

Relationship Marketing in the Food Service Industry: A New Measuring Instrument

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Abstract: Although the relationship marketing discipline is relatively well researched, the measuring instrument is limited and practically nonexistent in the foodservice industry. Therefore, this paper proposes a new measuring instrument for relationship marketing which 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 has been empirically tested for unidimensionality, reliability and validity using both exploratory and confirmatory factor analysis. A factorial analysis suggests that relationship marketing is a multidimensional construct consisting of four key dimensions namely Communication, Trust, Empathy and Commitment.

Keywords: Relationship Marketing, Foodservice Industry, Instrument.

1.0 Introduction

Developing a measuring instrument of relationship marketing is crucial in order to better understand its essential antecedents and consequences and ultimately to establish methods for enhancing relationships with customers and other stakeholders to achieve competitive advantage and gain customer loyalty. Literature revealed that several authors have attempted to develop measuring scales of relationship marketing (e.g. Sin et al., 2002; Sin et al, 2005; Sin, Tse & Yim, 2005; Pervan, Bove & Johnson, 2007; Lages, Lages & Lages, 2005; Yau, Chow, Sin, Tse, Luk & Lee, 2007; Lages, Lancaster & Lages, 2008; Shi, Shi, Chan & Wang, 2009). These measuring instruments have undoubtedly contributed to the growing body of relationship marketing literature. However, most of the studies were conducted in the context of Business to Business (B2B) relationships and were highly industry specific. Hence, it is important to develop a measuring instrument of relationship marketing from Business to Customer context.

2.0 Research Methodology

The first step of this study was involved in-depth searching of the literature in order to identify the dimensions of relationship marketing and subsequently to generate items to be included in the draft questionnaire. The next step was to exclude the irrelevant dimensions or the process of narrowing down the 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 fifteen items were generated from the literature (frequently cited items) and modified to fit the foodservice industry setting. Next, in an attempt to generate items that explain relationship marketing in the foodservice industry from the customer's perspective, a survey form was used to obtain relevant aspects of relationship marketing evaluation criteria. The results from the survey form suggested a series of relevant relationship marketing evaluation criteria. A content analytic approach was employed to code the qualitative data obtained which is similar to prior studies (Abdullah, Voon & Andrew, 2010; Brady & Cronin, 2001; Richins, 1997). Feedback from the survey form were initially tabulated in the form of field notes, then sorted and analyzed based on key ideas and common themes. A total of 35 items were finally generated from the literature as well as survey form. The items were measured on a five-point Likert-type scale that varied from 1=strongly disagree to 5=strongly agree. Subsequently, the draft questionnaire was piloted and respondents were asked to answer the questionnaire and provide comments or suggestions on any perceived ambiguities, omission or errors concerning the draft questionnaire, and consequently changes would be made accordingly. Series of tests were undertaken to determine the reliability of

the measure or instrument. The draft questionnaire was subsequently submitted to 5 experts for feedback, however, majority of them viewed that the draft questionnaire corresponded with the relevant issues of the study, albeit some modifications were needed. Then final questionnaires were distributed to respondents.

3.0 Research Findings and Discussions

3.1 Factor Analysis

Exploratory factor analysis was used to assess the dimensionality of the relationship marketing measure in the food service industry. 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 were significant at $p < 0.01$, $\chi^2(31, N=1569)$ which further confirmed that the data were suitable for factor analysis. Finally, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was computed to quantify the degree of intercorrelations among the variables and the results indicate an index of 0.97, a 'marvelous' sign of adequacy for factor analysis (Kaiser, 1974). As for the adequacy of the sample size, there is a 50-to-1 ratio of observations to variables in this study. All the 31 items of the questionnaire were subjected to factor analysis, utilizing the maximum likelihood procedure which was followed by a varimax rotation. The decision to include a variable in a factor was based on factor loadings greater than 0.40 (Hair *et al.* 1995), and all factors whose eigenvalues was greater than 1.0 were retained in the factor solution (Tabachnick & Fidell 1989). Table 1 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.

Table 1: Results of Factor Analysis

	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		.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
	Eigen values	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

3.2 Reliability Analysis

In this study, two internal consistency estimates of reliability namely coefficient alpha and split-half coefficient expressed as the Spearman-Brown corrected correlation were computed for the three relationship marketing constructs. The values for both the coefficient alpha and split-half coefficient for all the relationship marketing dimensions are shown in Table 3. All the 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 3: Reliability for relationship marketing dimensions

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

4.0 Conclusions and Recommendations

A factorial analysis using exploratory suggest that relationship marketing is a multidimensional construct consisting of four key dimensions namely communication, trust, empathy and commitment, which are distinct, yet related and conceptually clear. This study has also attempted to contribute further to the existing body of knowledge 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. The marketing practitioners could use this valid and reliable measuring scale as a diagnostic tool in assessing and improving their relationship with customers. As the competition intensifies on a global basis to produce greater pressures from rival operators, the foodservice provider must be able to formulate differentiated strategies to increase their competitiveness. Moreover, in today's world of imitation, products and services are becoming almost identical and customers are also flooded with more choices in the marketplace, making greater challenges for the foodservice provider to maintain their leading position. Therefore, five recommendations were proposed as follows: developing an effective customer loyalty program, instilling customer trust and confidence, developing an effective communication strategy, exhibiting empathy and assurance, giving full commitment to customers.

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