

THE IMPACT OF SERVICE QUALITY, RELATIONSHIP SATISFACTION, TRUST AND COMMITMENT ON LOYALTY: AN EMPIRICAL INVESTIGATION IN A BUSINESS-TO-BUSINESS SERVICES CONTEXT

Ruben Chumpitaz C., IESEG School of Management, Université catholique de Lille, France
Nicholas G. Paparoidamis, IESEG School of Management, Université catholique de Lille, France
Christina Chung, University of Southern Mississippi, United States

ABSTRACT

Drawing on relationship marketing literature, the authors empirically test a model of business loyalty in a sample of 234 advertising agencies' clients, integrating the concepts of service quality, relationship satisfaction, trust and commitment. The study builds on recent advances in services marketing theory assessing the relationships underlying the identified constructs in the advertising industry. The results demonstrated a clear pattern of service quality dimensions following the Grönroos conceptualisation and a number of other important findings including the empirical verification of the mediating role of overall relationship satisfaction in the formation of loyalty attributes. The research instrument is a questionnaire containing 26 items. The measuring scale used was a 10-point Likert scale from 1 (completely unsatisfied) to 10 (completely satisfied) with items evaluating the following constructs: global relationship satisfaction, communication, delivery service, administrative service, commercial service, trust, commitment, and loyalty.

The research instrument has been administered by an international consulting firm on a sample of 234 industrial clients of advertising agencies. These industrial clients were companies that buy advertising services including all different media, having a relationship with an advertising agency in all sorts of media including internet applications. The procedure followed for data treatment and analysis considered a first exploratory factor analysis where the authors verified that service quality indicators fall under the dimensions theoretically proposed: *functional* ('how') dimension (communication, delivery service, administrative service, and commercial service) and *technical* ('what') dimension (advertising). Second, confirmatory factor analysis was conducted on the indicators for the eight latent constructs. After refinement, a final CFA model was estimated that demonstrated good measurement properties. Third, the relative impacts of the different dimensions of service quality on relationship satisfaction, trust, commitment and loyalty were then investigated.

As hypothesized, the service quality dimensions had a significant effect on relationship satisfaction. More specifically, one can observe that technical quality (advertising) has a greater impact on relationship satisfaction than functional quality (commercial service, communication, delivery service, and administrative service). While commercial service has a significant effect on relationship satisfaction, the effect of communication, delivery service and administrative service on relationship is indirect, indicating that the effect is mediated through commercial service. The impact of trust and commitment is verified as well. Trust and commitment have a greater impact on loyalty than does relationship satisfaction, with the variation explained by the structural relationships between relationship satisfaction, trust and commitment, and business loyalty being 60 per cent, while the variation explained only by relationship satisfaction is 30 per cent. Trust was found to have a strong, significant and positive impact on satisfaction. Focusing on the indirect impact of communication, delivery service and administrative service on relationship satisfaction, one can conclude that the effect of these constructs is mediated through commercial service. To demonstrate that commercial service completely mediates the effect of communication, delivery and administrative service on relationship satisfaction it was necessary to demonstrate that value has a significant bi-variate relationship with relationship satisfaction, and this effect is non-significant when these constructs are linked to relationship satisfaction through commercial service (Baron and Kenny, 1986). The results confirm the mediating role of commercial service. The development and sustainability of loyalty especially in business to business settings remains increasingly difficult to achieve. It remains still unclear, what are the determinants of customer loyalty underlying relational exchanges in a business environment. We believe that this study contributes to relationship marketing literature in three different ways. First, we integrate in a business loyalty model the concepts of service/product quality, relationship satisfaction, trust and commitment. Second, our study demonstrates the benefits from investing in relationships on the bases of trust and commitment by assessing the impact of relationship quality and its determinants on business loyalty. Third, this study is a first attempt to provide empirical evidence concerning the role of relationship satisfaction as a mediating variable between the constructs of service/product quality and business loyalty.