

RELATIONSHIP QUALITY DIMENSIONS IN FAST FOOD RESTAURANTS

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ABSTRACT

Relationship quality is the unique inimitable strength of a firm in today's highly competitive business world. High relationship quality from the customers' perspective brings about repeat sales and word-of-mouth communication thus ensuring high profitability for the firm. This paper seeks to identify the dimensions that comprise the relationship quality construct in the fast food restaurants. The primary data is collected through a structured non-disguised questionnaire administered to 300 household customers of fast food restaurants in Delhi, India. The effective response rate was 74% as 222 completely filled usable responses were collected. Factor analysis was applied and the key findings of the study reveal that three major components viz. trust, satisfaction and commitment comprise of the relationship quality construct in fast food restaurants. Management of fast food restaurants should, therefore, focus on these three aspects in order to ensure good relationship quality with their customers as it would increase sales and ultimately profitability.

Keywords: Relationship marketing, Relationship quality, Trust, Satisfaction, Commitment.

INTRODUCTION:

Relationship marketing is a concept given by Leonard L. Berry in 1983 in the context of services marketing. He defines it as “attracting, maintaining, and enhancing customer relationships” (Berry, 1983). Relationship marketing philosophy has evolved over the years and has underscored the importance of quality relationships between the customer and the seller. The relevance of building and maintaining customer relationships is exceedingly felt in the present day hyper-competitive business scenario. It is imperative that emphasis be placed on retaining loyal customers for the simple reason that that acquiring new customers is more expensive than retaining the existing ones. Also, existing customers often purchase more than new customers. Relationship customers give positive feedback about their purchase experience and are willing to make recommendations about the seller to their friends and family (Reichheld, 1996). The relationship marketing strategies of a business firm should, therefore, aim to build and sustain quality relationships with customers. This intangible yet very vital and novel phenomenon is referred to as ‘relationship quality’ in the marketing literature.

RELATIONSHIP QUALITY AND ITS DIMENSIONS:

Relationship quality is per se about an interaction assessment (Vieira et al., 2008). It applies to the goods as well as the services sectors. However, its impact is visible more in the case of services. Services “being inherently and essentially intangible, heterogeneous, perishable, and entailing simultaneity and inseparability of production and consumption” (Jain and Gupta, 2004), implicate inevitable uncertainty with regard to their satisfactory performance. High relationship quality from the customer’s perspective implies that the customer has trust in the service provider and has had a series of satisfactory past experiences with the service provider (Crosby et al., 1990).

Relationship quality is a concept that is easy to describe but difficult to define. The uncrystallized nature of the relationship quality construct, which may be because of its context-dependency (i.e. business-to-business or business-to-consumer; channel relationships or customer relationships; goods sector or services sector), continues to baffle researchers so far as its measurement is concerned. Over a period of time, multi-item scales have been developed to measure relationship quality.

“Relationship quality is a higher-order construct comprised of a variety of positive relationship outcomes that reflect the overall strength of a relationship and the extent to which it meets the needs and expectations of the parties” (Smith, 1998). It is the “cognitive evaluation of business interactions by key individuals in the dyad, comparatively with potential alternative interactions” (Vieira et al., 2008). Relationship quality centres on “the overall nature of the relationship” (Hennig-Thurau et al., 2002) and is conceptualised as the “customer’s assessment of the interpersonal relationship with the contact person” (Macintosh, 2007).

Relationship quality can be thought of as “a meta-construct composed of several key components reflecting the overall nature of relationships between companies and consumers” (Hennig – Thurau, 2002). Kumar et al. (1995) have viewed relationship quality as a higher-order construct comprising of five dimensions: conflict, trust, commitment, willingness to invest in the relationship, and expectation of continuity. Gummesson (1987) identifies “two dimensions of relationship quality in the service interface: professional relations and social relations. The former relationship is grounded on the service provider’s demonstration of competence, while the latter is based on the efficacy of the service provider’s social interaction with the customer” (Gummesson, 1987, cited in Wong and Zhou, 2006). Relationship quality has also been ideated as a six dimensional construct (viz. trust, satisfaction, commitment, minimal opportunism, customer orientation, and ethical profile) by Dorsch et al. (1998), a three dimensional construct (viz. trust, commitment and satisfaction) by Walter et al. (2003); and a four dimensional construct comprising of commitment, satisfaction, trust, and service quality by Rauyruen and Miller (2007).

The richness of the relationship quality construct is apparent from the fact that it has also been envisaged using conflict (Kumar et al., 1995), expectation of continuity (Kumar et al., 1995; Jap et al., 1999), customer orientation (Dorsch et al., 1998; Roy and Eshghi, 2013), ethical orientation (Dorsch et

al., 1998) and service quality (Rauyruen and Miller, 2007; Roy and Eshghi, 2013) as dimensions of relationship quality.

It is worth mentioning here that in the previous studies, a few of these dimensions have not gained empirical support. Furthermore, a few of the dimensions have been used as antecedents of relationship quality in some studies (Roberts et al., 2003). Thus, based on the review of literature, the majority view seems to be that relationship quality is a multidimensional concept that is comprised of three core dimensions viz. trust, satisfaction and commitment (Vieira et al., 2008; Athanasopoulou, 2009). The three constitutional dimensions of relationship quality namely trust, commitment and satisfaction have been used in many recent studies (Roberts et al., 2003; Walter et al., 2003; Rauyruen and Miller, 2007; Wu and Li, 2011) and have been validated in different contexts (Athanasopoulou, 2009). A brief discussion of these three constructs is as follows:

TRUST:

Trust is defined as “a willingness to rely on an exchange partner in whom one has confidence” (Moorman et al., 1992). Morgan and Hunt (1994) theorize that “trust is central to all relational exchanges” and they “conceptualize trust as existing when one party has confidence in an exchange partner’s reliability and integrity.”

Trust is of two types, viz. trust in an entity’s credibility (or honesty) and trust in an entity’s benevolence (Ganesan, 1994; Kumar et al., 1995). Trust in a firm’s credibility is the customer’s belief that the firm’s word can be relied on, that they are sincere, and that they will perform their role effectively and reliably that will result in positive outcomes for him/her (Ganesan, 1994; Kumar et al., 1995). On the other hand, trust in a firm’s benevolence is the customer’s perception of the extent to which the firm is concerned about the welfare of the customer (Kumar et al., 1995).

Trust is an essential ingredient for good relationships. Trust has been considered as a dimension of relationship quality by most researchers (Crosby et al., 1990; Kim and Cha, 2002; Roberts et al., 2003; Walter et al., 2003; Rauyruen. and Miller, 2007; Macintosh, 2007).

SATISFACTION:

Satisfaction is the crowning achievement of relationship marketing. Satisfaction or more specifically relationship satisfaction is a cumulative construct that captures the customer’s global evaluation of fulfillment in the relationship based on all service encounters with the service firm rather than a single episodic transaction (Storbacka et al., 1994; Andreassen and Lindestad, 1998). As a matter of fact, profitability is enhanced by focusing on existing customers because satisfaction leads to lower costs, higher customer retention and higher revenue (Storbacka et al., 1994). Satisfying the customers is worth the effort because satisfied customers become inherent brand ambassadors of the firm as they tend to share positive word-of-mouth communication about their service experience with their friends and family.

In relationship quality research, satisfaction has been taken as a dimension of relationship quality by numerous researchers (Crosby et al., 1990; Dorsch et al., 1998; Kim and Cha, 2002; Roberts et al., 2003; Walter et al., 2003; Rauyruen. and Miller, 2007; Macintosh, 2007; Wu and Li, 2011).

COMMITMENT:

Morgan and Hunt (1994) propose that “relationship commitment is central to relationship marketing.” They define relationship commitment as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely.”

Moorman et al. (1992) have defined commitment to the relationship as “an enduring desire to maintain a valued relationship.” In researches studying the buyer-seller relationship quality, commitment has been considered as a dimension of relationship quality by many researchers (Kumar et al., 1995; Dorsch et al., 1998; Roberts et al., 2003; Walter et al., 2003; Rauyruen and Miller, 2007; Wu and Li, 2011).

METHODOLOGY:

A survey of customers for fast food restaurants was done in April – August, 2017 to determine the number and nature of dimensions of relationship quality. Convenience sampling method was used to collect the responses. Out of 300 questionnaires that were distributed, 253 filled-in questionnaires were received. However, only 222 were completely filled, usable questionnaires. Hence, the effective response rate was 74%. The scale items were taken from past studies after making suitable modifications (Crosby et al., 1990; Morgan and Hunt, 1994; Ganesan, 1994; Kim and Cha, 2002; Roy and Eshghi, 2013). Five-point Likert scale, ranging from 1 = ‘strongly disagree’ to 5 = ‘strongly agree’ was used for the purpose of obtaining responses.

Fast food restaurants represent a B2C sector that serves tangible food items. While the food served is tangible, the manner in which the service is rendered is the intangible aspect. The marketers may wish to know what constitutes good relationship quality from the customers’ perspective so that those aspects may be given due care and attention while framing and implementing relationship marketing strategies of the firm. Based on the review of literature, the three widely acknowledged dimensions of relationship quality are trust, satisfaction and commitment. The present study seeks to discover whether these three dimensions are present in the fast food restaurant industry or not.

As an industry, fast food restaurants have a huge market potential as they are visited by almost all customers belonging to various demographic profiles. Tables 1 through 6 below give the demographic profile of the respondents:

Table 1: Age (in years)

	Frequency	Percentage
18 to 25	118	53.2
26 to 35	50	22.5
36 to 45	26	11.7
46 to 55	17	7.7
56 to 65	5	2.3
Above 65	6	2.7
Total	222	100.0

Table 1 depicts that although respondents from all age brackets visit fast food restaurants, a remarkable 75.7% belong to less than 35 years of age.

Table 2: Marital Status

	Frequency	Percentage
Unmarried	139	62.6
Married	83	37.4
Total	222	100.0

Table 2 shows that majority of customers visiting fast food restaurants belong to the unmarried lot.

Table 3: Gender

	Frequency	Percentage
Male	76	34.2
Female	146	65.8
Total	222	100.0

Table 3 depicts that females are almost double the number of males who visit fast food restaurants.

Table 4: Monthly Family Income (in rupees)

	Frequency	Percentage
Less than 20000	6	2.7
20000 to 40000	15	6.8
40000 to 60000	45	20.3
60000 to 100000	49	22.1
100000 to 150000	30	13.5
Above 150000	77	34.7
Total	222	100.0

Table 4 portrays a majority of respondents (55.9%) who visit fast food restaurants belong to the middle-income group whereas around one-third of the respondents (34.7%) belong to the high-income group.

Table 5: Education

	Frequency	Percentage
Less than graduate	82	36.9
Graduate	67	30.2
Postgraduate	73	32.9
Total	222	100.0

Table 5 shows that almost equal number of respondents from various categories of educational qualifications visits the fast food restaurants.

Table 6: Occupation

	Frequency	Percentage
Student	118	53.2
Housewife	19	8.6
Retired	3	1.4
Working in some organization	67	30.2
Business	12	5.4
Self-employed / Professional (Doctor; Architect; Lawyer; Practising C.A., C.S. etc.)	3	1.4
Others	-	-
Total	222	100.0

Table 6 depicts that most of the respondents visiting the fast food restaurants are either students or working in some organization.

FINDINGS:

Exploratory Factor Analysis (that is regarded as a data hungry technique) has been applied to determine the dimensions of relationship quality in fast food restaurants. Though a large sample of 222 respondents would have enabled the determination of factors using EFA, the data was checked for the KMO and Bartlett’s Test of Sphericity. Table 7 gives the results.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy generally indicates whether or not the variables are able to be grouped into a smaller set of underlying factors and it should be greater than 0.6. The KMO statistic is 0.874 which is much above the cut-off value of 0.6 indicating good sampling adequacy.

Bartlett’s Test of Sphericity with Sig. < 0.05 indicates that the variables do relate to one another enough to run a meaningful Exploratory Factor Analysis. In the present study, the Bartlett’s Test of Sphericity has a significance value less than 0.05 implying that there is not a high degree of correlation among the factors.

Table 7: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.874
Bartlett’s Test of Sphericity	Approx. Chi-Square	1435.759
	df	78
	Sig.	.000

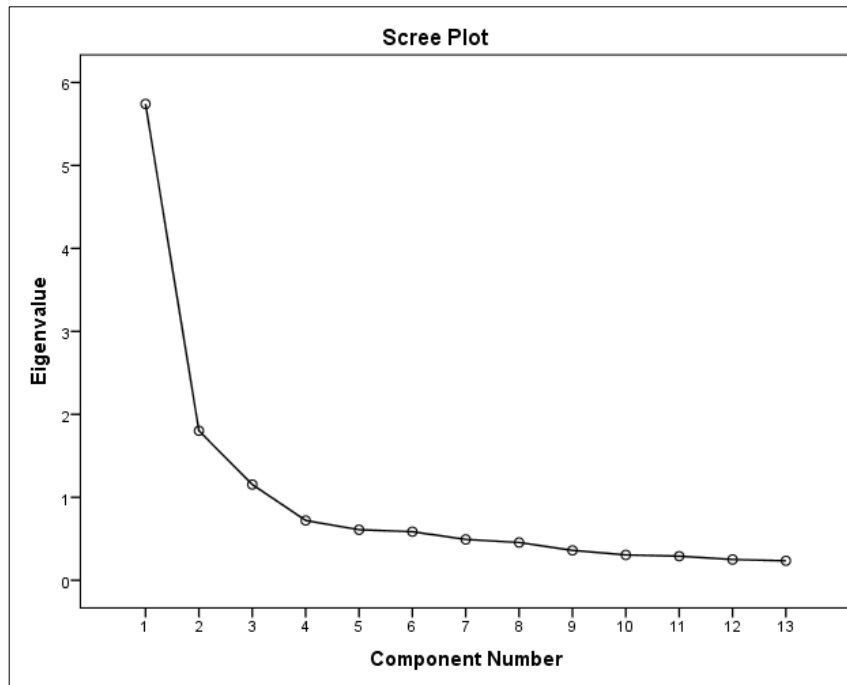
Table 8 below summarizes the dimensions of relationship quality obtained and to what extent these three dimensions apply to fast food restaurants. Exploratory factor analysis was run and in the process some items were dropped based on poor factor loadings. The factors were determined on the basis of Eigen Values, Scree Plot and Total Variance Extracted. The final factors (or dimensions) emerged and items included therein are trust (4 items), satisfaction (4 items) and commitment (5 items).

The three factors viz. trust, satisfaction and commitment, have Eigen Values greater than the cut-off point of 1 (i.e. one). Figure 1 shows the Scree Plot with two kinks or elbow turns reflecting the emergence of three factors. These three factors, namely, trust, satisfaction and commitment together are able to explain 66.894% of the total variance in relationship quality. Individually, the total variance explained is 24.735% by trust, 22.874% by satisfaction and 19.285% by commitment. The Cronbach Alpha (α) value that gives the reliability of the measurement instrument is more than 0.8 for all the three constructs, viz. 0.849 for trust, 0.828 for satisfaction and 0.837 for commitment.

Table 8: Report of Exploratory Factor Analysis for Fast Food Restaurants

Factor Name	Variable Name	Factor Loading	Eigen Value	Total Variance Explained	Cronbach Alpha (α)
Trust	XYZ cares for us.	.834	5.741	24.735	.849
	XYZ is like a friend to me.	.862			
	XYZ is trustworthy	.615			
	XYZ can be relied upon to keep its promises.	.615			
Satisfaction	I think I have done the right thing to have decided to use services of XYZ.	.700	1.801	22.874	.828
	I am delighted with the services provided by XYZ.	.792			
	Overall, I am satisfied with this service organization.	.783			
	In general, I am happy in my interactions with XYZ.	.752			
Commitment	I am willing to remain a customer of XYZ even if it becomes little inconvenient in dealing with this service provider.	.790	1.154	19.285	.837
	I continue to deal with XYZ because I like dealing with it.	.500			
	My relationship with XYZ is something that I am very committed to.	.749			
	It is worth dealing with this service provider even if its charges are somewhat higher.	.777			
	Even if XYZ becomes more difficult to reach, I would keep visiting this service provider.	.828			

Figure 1: Scree Plot



CONCLUSION:

As suggested by the review of literature, trust, satisfaction and commitment that have been referred to as the building blocks of relationship marketing (Vieira et al., 2008) have been thus empirically corroborated in the above study. Hence, marketing managers should reckon these three components (viz. trust, satisfaction and commitment) vital in building and maintaining long-term customer relationships, as good customer relationships result in steady profitability for the firm by way of repeat purchases as well as referrals and recommendations.

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