—0.95) indicated high reliability (Hair *et al.*, 2010).

4.0 Results

Multiple regression was used to test the hypotheses in SPSS. Table 1 presents the results.

TABLE 1: Multiple Regression Results

Hypothesised Relationship	Loading
H ₁ Relationship Proneness → Relationship Desire	$\beta = 0.56; p < 0.01$
H ₂ Relationship Proneness → Relationship Involvement	$\beta = 0.23; p < 0.01$
H ₃ Relationship Proneness → RBRI	$\beta = 0.45; p < 0.01$

As presented in Table 1, all hypotheses are supported. Applying Kline’s (1998) nomenclature for interpreting path coefficient magnitudes, the results show that relationship proneness had a large effect on relationship desire (H1, $\beta = 0.56$); a small-to-medium effect on relationship involvement (H2, $\beta = 0.23$); and a medium effect on RBRI (H3, $\beta = 0.45$).

5.0 Results

First, this study found that relationship proneness positively impacts upon relationship desire. This finding is similar to that of Odekerken-Schröder *et al.* (2001) in that relationship proneness is important to RM efforts and confirms the hypothesised assumption that the psychological predisposition of a consumer towards relationships will influence their likelihood of *choosing* to engage in a relationship with a service organisation. This finding highlights for practitioners that factors beyond the control of the service organisation may influence consumer's choice to participate (or not) in RM activities; thus has implications for their retention agenda. Second, this study empirically confirmed that relationship proneness positively impacts upon consumers' relationship involvement, albeit to a relatively small-to-medium extent. The finding confirms that a consumer's predisposition to engage in relationships is a factor in their level of involvement in a consumer-to-business relationship, extending De Wulf *et al.* (2001) and Varki and Wong's (2003) research. For practitioners this finding of a small-to-medium link suggests that relationship proneness is one factor that, among others, can explain the personal relevance of a relationship to a consumer. As service organisations have no influence on consumer's psychological disposition, this finding optimistically suggests that wider spectrum of influences, some of which may be influenced by the organisation, can heighten involvement in RM endeavours. Thirdly, relationship proneness positively impacts upon RBRI, which is a key output measure of the success of RM activities and RM investment (Christopher *et al.*, 2013). This finding corroborates Adjei and Clark's (2010) research and, hence, it is concluded that RBRI operates similarly to the broader measure of behavioural intentions yet provides a more accurate measure to the consumers intention to remain with their current service provider based on their evaluation of their relationship with that service provider. As such, RBRI may be a more useful measure for service organisations seeking to evaluate the RM endeavours as distinct from other activities aimed at increasing consumer retention.

Finally, the limitations of this research include the measurement of consumer's perceptions of a selected range of constructs, at a single point in time and using a methodology that impacts the generalisability of the findings. Future research may focus upon other personality traits and their role in RM endeavours across a range of service contexts.

6.0 References

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