Antecedents of Peripheral Services Cross-Buying Behavior

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Abstract In order to improve customer lifetime value, retailers are increasingly trying to extend relationships with their customers. The “breadth” of a buyer–seller relationship is defined as the number of additional (different) products or services purchased from a company over time. It is commonly viewed as customer cross-buying or add-on buying behavior. Cross-buying has been associated with customer retention, revenue generation, switching costs, and loyalty and is vital for a company’s stable financial development. Despite its obvious relevance, the breadth dimension of a buyer–seller relationship is a relatively unexplored issue and only little research has attempted to identify the drivers of cross-buying. Furthermore, there is no research so far that has investigated an arguable even more important type of cross-buying: cross-buying of peripheral services. This study is the first attempt to empirically investigate the determinants of that type of relationship breadth extension strategy. Findings demonstrate that factors stimulating customers to cross-buy additional peripheral services from the focal retailer are not be the same as previously found by studies in the financial services context. Some factors like commitment, which are considered crucial for stimulating cross-buying behavior in financial services, do not seem to be important for peripheral services purchase behavior in the retailing context. On the other hand, convenience and social benefits seem to be quite crucial in the retailing sector. We discuss implications for academic research as well as retail management.

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