

WHY IT TAKES TWO
TO BUILD SUCCESSFUL BUYER-SELLER RELATIONSHIPS

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Developments in information and communication technology enable sellers to better understand and respond to buyers' needs and preferences, allowing them to build stronger relationships than ever before. However, caught up in their enthusiasm for relationship marketing practices, is it possible that sellers have forgotten that relationships take two? The prime interest of this study is to explicitly take a buyer's point of view by simultaneously assessing the impact of two new constructs on relationship success: seller retention orientation (as perceived by the buyer) and buyer relationship proneness. In addition, we want to investigate which antecedents underlie both hypothesized drivers of enduring relationships. Face-to-face interviews with 246 visitors of a large German shopping mall indicate that the development of a strong relationship depends upon perceived retention efforts made by the seller as well as on the intrinsic inclination of a buyer to engage in relationships. Moreover, the results related to the antecedents provide clear guidance to sellers for strengthening the impact of their retention efforts and for benefiting from enhanced customer segmentation.

WHY IT TAKES TWO

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Fournier, Dobscha, and Mick (1998, p. 42) recently claimed that “relationship marketing is in vogue. Managers talk it up. Companies profess to do it in new and better ways every day. Academics extol its merits.” Evidence of this is apparent from the increasing amount of special journal issues on relationship marketing and loyalty (e.g., *Journal of Business Research* 1999; *Industrial Marketing Management* 1997; *International Journal of Research in Marketing* 1997; *Journal of Marketing Management* 1997; *European Journal of Marketing* 1996; *Journal of the Academy of Marketing Science* 1995). However, despite the generally acknowledged merits of building strong buyer-seller relationships, Fournier, Dobscha, and Mick (1998, p. 42) also wondered whether “caught up in our enthusiasm for our information-gathering capabilities and for the potential opportunities that long-term engagements with customers hold, is it possible that we have forgotten that relationships take two?”

Most definitions of relationship marketing stress the existence of advantages for both parties in a relationship (e.g., Grönroos 1990). This assumption that a relationship takes two implies that both the seller and the buyer should be inclined to engage in a mutual relationship. As repeat business provides sellers with benefits such as better financial results, increased market knowledge, more stable market conditions, increased sales opportunities, and more flexible approaches of the market (Reichheld and Sasser 1990), we can expect most sellers to be willing to build strong customer relationships. Therefore, it is not surprising that the value of relationship marketing has mainly been viewed from a seller’s perspective to the neglect of the buyer’s perspective (Sheth and Parvatiyar 1995). Nevertheless, several academics recognize the importance of taking a buyer perspective in investigating relationships (Gruen 1995). For example, Barnes (1997) postulated that no relationship will exist unless the buyer feels that

one exists. The assumption that a relationship can be formed with any buyer often leads sellers to waste valuable resources, simply because the buyer does not want a relationship. In response to this, our study explicitly takes a buyer perspective by introducing two new constructs (buyer relationship proneness and seller retention orientation), investigating their antecedents, and evaluating their impact on relationship success (satisfaction, trust, commitment, and buying behavior).

First, the concept of buyer relationship proneness assesses the intrinsic inclination of a buyer to engage in relationships with sellers of a particular product category. Several authors recently argued that some buyers are intrinsically inclined to engage in relationships, while others are not. However, no empirical research has yet investigated the role of buyer relationship proneness in affecting relationship outcomes (Bendapudi and Berry 1997). The objective of our study is to demonstrate that a buyer's *general* propensity to have long-term relationships influences the strength of this buyer's relationship with a *specific* seller. Moreover, this study is a first attempt to find an answer to the question for which reasons people are prone to engage in relationships. For this purpose, we measure the differential impact of four individual difference variables (social affiliation, social recognition, shopping enjoyment, and product category involvement) on the extent to which a buyer is relationship prone. This provides sellers with guidelines enabling them to target their relationship marketing strategies more effectively, thereby increasing their efficiency.

Second, we describe seller retention orientation as the extent to which a buyer perceives a seller to care for customer retention. The mere fact that a buyer perceives a seller to pay attention to customer retention could stimulate the buyer to respond favorably to this. While several conceptual efforts have been made to explain processes of enhancing buyer-seller relationships (e.g. Beatty et al. 1996), relatively few attempts have been aimed at actually measuring the degree to which sellers are retention

oriented (Biong and Selnes 1995). Sellers can apply different strategies aimed at showing their dedication to customer retention. However, most of them still struggle with the question which specific strategies can be successfully applied to enhance customer loyalty, following incorrect beliefs and uncertainty about what matters to customers (Sirohi, McLaughlin, and Wittink 1998). In order to address this issue, we assess the impact of four different types of relationship marketing efforts (communication, differentiation, personalization, and rewarding) on the level of seller retention orientation.

The remainder of this paper is structured as follows. First, we propose our conceptual model and present the related research hypotheses. Subsequently, we elaborate on the applied research methodology and discuss the results. In the final section, we discuss the study's implications for marketing practice and provide directions for future research.

CONCEPTUAL MODEL AND HYPOTHESES

Buyer Relationship Proneness and Its Antecedents

Buyer relationship proneness. Gwinner, Gremler, and Bitner (1998) claimed that relationship marketing success may depend not only on its strategy or implementation, but also on the preferences of the individual buyer. More specifically, Christy, Oliver, and Penn (1996) used the term “psychologically predisposed” in order to express the idea that some buyers are intrinsically inclined to engage in relationships. In this study, we introduce the term buyer relationship proneness as “a buyer’s relatively stable and conscious tendency to engage in relationships with sellers of a particular product category.” Thus note that buyer relationship proneness is defined as a relatively stable tendency, contingent only upon a particular product category and not upon a particular situation or a specific seller. In addition,

we emphasize a *conscious* tendency to engage in relationships as opposed to loyalty based more on inertia or convenience (e.g., Dick and Basu 1994).

Social affiliation. In line with Cheek and Buss (1981), we define social affiliation as “a buyer’s individual characteristic representing the tendency to affiliate with others and to prefer being with others to remaining alone.” Engaging in buyer-seller relationships might be one of the ways to satisfy the need for exchanges with other people (Forman and Sriram 1991). Shim and Eastlick (1998) argued that many people buy from sellers not only to acquire goods and services, but also to seek socializing benefits. Thus we postulate the following hypothesis:

H₁: A higher need for social affiliation leads to a higher level of buyer relationship proneness

Social recognition. In line with Brock et al. (1998), we define social recognition as “a buyer’s individual characteristic representing the desire of being well-respected by others.” Social recognition is assumed to guide relationship development and to define the resulting type of relationship (Kirkpatrick and Davis 1994). Forman and Sriram (1991) claimed that some people engage in buyer-seller relationships in their search for social recognition. Therefore, consumers with higher needs for social recognition can be expected to be more prone to engage in buyer-seller relationships. This leads to the following hypothesis:

H₂: A higher need for social recognition leads to a higher level of buyer relationship proneness

Shopping enjoyment. In line with Bellenger and Korgaonkar (1980), we define shopping enjoyment as “a buyer’s individual characteristic representing the tendency to find shopping more enjoyable and to experience greater shopping pleasure than others.” The construct of shopping enjoyment relates to the difference between hedonic and utilitarian shoppers. While utilitarian shoppers aim at accomplishing the consumption task, hedonic shoppers strive for fun and entertainment in

shopping (Hirschman and Holbrook 1982). Bellenger and Korgaonkar (1980) proved that people who enjoy shopping hardly ever have a pre-planned purchase in mind, potentially reducing their desire to commit themselves to one specific store. Consequently, we hypothesize that consumers who lack shopping enjoyment are interested in relationships with stores as these relationships might mitigate their unpleasant shopping task. The following hypothesis is proposed:

H₃: A lower level of shopping enjoyment leads to a higher level of buyer relationship proneness

Product category involvement. In line with Mittal (1995), we define product category involvement as “a buyer’s enduring perceived importance of the product category based on the buyer’s inherent needs, values, and interests.” Researchers have suggested that individuals who are highly involved with a product category reveal a tendency to be more loyal (King and Ring 1980). Christy, Oliver, and Penn (1996) stressed that highly-involved consumers provide a strong basis for extending the relationship. Consequently, approaches by the seller, however well intentioned, could be regarded by the buyer as undesirable when the buyer’s involvement is low. Consequently, we hypothesize that:

H₄: A higher level of product category involvement leads to a higher level of buyer relationship proneness

Seller Retention Orientation and Its Antecedents

Seller retention orientation. We define seller retention orientation as “a buyer’s overall perception of the extent to which a seller actively makes efforts that are intended to retain regular buyers.” Such efforts can relate to the product or service proposition as well as to aspects of the relationship itself. We believe this construct builds upon related concepts, such as “relational selling behavior” in a customer-salesperson relationship context (Crosby, Evans, and Cowles 1990),

“relationship quality” in business markets (Scheer and Stern 1992), and even the concept of “market orientation”, defined as strategic activities directed at delivering superior value to the customer (Narver and Slater 1990). However, it differs substantially in several ways. First, the concept of perceived seller retention orientation goes beyond the limited scope of salespersons’ efforts emphasized in studies investigating relational selling behavior. Second, while relationship quality assesses the extent to which a buyer experiences a relationship with a seller, perceived seller retention orientation focuses at factors determining the quality of this relationship. Third, buyer perceptions are at the basis of seller retention orientation (i.e., a buyer’s perspective), whereas the construct of market orientation is based upon a company’s internal assessment of customer value delivery (i.e., ultimately a seller’s perspective).

Perceptions of one seller’s retention efforts could be inflated by a buyer’s inherent proneness to engage in relationships with sellers in general. Relationship prone buyers may see a seller’s efforts through more rose-colored glasses. As this hypothesis involves relating two new constructs, we only found tentative support for a relationship between both in the literature on interpersonal relationships. Research analyzing interpersonal attraction is considered to provide a suitable framework for describing buyer-seller relationships (Dwyer, Schurr, and Oh 1987). For example, Simpson, Gangestad, and Lerma (1990) demonstrated that people in search of a romantic relationship find potential partners to be more attractive than do people already involved in romantic relationships. Analogously, we hypothesize that buyers who are more relationship prone perceive sellers to be more retention oriented.

H₅: A higher level of buyer relationship proneness leads to a higher level of seller retention orientation

Communication. We define communication as “a buyer’s perception of the extent to which a seller keeps its regular buyers informed through direct communication media”. By conveying interest in the buyer, communication is often considered to be a necessary condition for the existence of a

relationship (Duncan and Moriarty 1998). As a result, we seek to establish that communication should be a strong precursor for enhanced customer perceptions of retention efforts. Thus our hypothesis:

H₆: A higher level of communication leads to a higher level of seller retention orientation

Differentiation. We define differentiation as “a buyer’s perception of the extent to which a seller treats and serves its regular buyers differently from its non-regular buyers” (e.g., Gwinner, Gremler, and Bitner 1998). Sheth and Parvatiyar (1995, p. 264) recognized that “implicit in the idea of relationship marketing is consumer focus and consumer selectivity – that is, all consumers do not need to be served in the same way.” Peterson (1995) argued that such distinctive treatment enables a seller to address a person’s basic human need to feel important. Thus we expect to be able to demonstrate that customers will perceive their special treatment as a seller’s retention effort. Accordingly, we hypothesize:

H₇: A higher level of differentiation leads to a higher level of seller retention orientation

Personalization. We define personalization as “a buyer’s perception of the extent to which a seller interacts with its regular buyers in a warm and personal way” (cf. Metcalf, Frear, and Krishnan 1992). The importance of personal exchanges between buyers and sellers in influencing relationship outcomes should not be surprising given that relationships are inherently social processes (Beatty et al. 1996). Evans, Christiansen, and Gill (1996, p. 208) stated that the social interaction afforded by shopping has been suggested to be “the prime motivator for some consumers to visit retail establishments.” Examples of social relationship benefits are feelings of familiarity, friendship, and social support (Berry 1995), personal recognition and the use of the customer’s name (Howard, Gengler, and Jain 1995), knowing the customer as a person, engaging in friendly conversations, and exhibiting personal warmth (Crosby, Evans, and Cowles 1990). This theorizing is summarized in the hypothesis:

H₈: A higher level of personalization leads to a higher level of seller retention orientation

Rewarding. We define rewarding as “a buyer’s perception of the extent to which a seller offers tangible benefits such as pricing or gift incentives to its regular buyers in return for their loyalty.”

Frequent flyer programs, customer loyalty bonuses, free gifts, personalized cent-off coupons, and other point-for-benefit “clubs” are examples of rewarding efforts (Peterson 1995). Trying to earn points – on such things as hotel stays, movie tickets, and car washes – would help customers to remain loyal, regardless of service enhancement or price promotions of competitors (Sharp and Sharp 1997). Hence, we formulate the following hypothesis:

H₉: A higher level of rewarding leads to a higher level of seller retention orientation

Relationship Success

Conceptual models that theorize both attitudinal and behavioral relationship outcomes have strong precedence in relationship marketing studies (Morgan and Hunt 1994). Frequently reported indicators of relationship success are relationship satisfaction, trust, and relationship commitment (Baker, Simpson, and Siguaw 1999; Crosby, Evans, and Cowles 1990; Doney and Cannon 1997). Sharp and Sharp (1997) explicitly suggested to complement attitudinal measures of relationship success with the behavioral changes they create, underlying our choice to include buying behavior as an additional parameter.

Relationship satisfaction. Satisfaction with the relationship is regarded as an important outcome of buyer-seller relationships (Smith and Barclay 1997). We define relationship satisfaction as “a buyer’s affective state resulting from an overall appraisal of the relationship with the seller” (cf. Anderson and Narus 1984). In business (e.g., Ganesan 1994) as well as in consumer markets (e.g.,

Baker, Simpson, and Siguaw 1999), customers tend to be more satisfied with sellers who make deliberate efforts towards them. Consequently, we posit the following hypothesis:

H₁₀: A higher level of seller retention orientation leads to a higher level of relationship satisfaction

Moreover, there are reasons to assume that satisfaction is not merely dependent upon the perception of a seller's actions. Storbacka, Strandvik, and Grönroos (1994) stated that buyers who are interested in relationships perceive satisfaction with a relationship to be important. In our view, this statement could be interpreted in one of two ways. First, relationship prone buyers could be more difficult to satisfy as a result of a more critical attitude towards relationships with sellers. This view corresponds with Kalwani and Narayandas (1995) who stated that buyers who are willing to engage in relationships are the most difficult to satisfy. Second, relationship prone buyers could be easier to satisfy as a result of a higher receptivity towards a seller's retention efforts. In line with the second explanation, our assumption is that people who find satisfaction more important are easier to satisfy. As a result, we posit that:

H₁₁: A higher level of buyer relationship proneness leads to a higher level of relationship satisfaction

Trust. The development of trust is thought to be an important result of dyadic buyer-seller relationships (e.g., Gundlach, Achrol, and Mentzer 1995). Consistent with Morgan and Hunt (1994), we define trust as “a buyer's confident belief in a seller's honesty towards the buyer.” A recent meta-analysis in a channel marketing context (Geyskens, Steenkamp, and Kumar 1999) suggests that relationship satisfaction precedes trust, so we hypothesize:

H₁₂: A higher level of relationship satisfaction leads to a higher level of trust

Relationship commitment. Commitment is generally regarded as an important result of good relational interactions (Dwyer, Schurr, and Oh 1987). We define relationship commitment as “a buyer's enduring desire to continue a relationship with a seller accompanied by the willingness to make efforts at

maintaining it” (cf. Morgan and Hunt 1994). Relationships characterized by trust are so highly valued that parties will desire to commit themselves to such relationships, so some marketers indicate that trust should positively affect commitment (e.g., Doney and Cannon 1997). Strong empirical evidence exists for a positive path from trust to relationship commitment (e.g., Morgan and Hunt 1994). Thus we postulate the hypothesis:

H₁₃: A higher level of trust leads to a higher level of relationship commitment

Moreover, Dwyer, Schurr, and Oh (1987, p. 19) suggested that high relational performance is necessary for commitment to occur. They stated that commitment is “... fueled by the ongoing benefits accruing to each partner.” In line with this, Bennett (1996) argued that the strength of a buyer’s commitment depends on his perceptions of efforts made by the seller. Thus, we formulate the following hypothesis:

H₁₄: A higher level of seller retention orientation leads to a higher level of relationship commitment

There are reasons to assume that relationship commitment is not merely dependent upon perceived retention efforts. Some support can be found that buyer relationship proneness influences commitment as well. Individual characteristics have often been considered as antecedents of commitment (Rylander, Strutton, and Pelton 1997). Storbacka, Strandvik, and Grönroos (1994) further indicated that a buyer’s interest in relationships influences the level of commitment to a relationship in which the buyer is engaged. Consequently, we posit:

H₁₅: A higher level of buyer relationship proneness leads to a higher level of relationship commitment

Buying behavior. Moorman, Deshpandé, and Zaltman (1993) suggested that customers who are committed to a relationship may have a greater propensity to act because of their need to remain consistent with their commitment. Nevertheless, Pritchard, Havitz, and Howard (1999) recently

indicated that the link between commitment and loyalty has received little empirical attention. Inspired by these ideas and findings, we investigate the hypothesis:

H₁₆: A higher level of relationship commitment leads to increased buying behavior

Summarizing, Figure 1 visualizes our conceptual model representing the hypothesized effects.

Insert Figure 1 about here

METHOD

Setting

This study relates to German consumers reporting on retailers selling beauty products, comprising aftershaves, cosmetics, fragrances, hairstyling products, and skincare products. Beauty shops as well as cosmetic departments of department stores were investigated. In order to increase internal validity, mail order buying, drugstores, supermarkets, and pharmacies were excluded. We believe testing the model in this context is appropriate since consumers tend to purchase beauty products relatively frequently, which is conducive to our purposes as repeated contact enables consumers to better assess a retailer's retention efforts.

Sample

246 mall intercept personal interviews were administered in a large German shopping mall. The sample was drawn from shopping mall visitors to obtain coverage on age (18 to 25 years: 19.9%, 26 to 40: 29.3%, 41 to 55: 24.4%, and 55 years and over: 26.4%), gender (male: 30.1%, female: 69.9%), and allocated share-of-wallet for the store reported on (0-20%:11.0%, 21-40%: 17.5%, 41-60%:

38.6%, 61-80%: 18.3%, and 81-100%: 14.6%). These criteria are often mentioned to influence shopping attitudes and behavior (e.g., Carman 1970), so we consider them to be relevant for the study's objectives. We also sought even coverage over interviewing time of day (morning, early afternoon, and late afternoon) and interviewing day of week (Wednesday, Friday, and Saturday) so as to reduce possible shopping pattern biases. 21.2 percent of the visitors who were approached participated.

Procedure

Participants were first asked whether they had ever made a purchase in the particular product category; 80.4 percent passed this filter question. These persons were asked to indicate the names of five stores in which they usually bought beauty products. Next, respondents indicated their approximate share-of-wallet for each store listed (measured on a continuous scale from 0% to 100%) and the extent to which they felt they were a regular customer of each store (measured on a scale from 1 to 7). Finally, the interviewers selected a specific store to which the remaining questions were related, based upon the stated share-of-wallet. In order to increase internal validity, only those stores were included for which respondents indicated at least 4 on the 7-point scale measuring their "being a regular customer". The questions addressed all constructs included in the conceptual model.

Measure Development

Measures for some constructs were available in the literature, though most had to be adapted in order to suit a retail environment. For the constructs of seller retention orientation, its antecedents, and

buyer relationship proneness, scales were not available and had to be developed for the purpose of this study.

Focus groups were used to learn how consumers described seller retention orientation and buyer relationship proneness. In addition, they were helpful in generating insights into the antecedents of seller retention orientation. Four groups were organized in cooperation with a medium-sized Belgian retail chain that provided a database containing detailed information on the purchasing history of its customers. Customers recruited for the focus groups were divided into four homogeneous groups according to gender and loyalty towards the chain. Participants were first asked open-ended questions about their own behavior with respect to shopping. Second, direct questions were posed to acquire knowledge on seller retention orientation and relationship proneness. Finally, projective techniques were used during the remainder of the discussions (i.e., depth descriptions, photo-sorts). Participants received a monetary incentive in return for their cooperation. The results were helpful in generating items.

Second, a group of expert judges (four academics and three practitioners) qualitatively tested an initial pool of items intended to measure the antecedents of seller retention orientation. Experts were provided with the definitions of these antecedents and asked to classify each item to the most appropriate construct. Items improperly classified were reformulated or deleted.

Finally, we pre-tested the items (for all constructs) on a sample of 60 consumers via personal in-home interviews. The pre-test sample of consumers was evenly spread across age and gender. We asked respondents to complete the questionnaire, after which they were asked to describe the meaning of each question, to explain their answer, and to state any problems they encountered while answering questions. Small adjustments to the questionnaire were made on basis of the pre-test.

RESULTS

A maximum likelihood estimation was applied to the covariance matrix in order to generate the structural equations model. After preliminary reports on characteristics of the data, we report the modeling results for the overall, measurement, and structural model.

Preliminary Data Analysis

We examined the data for skewness and kurtosis, but found only slight tendencies for either, not necessitating transformations of responses which would introduce alternative problems, e.g., interpretability (Gassenheimer, Davis, and Dahlstrom 1998). The sample size was considered to be large enough to compensate for negative effects of kurtosis on parameter estimates, even though this does not reduce the potential for biases in standard errors induced by skewness of the data (Bollen 1989). In addition, we assessed the data for the possible existence of univariate and bivariate outliers, using plots against normals and bivariate scatter plots respectively. As the number of univariate (maximum 8 per item) and bivariate (maximum 13 per relationship) outliers was small relative to sample size, we retained them for subsequent data analysis, because it cannot be proved that these outliers are not representative of the population.

Overall Model Evaluation

The chi-square value is significant (1,372 with 735 degrees of freedom), a finding not unusual with large sample sizes (Doney and Cannon 1997). The ratio of chi-square to degrees of freedom is 1.87, which can be considered as adequate. While the values of GFI (0.79) and AGFI (0.75) are

somewhat lower than those of CFI (0.91), this result is mainly due to the former measures being more easily affected by sample size and model complexity. In general, the indicated fits are good, including RMSEA, which is 0.059, and SRMR, being 0.087. Given the adequacy of these indices, given the fact that the model was developed on theoretical bases, and given the relative complexity of the model, no model respecifications were made.

Measurement Model Evaluation

Table 1 reports the results of the measurement model. We assessed its quality on unidimensionality, convergent validity, reliability, and discriminant validity. Evidence for the unidimensionality of each construct was based upon a principal components analysis revealing that the appropriate items loaded at least 0.65 on their respective hypothesized component, with a loading no larger than 0.30 on other constructs. Convergent validity was supported by a good overall model fit, all loadings being significant ($p < 0.01$), and nearly all R^2 exceeding 0.50 (Hildebrandt 1987). Reliability was indicated by composite reliability measures all exceeding 0.75. Discriminant validity was tested in a series of nested confirmatory factor model comparisons in which correlations between latent constructs were constrained to 1 (each of the 84 off-diagonal elements constrained and the model re-estimated in turn), and indeed chi-square differences were significant for all model comparisons ($p < 0.01$). In addition, the average percentage of variance extracted for each construct was greater than 0.50. In sum, the measurement model is clean, with evidence for unidimensionality, convergent validity, reliability, and discriminant validity.

Insert table 1 about here

Structural Model Evaluation

Table 2 contains the detailed results related to the structural model. All significant relationships between latent constructs are in the hypothesized direction (except for the path from differentiation to seller retention orientation), providing strong evidence for our conceptual model and supporting the nomological validity of the constructs.

Regarding the antecedents of buyer relationship proneness, only product category involvement appeared to be a significant driver (H_4 supported). None of the other hypothesized antecedents proved to be meaningful in explaining buyer relationship proneness (H_1 , H_2 , and H_3 rejected).

In examining H_5 - H_9 , those explicating the antecedents of seller retention orientation, it appeared that a buyer's relationship proneness has a strong positive impact on this buyer's perceptions of seller retention orientation (H_5 supported). No significant relationship could be detected between communication and seller retention orientation (H_6 rejected). Unexpectedly, differentiation revealed a negative relationship with seller retention orientation (H_7 counter-evidenced). Personalization proved to be the strongest impactor of seller retention orientation (H_8 supported). In addition, the data convincingly support a positive path from rewarding to seller retention orientation (H_9 supported).

Finally, there was strong and uniform support for H_{10} - H_{16} , the consequential structural links of the impacts of buyer relationship proneness and seller retention orientation. All paths related to hypotheses H_{10} - H_{16} were significant and in the hypothesized direction. Thus our theoretically derived predictions regarding the interrelationships among buyer relationship proneness, seller retention orientation, relationship satisfaction, trust, relationship commitment, and behavioral loyalty are clearly empirically supported.

DISCUSSION OF RESULTS

The prime interest of this study was to investigate why successful relationships take two and, more specifically, to assess the specific role of the buyer in establishing enduring relationships. In response to recent requests for directing more attention to the buyer perspective (Barnes 1997; Bendapudi and Berry 1997), our empirical results provide evidence for the buyer's crucial impact on relationship success. This is not only apparent from the dominant influence of buyer relationship proneness, but also a buyer's perceptions of seller retention orientation reveal a significant impact on relationship satisfaction and commitment. An interesting observation is that relationship satisfaction is relatively stronger influenced by perceived seller retention orientation, whereas relationship commitment is relatively stronger affected by buyer relationship proneness. This leads to the conclusion that it will be very hard to establish relationship satisfaction without buyers perceiving retention efforts made by the seller and to create relationship commitment without buyers being prone to engage in relationships with sellers. This seems plausible as relationship satisfaction refers to "the overall appraisal of a relationship with a seller" and relationship commitment refers to "an enduring desire to continue a relationship". From a nomological point of view, one would indeed expect seller-related variables such as seller retention orientation to be related stronger to relationship satisfaction, while buyer relationship proneness is expected to reveal strong ties with relationship commitment.

With respect to the influence of buyer relationship proneness on relationship success, our results contradict Kalwani and Narayandas' (1995) conceptual idea that buyers who are relationship prone are relatively more difficult to serve satisfactorily. Moreover, our data support the belief that an idiosyncratic feature such as buyer relationship proneness affects relationship commitment (Storbacka, Strandvik, and Grönroos 1994). Previous studies on relationship marketing might suffer from the omission of buyer

relationship proneness as an important construct. Our results imply that the effectiveness of relationship marketing strategies is largely affected by the proneness of buyers to engage in relationships. Failing to include buyer relationship proneness in future studies on relationship marketing could result in flawed conclusions related to the antecedents and consequences of satisfaction with and commitment to buyer-seller relationships. From a managerial point of view, while relationship proneness cannot be controlled by the seller, segmenting buyers according to levels of buyer relationship proneness could affect expected share-of-market and share-of-customer, given that relationship-prone buyers have a higher tendency to remain loyal to one store. Considering the question why some consumers are prone to engage in relationships while others are not, our results show the importance of product category involvement as a strong precursor of buyer relationship proneness. This confirms King and Ring's (1980) assumption that consumers are likely to be willing to enter relationships with sellers when their involvement is high for certain product categories. It also provides support for the notion that product category involvement underlies individual characteristics of buyers (Beatty, Homer, and Kahle 1988) such as buyer relationship proneness. In contrast to several authors stressing that findings of studies on interpersonal relationships can be transferred to buyer-seller relationships (Shim and Eastlick 1998), needs for social affiliation and social recognition were not found to underlie a buyer's intrinsic inclination to establish relationships with sellers. People looking for social contact and appreciation are apparently not necessarily looking for relationships with stores of a particular product category. This is in contrast to Ellis's (1995) findings showing that highly sociable people are looking for social relationships with sales associates. Moreover, no significant correspondence was found between people who enjoy shopping and people being relationship prone. This finding is in line with Beatty et al. (1996) who stated that shopping motivations are different from relationship motivations. Consequently, the reasons that

consumers have for shopping are not necessarily related to the reasons that consumers have for engaging in relationships with stores.

Furthermore, an additional determinant of relationship success is the level of perceived seller retention orientation. This is in line with researchers previously indicating that performance judgments such as seller retention orientation play an important role in influencing relationship satisfaction and commitment (Smith and Barclay 1997). Consumers perceiving sellers' efforts to enhance customer loyalty seem to respond equitably by adjusting their attitudes in terms of improved satisfaction and commitment. But how can sellers improve such perceptions? In line with e.g. Howard, Gengler, and Jain (1995) and Peterson (1995), our study proves that sellers treating customers in a personal way and rewarding them for their loyalty can reap benefits in terms of enhanced buyer perceptions of retention efforts. This demonstrates the crucial role of retail employees who are in direct contact with customers. Retailers capable of training and motivating their employees to show warm and personal feelings towards customers can reap the resulting benefits in terms of improved perceptions of seller retention orientation. Also when hiring store personnel, store management needs to focus on social abilities of the candidates that facilitate social interactions with target consumers (Weitz and Bradford 1999). This is especially important, as the emergence of automated retailing has gradually reduced opportunities for social interaction in the store. Contrary to our expectations, a negative relationship was found between differentiation and seller retention orientation. This contradicts the common opinion that regular buyers should be treated in a different way than non-regular buyers (Barlow 1992). A potential explanation for this finding might be that customers do not appreciate to be openly favored above other customers. If this were true, it would hold important implications for retailers as it underlines that efforts directed at buyers should be made "delicately" in order to avoid bringing customers in an uncomfortable position.

Finally, consumers perceiving communication efforts do not seem to “frame” these efforts in the context of loyalty enhancement, as no significant relationship exists between communication and seller retention orientation. A likely explanation for this is that the strong tradition of directly communicating with customers in Germany has worn out the effects of communication on seller retention orientation. In 1997, German consumers found an average of 83 pieces of addressed mail in their mailbox, the second highest number in Europe (FEDMA 1998).

Finally, several authors doubt whether relationship satisfaction, trust, and relationship commitment can be regarded as three distinct constructs (Kumar, Scheer, and Steenkamp 1995). Contrary to their belief, we found strong empirical support for their distinctiveness as evidenced by the results of the measurement model. Moreover, the hypotheses that relationship satisfaction positively influences trust, which in turn positively affects relationship commitment, ultimately leading to buying behavior, are all confirmed. While these relationships have been explored to a large extent in previous research (e.g., Morgan and Hunt 1994), we provide strong support for their existence in consumer environments. While it is not surprising that a consumer’s purchasing behavior is determined by additional influencing factors (e.g., distance to the store, its assortment, and other elements of the retail mix), seven percent in the variation of buying behavior could be explained on basis of relationship commitment only. Our study demonstrates that buyer relationship proneness as well as perceived retention efforts are strong determinants of commitment, ultimately helping to put a stop to declining retention rates or to further stimulate loyalty.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Some limitations might be related to collecting our data and interpreting our results. A first limitation might be the omission of important variables. For example, more tangible elements in the retail mix such as pricing and promotion, product quality and assortment, and service quality could be added as additional antecedents of seller retention orientation. Another potential shortcoming in the study is common method bias. As we used one single questionnaire to measure all constructs included, the strength of the relationships between these constructs may be somewhat inflated. A third potential limitation is related to the measurement of buying behavior. The true meaning of buying behavior may only be partially captured as its measure was self-declared by respondents. No database information could be used as input for measuring actual purchasing behavior. This study could be improved with access to more substantial data on customer purchase histories that are not subject to potential recall loss. It would then be possible to look at longer strings of purchases and to perhaps incorporate contextual information. Finally, it must be recognized that our sample of German consumers reporting on retailers selling beauty products cannot necessarily be generalized to other retail contexts. These recognized shortcomings could inspire researchers to define their future research agendas.

FIGURE 1
Conceptual Model

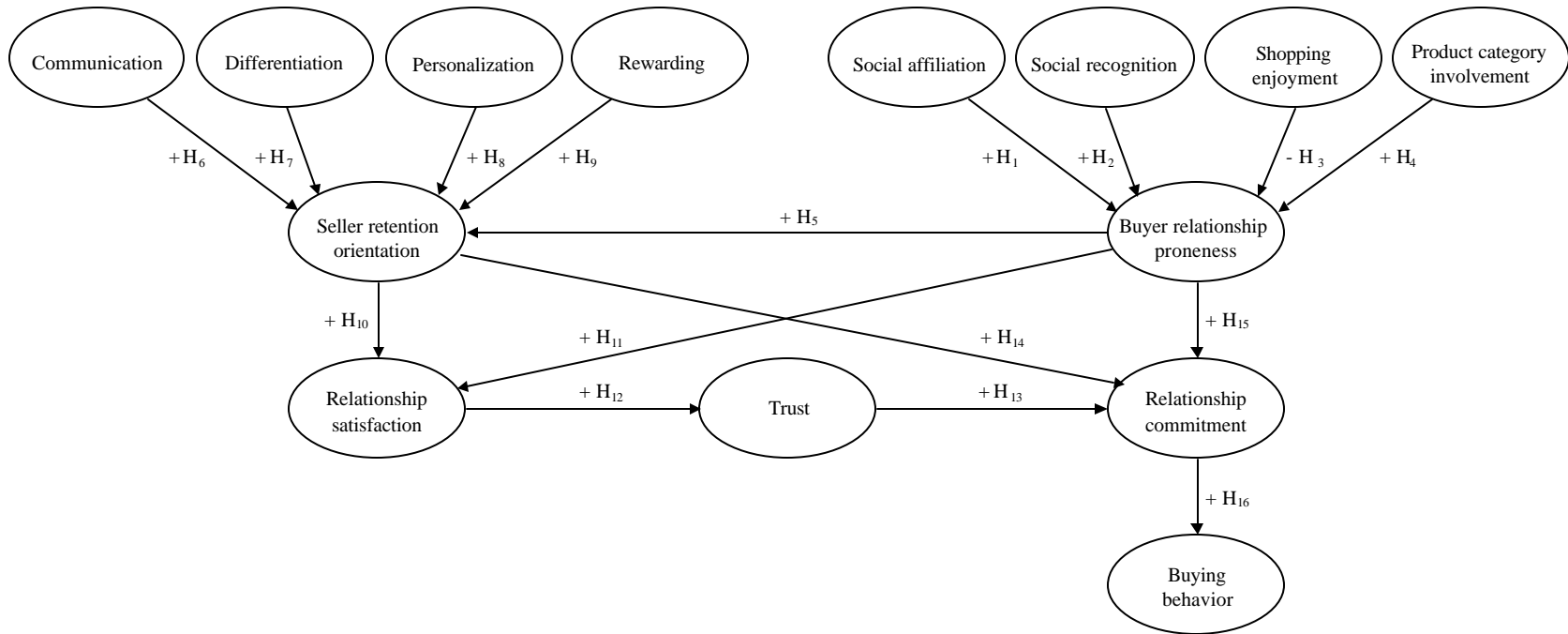


TABLE 1
Measurement Model

		Composite reliability	Variance explained	Loading	R ²
Seller retention orientation	This store makes efforts to increase regular customer's loyalty	0.91	0.77	0.88	0.77
	This store makes various efforts to improve its tie with regular customers			0.86	0.75
	This store really cares about keeping regular customers			0.89	0.80
Communication	This store often sends mailings to regular customers	0.90	0.76	0.73	0.54
	This store keeps regular customers informed through mailings			0.94	0.88
	This store often informs regular customers through brochures			0.92	0.85
Differentiation	This store makes greater efforts for regular customers than for non-regular customers	0.88	0.70	0.80	0.64
	This store offers better service to regular customers than to non-regular customers			0.83	0.69
	This store does more for regular customers than for non-regular customers			0.88	0.77
Personalization	This store takes the time to personally get to know regular customers	0.84	0.64	0.65	0.42
	This store often holds personal conversations with regular customers			0.88	0.78
	This store often inquires about the personal welfare of regular customers			0.85	0.73
Rewarding	This store rewards regular customers for their patronage	0.86	0.75	0.90	0.81
	This store really cares about keeping regular customers			0.83	0.68

		Composite reliability	Variance explained	Loading	R ²
Buyer relationship proneness	Generally, I am someone who likes to be a regular customer of an apparel store	0.89	0.72	0.81	0.66
	Generally, I am someone who wants to be a steady customer of the same apparel store			0.90	0.81
	Generally, I am someone who is willing to 'go the extra mile' to purchase at the same apparel store			0.83	0.69
Social affiliation	Generally, I am someone who has no difficulty mingling in a group	0.75	0.50	0.57	0.33
	Generally, I am someone who, given the chance, seeks contact with others			0.78	0.61
	Generally, I am someone who likes to seek contact with others			0.75	0.56
Social recognition	Generally, I am someone who likes to be appreciated by others	0.84	0.64	0.83	0.70
	Generally, I am someone who likes to be respected by others			0.79	0.62
	Generally, I am someone who likes to be appreciated by acquaintances			0.78	0.61
Shopping enjoyment	Generally, I am someone who enjoys shopping	0.80	0.57	0.76	0.58
	Generally, I am someone who enjoys shopping to see whether there is anything new			0.82	0.67
	Generally, I am someone who considers shopping as a pleasant way to spend his or her spare time			0.68	0.46
Product category involvement	Generally, I am someone who finds it important what clothes he or she buys	0.88	0.71	0.86	0.73
	Generally, I am someone who is interested in the kind of clothing he or she buys			0.80	0.64
	Generally, I am someone for whom it means a lot what clothes he or she buys			0.87	0.76
Relationship satisfaction	As a regular customer, I have a high quality relationship with this store	0.83	0.63	0.91	0.82
	I am happy with the efforts this store is making towards regular customers like me			0.68	0.46

				0.77	0.59
		Composite reliability	Variance explained	Loading	R ²
Trust	This store gives me a feeling of trust	0.92	0.78	0.91	0.83
	I have trust in this store			0.86	0.74
	This store gives me a trustworthy impression			0.88	0.78
Relationship commitment	I am willing 'to go the extra mile' to remain a customer of this store	0.76	0.52	0.86	0.74
	I feel loyal towards this store			0.68	0.46
	Even if this store would be more difficult to reach, I would still keep buying there			0.61	0.37
Buying behavior	What percentage of your total expenditures for clothing do you spend in this store?	0.87	0.70	0.76	0.58
	Of the 10 times you select a store to buy clothes at, how many times do you select this store?			0.86	0.73
	How often do you buy clothes in this store compared to other stores where you buy clothes?			0.88	0.77

TABLE 2
Structural Model

Parameter	Symbol	Estimate
Communication - seller retention orientation	γ_{11}	- 0.04
Differentiation - seller retention orientation	γ_{12}	- 0.27**
Personalization - seller retention orientation	γ_{13}	0.51**
Rewarding - seller retention orientation	γ_{14}	0.43**
Social recognition - buyer relationship proneness	γ_{25}	0.02
Social affiliation - buyer relationship proneness	γ_{26}	0.16
Shopping enjoyment - buyer relationship proneness	γ_{27}	-0.05
Product category involvement - buyer relationship proneness	γ_{28}	0.53**
Buyer relationship proneness - seller retention orientation	β_{12}	0.26**
Seller retention orientation - relationship satisfaction	β_{31}	0.61**
Buyer relationship proneness - relationship satisfaction	β_{32}	0.28**
Relationship satisfaction - trust	β_{43}	0.92**
Seller retention orientation - relationship commitment	β_{51}	0.19**
Buyer relationship proneness - relationship commitment	β_{52}	0.35**
Trust - relationship commitment	β_{54}	0.58**
Relationship commitment - buying behavior	β_{65}	0.27**
Squared multiple correlations for structural equations	Symbol	Estimate
Seller retention orientation	Ψ_{11}	0.52
Buyer relationship proneness	Ψ_{22}	0.34
Relationship satisfaction	Ψ_{33}	0.57
Trust	Ψ_{44}	0.86
Relationship commitment	Ψ_{55}	0.87
Buying behavior	Ψ_{66}	0.07

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