Managing the Dimensions of Relationship Marketing in the Food Service Industry

(Mengurus Dimensi Pemasaran Perhubungan dalam Industri Perkhidmatan Makanan)

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ABSTRACT

The present paper proposes a new instrument for measuring relationship marketing that is uniquely designed for the foodservice industry. In particular, the underlying dimensions of relationship marketing as perceived by customers are identified. The proposed 31-item instrument is empirically tested for unidimensionality, reliability and validity using both exploratory and confirmatory factor analyses. A factorial analysis suggests that relationship marketing is a multidimensional construct consisting of four key dimensions: trust, communication, empathy and commitment. A subsequent multiple regression analysis reveals that all of the dimensions are positively correlated with customer loyalty and trust is the most important dimension.

Keywords: Relationship marketing; foodservice industry; communication; trust; empathy; commitment; customer loyalty

ABSTRAK

Kertas ini mencadangkan satu instrumen baru untuk mengukur pemasaran perhubungan yang direka bentuk khas untuk industri perkhidmatan makanan. Secara khususnya, dimensi asas pemasaran perhubungan dari perspektif pelanggan telah dikenal pasti. Instrumen pengukur tersebut mengandungi 31 item dan telah diuji secara empirikal untuk 'unidimensionality', kebolehpercayaan dan kesahihan menggunakan kedua-dua analisis faktor 'penerokaan' dan 'pengukuhan'. Hasil dapatan menunjukkan bahawa pemasaran perhubungan merupakan satu konstruk pelbagai dimensi yang mengandungi empat dimensi utama iaitu amanah, komunikasi, kesefahaman dan komitmen. Analisis regresi berganda seterusnya mendedahkan bahawa semua dimensi berhubung kait secara positif dengan kesetiaan pelanggan manakala amanah adalah dimensi yang paling penting.

Kata kunci: Pemasaran hubungan; industri perkhidmatan makanan, komunikasi, amanah; empati; komitmen; kesetiaan pelanggan

INTRODUCTION

The foodservice industry is considered to be one of the fastest growing industries in the global market (Gu & Kim 2002) and has undergone significant changes during the last few decades. As the foodservice landscape evolves and competition intensifies, foodservice operators are facing greater challenges in sustaining their competitive position and retaining existing beneficial customers. Therefore, it is crucial for foodservice operators to find more creative and flexible means for driving competition in this rapidly changing market. Doney and Joseph (1997) suggest one of the best ways to cope with such challenges is by establishing collaborative relationships with customers and suppliers. Relationship marketing practices are overwhelmingly important as they create barriers to imitation and can assist firms to cope with the pressure of intense competition (Morgan & Hunt 1994).

In the academic field, the concept of relationship marketing has become a popular and prominent topic of interest for marketing research. A considerable number of scholars have conducted studies on relationship marketing (e.g. Berry 1983; Grönroos 1990; Morgan & Hunt 1994;

Gummesson 1997; Theron & Terblanche 2010) which resulted in a surge of scientific publications on this topic. Many marketing academicians accepted relationship marketing as the latest gospel and began spreading the concept faithfully as loyal disciples (O'Malley & Tynan 2000). Although the relationship marketing discipline is relatively well researched, limited systematic attempts have been made to develop a valid measure of it, particularly in the context of the foodservice industry.

The development of a relationship marketing measuring instrument is crucial in order to better understand its essential antecedents and consequences; and ultimately establish methods for enhancing relationships with customers and other stakeholders. Several studies propose measuring instruments in relationship marketing (e.g. Yau et al. 2000; Sin et al. 2005; Pervan et al. 2007; Shi et al. 2009). However, most of the scales are designed in the context of Business to Business (B2B) relationships and some are industry specific. The critical issue is whether the current measuring instruments can be effective in the context of Business to Customer (B2C) relationships and applicable to other service industries, particularly the foodservice industry. As such, it may be inappropriate to

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replicate the existing measuring instruments. Developing a scale that is exclusively designed for a particular industry seems to be a more viable research strategy.

Likewise, an understanding of relationship marketing would be incomplete without first determining its dimensions. In fact, the need for further research into the fundamental constructs of relationship marketing has been apparent since its inception (Berry 1983; Gummesson 1994; Sheth & Parvatiyar 1995). An extensive review of marketing literature reveals that numerous dimensions of relationship marketing are proposed and tested, including trust, commitment, co-operation, communication, shared values, conflict handling, power, non-opportunistic behavior, bonding, empathy, interdependence and satisfaction (e.g., Morgan & Hunt 1994; Callaghan et al. 1995; Sin et al. 2005). However, most of the dimensions of relationship marketing are validated in the Western context and it is likely that the cultural differences of consumers will influence its applicability in different settings. Furthermore, limited comprehensive studies on dimensions relevant to the foodservice industry exist. Thus, the present paper introduces the basis for capturing the authentic dimensions of relationship marketing within the foodservice industry from the perspective of customers.

Extant literature highlights the importance of relationship marketing as an effective and powerful strategy for gaining, retaining and promoting customer loyalty (Payne et al. 1995; Colgate & Danaher 2000; Lacey & Morgan 2009; Ekiyor et al. 2010). The success of relationship marketing activities can be translated into good relationship quality between the customer and the service provider (Hennig-Thurau et al. 2002), which leads to customer loyalty. Despite the fact that relationship marketing is widely acknowledged as an important tool to gain and increase customer loyalty, very few studies explore the influence of relationship marketing on customer loyalty in the foodservice industry.

LITERATURE REVIEW

THE CONCEPT OF RELATIONSHIP MARKETING

Relationship is one of the oldest approaches to marketing and has been practiced by many business practitioners since the time of ancient trade (Grönroos 1994). Relationship marketing possesses its own uniqueness which is distinct from conventional marketing. First, the core concept of relationship marketing is the retention of customers, which focuses on keeping existing customers rather than continuously acquiring new ones (Berry 1983; Zeithaml & Bitner 1996) to ensure repeat purchases by satisfying their needs better than those offered by competing companies through a mutually beneficial relationship. Second, relationship marketing is beneficial to all parties involved and the strategies employed can produce many

benefits for practicing firms, including increased customer loyalty (Leverin & Liljander 2006; Ekiyor et al. 2010); decreased customer price sensitivity (Grönroos 1994; Perrien & Ricard 1995); improved competitive advantages (Barclay & Smith 1997; Day 2000); and increased levels of customer satisfaction (Schellhase et al. 2000; Ndubisi & Chan 2005). For the customers, relation marketing promotes closer relationships with firms that produce four categories of benefits: psychological benefits (Sheth & Parvatiyar 1995; Berry 1995; Gwinmer et al. 1998); social benefits (Gwinmer et al. 1998), economic benefits (Peterson 1995); and customization benefits (Berry 1995; Gwinmer et al. 1998).

Despite the importance of relationship marketing, the concept is criticized for a number of reasons. The concept of relationship marketing is said to lack conciseness, causing it to be interpreted in different ways. For instance, Palmer (1996) posits that relationship marketing fails to position itself as a single concept. As a result of the diverse ways of understanding relationship marketing, no set of best practice is promoted. Although several approaches are proposed, no guidelines exist that guarantee an effective design, implementation, monitoring and measurement of a relationship marketing program. Additionally, relationship marketing is criticized for not working in practice because it is costly and customers do not always want a relationship (Palmer 1996).

A number of empirical studies provide evidence of the positive impact of relationship marketing on customer loyalty that affects customer retention (e.g., Bolton et al. 2000; De Wulf et al. 2001; Verhoef 2003). Loyal customer relationships are found to increase firm's profitability over time (Reichheld 2001; Mishra & Li 2008). Customer loyalty is an important construct for all marketers in defining the means to develop relationships with customers and increase business and customer retention (Kumar & Shah 2004). Ndubisi (2007) finds that the underpinnings of relationship marketing have a positive impact on customer loyalty and concludes that customer loyalty can be created, reinforced and retained through marketing plans aimed at building trust; demonstrating commitment to service; communicating with customers in a timely, reliable and proactive fashion; and handling conflict efficiently.

DIMENSIONS OF RELATIONSHIP MARKETING

An understanding of relationship marketing would be incomplete without first determining its dimensions or attributes. Several authors highlight the importance of identifying and understanding the dimensions of relationship marketing for the success of relationships (Rosen & Suprenant 1998; Rashid 2003; Theron & Terblanche 2010). Theron and Terblanche (2010: 384) stress that "the creation of long-term relationships with customers requires knowledge of the dimensions contributing to the establishment and maintenance of the relationship". Meanwhile, from the managerial

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perspective, understanding the dimensions of relationship marketing is crucial as the dimensions will ultimately underpin the strength of relationship development between service provider and its customers (Ward & Dagger 2007). Moreover, in today's hypercompetitive business environment, understanding the nature of relationship marketing constructs is vital for implementing effective relationship marketing strategies.

A substantial number of empirical studies (refer to Table 1) identify and theorize various dimensions of relationship marketing, including dimensions such as trust, commitment, communication, empathy, reciprocity, shared values, conflict handling, co-operation, nonopportunistic behavior, interdependence and satisfaction (e.g., Morgan & Hunt 1994; Callaghan et al. 1995; Sin et al. 2005; Theron & Terblanche 2010). Morgan and Hunt (1994) are among the pioneer researchers who identify two dimensions of relationship marketing: trust and commitment. They theorize that the presence of relationship commitment and trust is central to successful relationship marketing. Callaghan et al. (1995) are the pioneers in developing the Relationship Marketing Orientation (RMO) and propose four dimensions by which to measure RMO: bonding, empathy, reciprocity and trust. In a comprehensive model of relationship marketing, Lindgreen (2001) proposes nine relationship marketing dimensions: trust, commitment, cooperation, communication, shared values, conflict, power, and nonopportunistic behavior.

A study conducted by Sin et al. (2005) argues that RMO is a critical success factor for business performance in service firms and should consist of six dimensions: trust, bonding, communication, shared value, empathy, and reciprocity. In the context of banks in Nigeria, Olotu et al. (2010) replicate the study of Sin et al. (2005) and theorize that relationship marketing is a multidimensional construct consisting of six dimensions: trust, marketing communication, shared value, empathy, reciprocity, and bonding. The results further support the hypothesis that RMO dimensions positively correlated with business performance.

On the other hand, Ndubisi (2007) argues that the four dimensions of relationship marketing (trust, commitment, communication and conflict handling) have a significant impact on customer loyalty in the context of the Malaysian banking industry. Trust is found to be the most important dimension in predicting customer loyalty followed by communication, commitment and conflict handling. Recent studies by Chattananon and Trimetsoontorn (2009) adopt the relationship marketing construct as originally proposed by Callaghan et al. (1995), which includes bonding, empathy, reciprocity and trust. Interestingly, findings from the study show that only trust is significantly related to business performance, whereas the other three dimensions have no significant effect. Another recent study by Alrubaiee and Al-Nazar (2010) confirms that relationship marketing is a multidimensional construct consisting of five dimensions: trust, commitment,

communication, bonding and satisfaction. The study provides evidence that relationship marketing has a positive impact on customer loyalty.

Despite the considerable number of relationship marketing dimensions that are identified and validated in the literature, to date no consensus concerning a generic set of relationship marketing dimensions exists. Therefore, little agreement exists among researchers as to which individual or composite relational mediator best captures the key aspects of a relationship that most affects outcomes (Palmatier et al. 2006). Nonetheless, overwhelming support is found in the literature for the idea that trust, commitment, communication and empathy are the central dimensions for successful relationship marketing and applicable to a wide variety of industries and types of relational approaches.

Trust is the most widely studied and frequently cited dimension in extant literature in the context of B2B and B2C relationships. Moorman et al. (1993: 82) defined trust as a "...willingness to rely on an exchange partner in whom one has confidence". Berry (1995) argues that trust is the single most powerful relationship-based marketing tool. In service industries, trust is regarded as a central construct to the development of successful relationships (Eisingerich & Bell 2007; Liang et al. 2009).

Commitment and communication are consistently used in most customer relationships studies (e.g., Ndubisi & Chan 2005; Ndubisi 2007; Ndubisi et al. 2009), which examine relationship marketing from a customer point of view. Moorman et al. (1992: 316) define relationship commitment as "an enduring desire to maintain a valued relationship". It is essential for the development of long-term relationships (Anderson & Narus 1990) and is an important indicator of both objective and relationship performance (Roberts et al. 2003). Various researchers elaborate upon the dependence of commitment on a successful relationship (Conway & Swift 2000).

In marketing relationships, communication plays a central role in providing an understanding of the exchange partner's intentions and capabilities, thus forming the ground work for building trust among exchange partners. Sin et al. (2002:660) define communication as "the formal as well as informal exchanging and sharing of meaningful and timely information between buyers and sellers". Numerous authors discuss the importance of communication in relationships (Selnes 1998; Sin et al. 2002; Ndubisi 2007; Morgan & Hunt 1994). Ndubisi (2007) argues that effective, reliable and timely communications are crucial in creating and increasing customer loyalty.

Empathy is a component of a business relationship that enables the two parties to see the situation from each other's perspective (Rashid 2003). Although empathy regularly appears in B2B relationship studies (e.g., Callaghan et al. 1995; Yau et al. 2000; Sin et al. 2005; Chattananon & Trimetsoontorn 2009), the component is increasingly receiving attention in relationship marketing studies (e.g., Rashid 2010; Bojei et al. 2012).

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TABLE 1. Dimensions of Relationship Marketing

Author	Dimensions of Relationship Marketing	Industry Automobile	
Morgan & Hunt (1994)	Theorize that the presence of relationship commitment and trust are central to successful relationship marketing.	Tire Industry	
Callaghan et al. (1995)	Propose four dimensions to measure RMO: bonding, empathy, reciprocity and trust.	Across Industry	
Selnes (1995)	Trust enhances the scope of the relationship, but is not necessary when the decision concerns relationship continuity. Meanwhile, satisfaction is found to have strong effects on both relationship enhancement and continuity.	Foodservice Industry	
Lindgreen (2001)	Proposes nine relationship marketing dimensions: trust, commitment, cooperation, communication, shared values, conflict, power, and non-opportunistic behavior.	Across Industry	
Sin et al. (2002)	Argue that RMO is a critical success factor for business performance in service firms and should consist of six dimensions: trust, bonding, communication, shared value, empathy, and reciprocity.	Service Industry	
Tahir (2003)	Determines nine dimensions are central to making relationship marketing successful: trust, commitment, social bonding, empathy, experiences, fulfilling promises, customer satisfaction, internal relationship marketing and communication.	Foodservice Industry	
Sin et al. (2005)	Hypothesize that RMO is a one-dimensional construct in the context of service firms and consists of six components: trust, bonding, communication, shared value, empathy, and reciprocity.	Security Company	
Ndubisi (2007)	Argues that the four dimensions of relationship marketing have a significant impact on customer loyalty in the Malaysian banking industry: trust, commitment, communication and conflict handling.	Banking Industry	
Chattananon & Trimetsoontorn (2009)	Adopt the relationship marketing construct as originally proposed by Callaghan et al. (1995), consisting of the constructs of bonding, empathy, reciprocity and trust, and investigate the impact of these constructs on business performance in Thailand.	Steel Industry	
Theron & Terblance (2010)	Find trust, commitment, satisfaction and communication are the most important dimensions based upon overwhelming support for the dimensions in the literature. Another six dimensions are identified based upon the results of empirical studies: competence, relationship benefits, bonding, customization, attractiveness of alternatives and shared values.	Financial service industry	
Alrubaiee & Al-Nazar (2010)	Confirm that relationship marketing is a multidimensional construct consisting of five dimensions in the Jordanian banking industry: trust, commitment, communication, bonding and satisfaction.	Banking Industry	

RESEARCH METHODOLOGY

ITEM GENERATION

The extensive literature review reveals that numerous dimensions in measuring relationship marketing are identified, such as trust, commitment, communication, empathy, bonding, conflict handling, reciprocity, power, interdependence and others. The present study selects only dimensions that are frequently cited in extant literature; and those dimensions that are tested in the foodservice industry are included as predetermined dimensions. Once the dimensions of relationship marketing had been identified from the literature, the next step was to generate items for inclusion in a draft questionnaire. A total of 15 items were generated from the literature (frequently cited items) and modified to fit the foodservice industry setting.

Next, a survey form was used to generate the new items for relationship marketing. A total of 150 survey forms were distributed to selected customers of various

types of foodservice outlets. In total, 102 useable forms were received, yielding a satisfactory response rate of 68.0 percent. The results from the survey form suggest a series of relevant relationship marketing evaluation criteria. Following prior studies (Brady & Cronin 2001; Richins 1997; Abdullah et al. 2010), a content analytic approach was employed to code the qualitative data obtained. Content analysis is a way of systematically converting text to numerical variables for quantitative data analysis (Hussey 1997). Feedback from the survey form was initially tabulated in the form of field notes, then sorted and analyzed based on key ideas and common themes. A total of 169 initial items were generated from six questions of the survey form. According to DeVellis (1991), the ideal size of the initial items should be 4 times larger than the final scale. In the present study, a total of 169 initial items were generated, which was considered adequate. The next step was to analyze the initial items from the survey form feedback. Items that were repeated frequently were considered for inclusion in the draft questionnaire.

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The literature review and the survey form provided the basis for the items generated for inclusion in the draft questionnaire. A total of 35 items were finally generated from the literature as well as the survey form. The items were measured on a five-point Likert-type scale that varied from 1 (strongly disagree) to 5 (strongly agree). The draft questionnaire was piloted on 100 representative patrons from four different types of food outlets (fine dining restaurants, fast food restaurants, coffee shops and food courts). Respondents were asked to complete the questionnaire and provide their comments or suggestions on any perceived ambiguities, omission or errors concerning the draft questionnaire; and informed that changes would be made accordingly. The pilot test resulted in 91 returned questionnaires, yielding a response rate of 91 percent. Only 85 completed questionnaires were usable, whereas the remaining 6 were rejected due to incomplete responses.

The results from the pilot test were analyzed and a series of tests were undertaken to determine the reliability of the measure or instrument. Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made. In other words, the reliability of a measure indicates the stability and consistency with which the instrument measures the concept. In the present study, two internal consistency estimates of reliability were computed for the 35 items: coefficient alpha (Cronbach's alpha) and the split-half coefficient expressed as the Spearman-Brown corrected correlation. The overall Cronbach's Alpha for the variables in the draft questionnaire is 0.960, which indicates high and strong internal consistency among the 35 items; and is greater than 0.70, which is the threshold suggested by Nunnally (1978). Four items with low correlations (less than 0.30) were dropped from the instrument, resulting in a 31-item scale. De Vaus (2004) suggests any value less than 0.30 indicates a weak correlation for item-analysis purposes. The Cronbach's Alpha value is expected to be higher after the four items were deleted. As expected, the Cronbach's Alpha increased to 0.97, indicating that reliability improved. The corrected item total correlations for the remaining 31 items also increased.

The variables were also checked for multicollinearity problems, a condition where the possibility exists that one variable is a linear function of the other. Multicollinearity among the variables was diagnosed utilizing variable inflation factors (VIF) and the analysis of inter-item correlations. A VIF in excess of 10 is considered an indication of harmful multicollinearity (Neter & Kutner 1989). In the present study, the largest VIF observed in one item is 7.2, which is not high enough to conclude the existence of multicollinearity. The draft questionnaire was subsequently submitted to 5 experts for feedback. The majority of the experts viewed that the draft questionnaire corresponded with the relevant issues of the study, albeit some modifications were needed.

The next step was the full scale survey and the target population of this study was defined as customers

of various types of foodservice outlets, particularly in Sarawak, Malaysia. Multistage sampling was used for the present study, which involved the stratification of foodservice outlets based upon their geographical location (11 divisions of Sarawak), followed by type of outlet (dine in restaurants, coffee shops, fast-food restaurants and food courts/hawker center) and the respondents' gender. Care was taken to randomize the data collection. Data was collected using the personal contact approach suggested by Sureshchandar et al. (2001), whereby respondents are approached personally by the researcher/enumerator and the survey is explained in detail. Out of 2500 questionnaires, 1594 were returned, yielding a response rate of 62.8 percent. However, only 1569 questionnaires were complete (usable questionnaires). The high response rate was due to the 'personal contact' approach used and the frequent follow-ups with the 'contact persons'. The usable sample size of 1569 was in line with the generalized scientific guidelines for sample size decisions proposed by Krejcie and Morgan (1970).

MULTIVARIATE TEST OF NORMALITY

The role played by the assumption of normality, which underlies most methods of multivariate analysis, is overwhelmingly crucial in the present study. The Mahalanobis distances, denoted by D^2 , is the index used in checking multivariate normality of the data and can be computed in two manners. In both methods, a nonlinear pattern indicates departure from multivariate normality. The fit for both methods is good $R^2 = 0.911$ and $R^2 = 0.909$, respectively. Furthermore, the plot is almost linear. The results indicate that the data is multivariate normal.

FACTOR ANALYSIS

In the present study, both exploratory and confirmatory factor analyses are used to assess the dimensionality of the relationship marketing measure in the food service industry. One critical assumption underlying the appropriateness of factor analysis is that the data matrix has sufficient correlations to justify its application. An inspection of the correlation matrix reveals that the correlations are significant at the 0.01 level. All correlations are above 0.30, which is considered substantial for factor analysis (Hair et al. 1995). The next step involves assessing the overall significance of the correlation matrix with the Bartlett test of sphericity. The results are significant at p $< 0.01, \chi^2$ (31, N = 1569), which further confirms that the data are suitable for factor analysis. Finally, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is computed to quantify the degree of inter correlations among the variables and the results indicate an index of 0.97, a good sign of adequacy for factor analysis. As for the adequacy of the sample size, a 50-to-1 ratio of observations to variables exists in the present study. According to Nunnally (1978), the ratio for adequate sample size should be at least 10:1, which, in this case, falls within the acceptable limits.

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EXPLORATORY FACTOR ANALYSIS

All 31 items of the questionnaire are subjected to factor analysis, utilizing the maximum likelihood procedure, which is followed by a varimax rotation. The decision concerning whether or not to include a variable in a factor is based on factor loadings greater than ± 0.40 (Hair et al. 1995). Additionally, all factors whose eigenvalues were greater than 1.0 are retained in the factor solution (Tabachnick & Fidell 1989). Table 2 shows the results of the factor analysis in terms of factor name; the variables loading on each factor; and the variance explained by each factor.

Communication This dimension emphasizes the necessity to communicate in understandable ways; give clear explanations; provide helpful advice to customers; and recognize how to appreciate customers. This dimension also suggests the importance for the foodservice providers to value and use customer feedback in improving service delivery and frequently asking customers for opinions and suggestions.

Trust This dimension stresses the importance of customer confidence with the service provided by the food outlets. This dimension is also concerned with the ability of food service providers to fulfill their obligations in relationships and show respect to customers.

Empathy This dimension relates to the ability of service personnel to exhibit sympathy and reassurance when dealing with customers. This dimension emphasizes the importance of employees to display pleasant, courteous and friendly behavior when providing services for customers so as to instill confidence and comfort among customers. The foodservice providers are required to care and pay individual attention to customers to ensure individual customers feel special.

FINDING

The findings of the present study reveal that relationship marketing is a multidimensional construct consisting of

TABLE 2. Results of Factor Analysis

No	Variables	Communication	Trust	Empathy	Commitment
1	Willing to help and ready to respond to customer request			.431	
2	Understand customer specific needs			.608	
3	Sympathetic and reassuring			.660	
4	Consistently courteous, pleasant and friendly			.511	
5	Makes customer feel special			.553	
6	Caring and paid individual attention			.627	
7	Show respect to customers		.469		
8	Honest and frank		.529		
9	Comfortable in dealing				
10	Reliable promises		.550		
11	Customer trust and have confidence with services		.667		
12	Always provides accurate information	.431			
13	Good impression				
14	Provides detailed information when there is renewal or change in service	ce	.472		
15	Trustworthy on important things		.564		
16	Gives clear explanation and provides useful advice	.662			
17	Has knowledge and competency in answering questions	.625			
18	Easy talking with as communicate in an understandable way	.662			
19	Gives prompt service	.491			
20	Responsible and fulfills obligations		.500		
21	Products and services fulfill customer's needs and requirements				.470
22	Provides service right the first time				.439
23	Establishes and maintains long term customer relationships				.629
24	Committed in providing the best service				.746
25	Provides excellent products and services at reasonable prices				.547
26	Values and uses customer feedback to improve service delivery	.605			
27	Knows how to appreciate customers	.661			
28	Resolves conflict effectively	.571			
29	Frequently asks for customer opinions and suggestions	.585			
30	Accept criticisms and complaints	.535			
31	Consistent in providing quality service				.542
	Eigenvalues	5.139	4.063	3.772	3.097
	% of variance	16.576	13.107	12.166	9.992
	Cumulative %	16.576	29.683	41.849	51.841

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four key dimensions: communication, trust, empathy and commitment. The four dimensions identified are consistent with some previous research performed in different settings (e.g., Sin et al. 2002; Sin et al. 2005; Yau et al. 2007; Ndubisi 2007; Alrubaiee & Al-Nazar 2010; Olotu et al. 2010). The findings imply that communication, trust, empathy and commitment are essential ingredients in customer-firm relationships in the foodservice industry.

Numerous studies acknowledge communication as a central dimension to relationship success (e.g., Morgan & Hunt 1994; Rashid 2003; Sin et al. 2005; Ndubisi 2007; Chattananon & Trimetsoontorn 2009; Bojei et al. 2012). The findings confirm that two-way communication is very significant for both companies and customers because it helps customers to interact with the service providers (Bennett & Barkensjo 2005). Andersen (2001) perceives communication as playing a critical role in relationship marketing because it provides a strong basis for relationship development through the understanding of the exchange partner's intentions and capabilities.

In addition, the findings of the present study are consistent with previous studies that emphasize the importance of trust in service relationships (Morgan & Hunt 1994; Ndubisi 2007; Theron & Terblance 2010). Trust is considered to be important due to the fact that customer-seller relationships will not develop if both parties do not trust each other. In addition, trust is particularly important in the service industry due to the concept of intangibility that portrays the service itself.

Although empathy regularly appears in business to business relationship studies (e.g., Callaghan et al. 1995; Yau et al. 2000; Sin et al. 2002; Sin et al. 2005; Chattananon & Trimetsoontorn 2009), it is increasingly receiving attention in relationship marketing studies on customer relationships (e.g., Tahir 2010; Theron & Terblance 2010; Bojei et al. 2012). Thus, the findings of the present study provide evidence that empathy is not only critical for relationship marketing in business to business (B2B) context, but in the customer context as well. Excluding the element of empathy will lead to the failure of the firm in understanding the feelings and needs of customers.

Commitment, on the other hand, is proposed as a crucial variable in business relationships and one of the most frequently cited dimensions in extant literature after trust (e.g., Morgan & Hunt 1994, Sin et al. 2002; Sin et al. 2005; Ndubisi 2007; Chattananon & Trimetsoontorn 2009). The finding is consistent with the well-known theory of commitment and trust (Morgan & Hunt 1994), which posits that successful relationship marketing requires relationship commitment.

CONFIRMATORY FACTOR ANALYSIS

The confirmatory approach to assessing unidimensionality is adopted and implemented within the LISREL framework (Joreskog & Sorbom 1978) (refer Appendix). A four-

factor measurement model is specified for each construct and the model parameters are estimated using LISREL 8.8. Table 3 shows the fit indices using the Chi-Square test, the goodness of fit index (GFI), the adjusted goodness of fit index (AGFI), the comparative fit index (CFI), the non-normed fit index (NNFI), the incremental fit index (IFI) and the root mean square error of approximation (RMSEA).

TABLE 3. Unidimensionality Test

Dimension	Fit Indices
Chi-square (χ^2) (p < 0.01)	2532.59
Degree of freedom $(df) = 371$	
Goodness-of-fit index (GFI)	0.90
Adjusted goodness-of-fit index (AGFI)	0.88
Comparative fit index (CFI)	0.98
Non-normed fit index (NNFI)	0.98
Incremental fit index (IFI)	0.98
Root mean squared error of approximation (RMSEA)	0.06

Although the overall chi-square test is reported, reliance upon the chi-square test as the sole measure of fit in a structural equation model is not recommended due to its sensitivity to sample size, especially in cases involving sample sizes that exceed 200 respondents (Hair et al. 1995). Hence, other model fit measures are employed to assess the "goodness of fit" of the measurement model (Byrne 2001).

Six further fit indices models are employed to assess the measurement model. The GFI statistic, which was created by Joreskog and Sorbom as an alternative to the Chi-Square test, is generally considered the most reliable measure of absolute fit in most circumstances (Diamantopoulos & Siguaw 2000). In the present model, the GFI is 0.90 and the AGFI is 0.88, indicating evidence of the unidimensionality of the scales. The next set of fit measures of this model consists of relative fit indices, which are assessed using the NNFI and the CFI. In the present model, the NNFI value is 0.98, which is an indication of a good fit, and the CFI value of 0.98, which implies that strong evidence exists of unidimensionality for the factors (Sureshchandar et al. 2001). The RMSEA is generally regarded as one of the most informative fit indices. The RMSEA value for the three-factor model is 0.06, which is evidence of reasonable fit to the data. Therefore, the conclusion is drawn that the four factor relationship marketing model fits reasonably well and represents a close approximation to the population.

RELIABILITY ANALYSIS

In the present study, two internal consistency estimates of reliability are computed for the three relationship marketing constructs: a coefficient alpha; and a split-half coefficient expressed as the Spearman-Brown corrected correlation. The values for both the coefficient alpha and the split-half coefficient for all the relationship marketing

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dimensions are shown in Table 4. All values meet the required prerequisite of 0.70, thereby demonstrating that all the four dimensions are internally consistent and have satisfactory reliability values in their original form.

TABLE 4. Reliability for Relationship Marketing Dimensions

Dimension	Cronbach's Alpha (α)	Split-half coefficient (r)
Communication	1 0.90	0.92
Trust	0.82	0.81
Empathy	0.80	0.82
Commitment	0.84	0.83

VALIDITY TEST

Given that the questionnaire was appropriately designed through a comprehensive review of relevant literature before being fined-tuned based upon the suggestions from various experts, both the face and content validity of the instrument are ensured (Bohrnstedt 1983; Kaplan & Sacuzzo 1993). One method of examining convergent validity is to correlate the four dimensions with each other. The correlation coefficient values range from 0.68 to 0.75 (Table 5), which indicates a moderate positive relationship between the four dimensions of relationship marketing and suggests evidence of convergent validity.

TABLE 5. Convergent Validity

Dimensions	Communication	Trust	Empathy	Commitment
Communicati	ion 1.00			
Trust	0.75	1.00		
Empathy	0.72	0.73	1.00	
Commitment	0.75	0.74	0.68	1.00

A Chi-square difference test is employed to test the scale for discriminant validity. In this test, all discriminant validity checks on the four relationship marketing constructs are conducted. All of the tests are statistically significant at the p=0.001, thus indicating that all the four dimensions are distinct constructs, which is a strong indicator of discriminant validity.

TABLE 6. Criterion Validity

Dimension	Customer Loyalty		
Communication	0.58		
Trust	0.59		
Empathy	0.56		
Commitment	0.57		

Criterion-related validity is established by correlating the four dimensions of relationship marketing (communication, trust, empathy, and commitment) scores with the dependent variable, which is customer loyalty. Table 6 indicates that all of the constructs have significant positive correlations

with customer loyalty. Hence, criterion-related validity is established for all the four dimensions.

MULTIPLE REGRESSION ANALYSIS

The regression model considered customer loyalty as the dependent variable and the relationship marketing scores for the individual dimensions as the independent variables. A multiple regression analysis is conducted to evaluate how well the four dimensions predict customer loyalty. The linear combination of the four dimensions is significantly related to customer loyalty ($R^2 = 0.42$, adjusted $R^2 = 0.41$, F (4, 1564) = 282.81, p = 0.01). Approximately 42 percent of the variance of customer loyalty in the sample can be accounted for by the linear combination of the four dimensions. The above findings indicate that the dimensions of relationship marketing are positively associated with customer loyalty. The results suggest that foodservice providers can foster and increase customer loyalty through communication, trust, empathy and commitment. This result is consistent with some previous studies in different settings (e.g., Ndubisi 2007; Alrubaiee & Al-Nazer 2010).

All of the bivariate correlations between the four dimensions and customer loyalty are positive and all of the dimensions are statistically significant ($\underline{p} < 0.01$). As for the relative influence, trust is found to be the most important dimension of relationship marketing in the foodservice industry in determining the variation in customer loyalty, followed by communication, empathy and commitment. This finding is consistent with previous studies. For example, Ndubisi (2007) confirms and validates that trust is the most important dimension in the context of the Malaysian banking industry. In conclusion, increases in customer satisfaction and loyalty are associated with greater trust, on the part of the customer, in the foodservice outlet; more reliable and timely communications from the food service outlet; more sympathetic and reassuring behavior on the part of the outlet employees; and higher levels of commitment from the food service outlet.

TABLE 7. Relative Importance (customer loyalty as dependent variable)

Dimension	Stand. Coefficients (β)	Rank	
Trust	0.213	1	
Communication	0.177	2	
Empathy	0.169	3	
Commitment	0.168	4	

CONCLUSION AND RECOMMENDATIONS

The major contribution of the present study to both academic work and practice in the field of marketing is the identification of the relationship marketing dimensions of the foodservice industry from the perspective of the customer. Despite the foodservice operator's desire to

implement a relationship marketing approach, to date no specific guidance exists regarding precisely what dimensions or components must be emphasized to develop relationship marketing. A factorial analysis, using both exploratory and confirmatory approaches, suggests that relationship marketing, in the context of the foodservice industry, is a multidimensional construct consisting of four key dimensions that are distinct, yet related and conceptually clear: communication, trust, empathy and commitment.

The present study also contributes to the existing body of knowledge in the field of marketing by developing and validating a new measuring instrument in relationship marketing, which consists of a 31-item questionnaire that is exclusively designed to fit the foodservice industry. Marketing practitioners could use the valid and reliable measuring scale as a diagnostic tool in assessing and improving their relationship with customers. The findings from the present study are critical since most previous studies develop relationship marketing for business to business (B2B) relationships, which is inadequate to assess business to customer (B2C) relationships. Thus, the present study captures the customer's evaluations of relationship marketing in a 31-item questionnaire uniquely adapted to fit the unique setting of the foodservice industry.

The results of the multiple regression analysis provide significant evidence that the dimensions of relationship marketing positively influence customer loyalty. The results suggest that foodservice operators must place greater emphasis on the issues of communication, empathy, commitment and trust in order to foster and increase customer loyalty. The trust dimension is found to have the greatest impact on customer loyalty among the four dimensions of relationship marketing. Trust refers to the ability of the foodservice operators to inspire confidence in the customers; make reliable promises; be trustworthy on important things; and be responsible. Furthermore, trust significantly influences customer loyalty. In other words, customers perceive trust to be more important than other dimensions in developing their loyalty towards a foodservice operator. However, foodservice operators should also place adequate emphasis on the other three dimensions of relationship marketing identified in the present study (communication, empathy and commitment). It is important for foodservice establishments to provide adequate service on all dimensions and determine which dimensions may require greater attention.

Foodservice providers are required to determine the actions needed to ensure effective implementation of relationship marketing strategy. As competition intensifies on a global basis and produces greater pressures from rival operators, foodservice providers must be able to formulate different strategies to increase their competitiveness. Moreover, in today's world, where advances in technology increase the possibility for imitation, products and services are becoming almost identical and customers are inundated with choices in the

marketplace. The situation creates greater challenges for foodservice providers to maintain their customer base. Thus, the ongoing emphasis on building and maintaining a strong customer-firm relationship is the key to achieving a sustainable competitive advantage in the marketplace and retaining valuable customers. Customers that have strong rapport with a firm tend to make repeat purchases and are less likely to switch to competitors because they have developed confidence in the firm, gained social benefits and received special treatment. Therefore, foodservice providers are proposed to develop an effective customer loyalty program by leveraging on relationship marketing by: (1) instilling customer trust and confidence; (2) developing an effective communication strategy; (3) exhibiting empathy and assurance; and (4) giving full commitment to customers.

MANAGERIAL AND THEORETICAL IMPLICATIONS

The findings of the present study are crucial because very few studies focus on the dimensions of relationship marketing within the foodservice industry; and practically none are conducted in Malaysia. Therefore, the major contribution of the present study is the identification of the four key dimensions of relationship marketing within the foodservice industry from the perspective of the customer: communication, trust, empathy and commitment. Identifying and understanding the dimensions of relationship marketing are critical for the success of service provider-customer relationships. Foodservice operators should be able to identify the critical dimensions of relationship marketing that enhance customer relationships and subsequently create competitive advantages and gain customer loyalty. Additionally, knowing the strengths and weaknesses of the dimensions and their respective influence may result in a stronger customer relationship.

The present study contributes to the ever growing relationship marketing literature by developing and validating a new measuring tool for relationship marketing, which is a 31-item questionnaire exclusively designed to meet the unique setting of the food service industry. The development of the new measuring instrument is crucial since most previous studies develop scales for business to business (B2B) relationships that may not fully cater for assessments of relationship marketing in a business to customer (B2C) relationship. The new instrument is developed through a systematic process and empirically tested for unidimensionality, reliability and validity. Foodservice operators can use the valid and reliable measuring scale as a diagnostic tool to identify areas where specific improvements are needed. Finally, the research findings validate the long-held belief that relationship marketing is an important tool in gaining customer loyalty. The findings suggest that customer loyalty and satisfaction is a reflection of trust in the food

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service provider; the effectiveness of the food service provider's communication; and the level of food service provider commitment.

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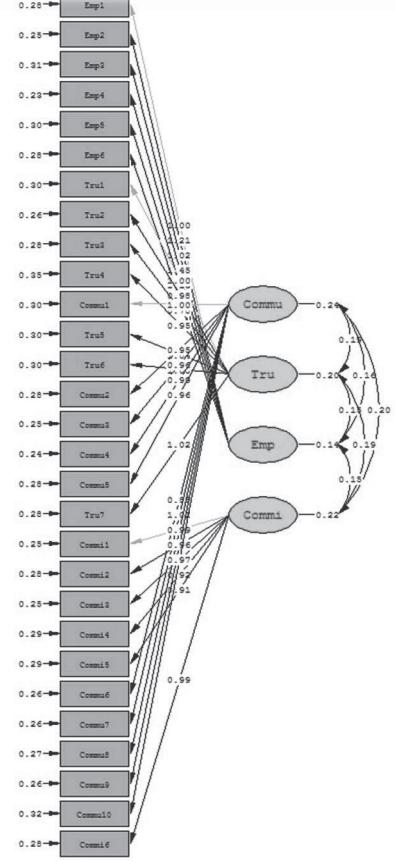
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APPENDIX

Path Diagram of the Four Dimensions of Relationship Marketing



Chi-Square=2532.59, df=371, P-value=0.00000, RMSEA=0.061

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