A STUDY OF CUSTOMER-SERVICE PROVIDER RELATIONSHIP DEVELOPMENT IN CASUAL DINING RESTAURANTS: A RELATIONAL BENEFITS APPROACH

By

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CHAPTER I

INTRODUCTION

The term “*relationship*” is one of the most popular words in our lives. It is in our nature to build relationships with specific objects or people with whom, we feel a connection. In a relationship, we feel joy and happiness, but sometimes heartaches and despair. A bonded relationship like a marriage (Levitt, 1983) consumes a significant amount of our time and effort. Yet to be engaged in it and keep it healthy provides essential benefits such as intimacy, companionship, personal growth, social support and more (Dwyer, Schurr, & Oh, 1987).

Relationship marketing has been viewed as a marriage of buyer and seller (Dwyer et al., 1987; Levitt, 1983). As Levitt (1983) explains, a relationship development process has the stages of meeting, going out, courting, marriage, and finally divorce; Dwyer et al. (1987) describe it as the five phases of awareness, exploration, expansion, commitment, and dissolution. Compatible with ‘marriage’ by Levitt’s expression, commitment is the most advanced phase in the relationship development process, in which parties purposefully devote their resources to maintain the relationship (Dwyer et al., 1987). Because it signals strong relational coherence, commitment has been closely studied in marketing literature.

The foremost reason for its importance in relationship marketing is that commitment can deliver several relational outcomes which a service provider desires. Committed customers are more likely to repurchase (Hennig-Thurau, Gwinner, & Gremler, 2002), to be favorable to cross-selling (Buttle, 1996; Dowling & Uncles, 1997; Osarenkhoe & Bennani, 2007), to spread positive word-of-mouth (Bendapudi & Berry, 1997; Brown, Barry, Dacin, & Gunst, 2005; Fullerton, 2003; Reichheld, 2003), and to resist change (Bendapudi & Berry, 1997; Gruen, Summers, & Acito, 2000; Morgan & Hunt, 1994; Pritchard, Havitz, & Howard, 1999).

What motivate customers to be committed to their relationship with a service provider? This study attempts to find the answer using a relational benefits approach. It is important to acknowledge that a customer engages in a relationship because he/she gains benefits from staying in the relationship, which are not expected in a single transaction. For example, regular restaurant customers are served based on their own preferences and not their requests. Or, their servers are familiar enough to ask their family’s well-being. These advantages are only possible if there is a relational exchange between a customer and a patronized restaurant. These additional benefits, arising from relational development and which go above and beyond the core service, are called relational benefits (Gwinner, Gremler, & Bitner, 1998; Hennig-Thurau et al., 2002).

Literature presents that continuous exposure to relational benefits would increase interdependence between partners - what is called the “expansion” phase (Dwyer et al., 1987). Many factors are potentially related to increased interdependence; researchers suggested several constructs as intermediate psychological states that lead to consumer commitment. Unfortunately, however, little effort has been given to the systematic understanding on the phase of expansion, which is crucial to the development to the next level of maximized interdependence (i.e., consumer commitment). This study suggests identification, switching costs, and satisfaction as the core determinants that consist of the phase of expansion. The author proposes that consumer commitment can be expected to be maximized when consumer dependence (i.e., identification, switching costs, and satisfaction) becomes more intense, as a result of increased relational benefits due to an on-going relational exchange between a customer and a service provider.

Commitment is positively related to several relational outcomes that firms desire for profitability. Should consumers be committed to engage in behaviors that are profitable to the firms? What is the nature of relationships among commitment, its antecedents, and consequences? This study examines the mediating role of commitment between its antecedents (i.e., identification, switching costs, and satisfaction) and important relational outcomes (i.e., share of purchases and positive WOM intentions). The results of the study would provide us with a more comprehensive understanding on their relationships in a simultaneous perspective.

Relational benefits are complex and multi-dimensional. Researchers argue that relational benefits are three-dimensional: social, confidence, and special treatment benefits (Gwinner et al., 1998; Hennig-Thurau et al., 2002). Recent studies demonstrate somewhat different perspective on the dimensionality, however (Lacey, Suh, & Morgan, 2007; Lee, Choi, & Moon, 2002). It is argued that special treatment benefits should be separated into two constructs: economic benefits and customization benefits. This argument is conceivable because these two benefits may produce different consequences as well as have different levels of potential imitation (i.e., easy to be copied by competitors or not). To the author's knowledge, there is little study investigating the differential effects of these four types of relational benefits on consumer dependence. This study tries to fill in the gap in the literature related to this issue.

Switching costs as an antecedent of consumer commitment require more attention. Unlike identification or satisfaction, switching costs are mainly operated under the lock-in mechanism (Zauberman, 2003). In social psychology, it is argued that if an individual perceives a threat to his/her behavioral freedom, reactance arises (Brehm, 1966). Although reactance is only one kind of reaction that is generally confounded by other motives of the individual (Wendlandt & Schrader, 2007), it should not be ignored for the possible reassertion of freedom (Clee & Wicklund, 1980). If a consumer considers him/herself held hostage by high switching costs (Sharma & Patterson, 2000), he/she may be more likely to restore his/her freedom. He/she might feel more attraction to the abandoned choice(s) or even terminate the current relationship.

Fortunately, there seems a remedy for the psychological reactance. According to Kivetz (2005), effort-congruent rewards can reduce the reactance. In a similar vein, relational benefits are benefits that customers receive from relationship maintenance with a service provider that goes above and beyond the core service provided (Gwinner et al., 1998; Hennig-Thurau et al., 2002). Because relational benefits occur only when customers invest their time and effort into maintaining a relationship, the benefits can be viewed as effort-congruent rewards by staying in the relationship. Thus, one may argue that the effect of switching costs on commitment can be differential in condition of different level of relational benefits for a customer. Although there has been little empirical study to test this hypothesis, it is important to be investigated in this study.

One cannot assert that every relationship has the same level of closeness. Barnes (2000) insists that it is not sufficient just to build a relationship, but recommends that it be a close one in order for it to last longer. One of the critical properties that have direct influence on this interdependence is mutual *frequent* impact (Kelley et al., 1983, p. 13). In other words, frequency of interaction is a solid measure of relationship closeness (Barnes, 1997; Crosby et al., 1990; Kelley et al., 1983; Ward & Dagger, 2007). It is identified that relationship closeness has a high correlation with the strength of relationship (Barnes, 2000). However, there is still a lack of empirical evidence that closeness plays a critical role in influencing relationship maintenance and relational outcomes. Thus, this study examines whether under the condition of more frequent interaction, a consumer would be more strongly influenced to increase his/her desire to maintain a relationship and deliver relational outcomes.

Purposes of the study

The purposes of the study are as follows:

1. To propose and test a theoretical model of customer-service provider relationship development in casual dining restaurants based on a relational benefits approach.
2. To provide practical implications about how hospitality marketers, particularly in casual dining restaurant sector, can manage relational benefits and consumer dependence in order to increase consumer commitment and to achieve desirable outcomes.

Objectives of the study

The objectives of the study are as follows:

1. To identify whether relational benefits influence consumer dependence (i.e., identification, switching costs, and satisfaction).
2. To examine the influence of consumer dependence on consumer commitment.
3. To explore whether consumer commitment has impacts on increased share of purchases and positive word-of-mouth intentions.
4. To investigate the mediating role of consumer commitment between its antecedents and relational outcomes.
5. To reveal the moderating role of relational benefits on the relationship between switching costs and consumer commitment.
6. To explore the moderating role of frequency of interaction (i.e., frequency of visit) as an indicator of a close relationship on the relationships among consumer dependence, consumer commitment, and relational outcomes.

Significance of the study

Theoretical contributions

First, this research contributes to the identification of the new dimensionality of relational benefits and its differential effects on consumer dependence and relational outcomes. Second, it provides better understanding of the nature of commitment as a mediator between consumer dependence and relational outcomes. Third, based on the theory of psychological reactance, the relationship between switching costs and commitment is reevaluated under different levels of relational benefits. Lastly, the situational/conditional significance of a closeness of a relationship is proven to understand the stronger attachment between a consumer and a service provider and the possibilities to deliver relational outcomes that a firm desires.

Practical contributions

This dissertation provides several managerial implications. First, it is recommended that each relational benefit construct has differential effects on consumer dependence on a specific casual dining restaurant (i.e., a relationship partner). Customization and confidence benefits are especially recommended to increase consumer dependence, and require greater consideration from managers. Second, the partial mediating role of commitment between consumer dependence and increased share of purchases intentions implies that managers in casual dining restaurants should pay attention to increasing consumer dependence and commitment to maximize the share of customers. In addition, positive word-of-mouth is largely influenced by satisfaction and full mediating role of commitment. To attract new customers through positive WOM communications, managers need to allocate their resources to deliver excellent satisfaction and maximize their interdependence with customers. Third, it is revealed that when a customer receives high relational benefits, the effect of switching costs on commitment is weaker. It opens the possibility that relational benefits provide customers with intrinsic motivations to stay in the relationship without reactance to high switching costs. Managers who concentrate on switching costs to increase consumer commitment should utilize practices that deliver relational benefits to prevent possible negative consequences from too many switching costs. Finally, the results showed that several relational constructs exhibited much stronger relationships when the relationship was closer. This study recommends that managers should try to build a close relationship with their customers *if* customers prefer to build a close relationship with them.

Organization of the study

This dissertation is composed of five chapters. Chapter one provides an introduction to the study. It presents rationales of conducting current research. Purposes and objectives of the study are explained. In addition, theoretical and practical contributions are discussed. Chapter two reviews the literature on relational benefits, commitment, relational outcomes, and relationship closeness. Research models are established and the complex relationships among constructs are described and hypothesized. Chapter three illustrates the methodology of the study, including instrument, data collection and sampling, and data analysis procedure. Chapter four presents the results of the study. Finally, chapter five discusses the findings of the study. In this chapter, theoretical contributions and managerial implications are discussed for each model. Furthermore, the interrelationships among models are pointed out and described when necessary. Limitations and suggestions for future research are included at the end of the chapter.

CHAPTER II

REVIEW OF LITERATURE

Relationship marketing

From its initial focus on how a firm can attract, maintain, and enhance customer relationships (Berry, 1983), Relationship Marketing has expanded to explore the relationships between a firm and its buyers, suppliers, employees, and regulators (Morgan & Hunt, 1994). The customer, however, is at the center of relationship marketing.. A firm's relationship with its customers determines its success (Bendapudi & Berry, 1997). Customer retention is the core concept in relationship marketing, which focuses on how to maintain long-term customer relationships rather than how to acquire new customers (Zeithmal & Bitner, 1996).

Berry (1983) defines relationship marketing as "attracting, maintaining and – in multi-service organizations – enhancing customer relationships" (p. 25). This definition provides significant conceptual changes in marketing. That is, attracting customers is not the end of the marketing process; rather, customer retention should be a focal point (Berry, 1983).

Unfortunately, no universal definition of relationship marketing exists. Many scholars provide their own definitions (e.g., Berry, 1983; Buttle, 1996; Grönroos, 1994, 2004; Gummesson, 1994; Morgan & Hunt, 1994). Table 1 shows the various definitions of relationship marketing. Among several definitions, Grönroos (2004)'s definition is one of the most cited definition. The author defines relationship marketing as follows:

> The process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfillment of promises (p. 101).

This definition highlights relationship marketing as a process that involves identifying, enhancing, or even terminating a relationship between parties for a firm's own profitability.

Table 1. Various definitions of relationship marketing

Authors	Definitions
Berry (1983)	Attracting, maintaining, and – in multi-service organizations – enhancing customer relationships.
Grönroos (1990)	…establishing a relationship involves giving promises, maintaining a relationship is based on fulfillment of promises; and, finally enhancing a relationship means that a new set of promises given with the fulfillment of earlier promises as a prerequisite.
Berry and Parasuraman (1991)	Relationship marketing concerns attracting, developing, and retaining customer relationships.
Gummesson (1994)	RM emphasizes a long-term interactive relationship between the provider and the customer, and long-term profitability.
Evans and Laskin (1994)	…the process whereby a firm builds long term alliances with both prospective and current customers so that both buyer and seller work towards a common set of specified goals.
Morgan and Hunt (1994)	All marketing activities directed toward establishing, developing and maintaining successful relational exchanges.
Sheth and Parvatiyar (1995)	Attempts to involve and integrate customers, suppliers, and other infrastructural partners into a firm's developmental and marketing activities.
Buttle (1996)	Relationship marketing is concerned with the development and maintenance of mutually beneficial relationships with strategically significant markets.

Relational marketing is unique in several aspects. First, the purpose of relational marketing is customer retention. While the success of transactional marketing is measured by the market share, the success of relationship marketing is measured by customer retention (Buttle, 1996). Firms have realized that reducing customer defection significantly increases profitability (Reichheld & Sasser, 1990). By growing its business with existing customers, firms can increase their market share (Berry, 1995). Firms reduce costs and increase revenue by protecting their customer base rather than by acquiring new customers (Rosenberg & Czepiel, 1984).

Second, relational marketing is long-term. Unlike in short-term transactional marketing, the relationship itself is the unit of analysis (Grönroos, 1997). The process of relationship development involves five phases: awareness, exploration, expansion, commitment, and dissolution (Dwyer et al., 1987). It should be noted that not every relationship experiences sequential development phases (Dwyer et al., 1987). According to Dwyer et al. (1987), the relational exchange phase is expansion after exploration where the buyer-seller makes a search and trial before they actually engage in the real relationship exchange. Expansion is based on benefits from the relational exchange; interdependence increases as continual satisfactory exchanges are achieved (that is, increased benefits lead to higher interdependence). The expansion phase leads to the commitment phase, which is the highest phase of interdependence between two parties.

Lastly, a mutually beneficial exchange is a crucial requirement of a successful relationship (Buttle, 1996; Czepiel, 1990; Tynan, 1997). If mutual benefits are not achieved, then the relationship should be considered as manipulative. For example, the unilateral relationship-building tactics of database marketing, which does not require a customer's consent, should be questioned (Tynan, 1997). Relationships are built on trust. If one party is concerned about the opportunistic behaviors of its counterpart, then trust cannot be established. Without trust, interdependence between two parties cannot be accomplished. If relational benefits are not mutually received, then relationship termination may be inevitable.

Mutual exchange requires mutual investment in the relationship. Significant investments of time, money, and effort are required for relationship development and maintenance (Bendapudi & Berry, 1997). Therefore, the use of relationship marketing must be profitable. Relationship marketing should be adopted when its adoptation establishes, maintains, and enhances customer relations and is ultimately profitable for both parties (Grönroos, 1994).

Grönroos (1994) suggests that marketing approaches or strategies should be considered in a marketing strategy continuum. According to the author, relationship should be considered as a different approach than transaction marketing. While the focus of relationship marketing is to build relationships with customers, transaction marketing focuses on one transaction at a time. Further, the author emphasized that many times, service firms would benefit by implementing a relationship-type strategy. Table 2 shows the marketing strategy continuum by Grönroos (1994).

Table 2. The marketing strategy continuum

The strategy continuum	Transaction marketing	Relationship marketing
Time perspective	Short-term focus	Long-term focus
Dominating marketing function	Marketing mix	Interactive marketing (supported by marketing activities)
Price elasticity	Customers tend to be more sensitive to price	Customers tend to be less sensitive to price
Dominating quality dimension	Quality of output (technical quality dimension) is dominating	Quality of interactions (functional quality dimension) grows in importance and may become dominating
Measurement of customer satisfaction	Monitoring market share (indirect approach)	Managing the customers base (direct approach)
Customer information system	*Ad hoc* customer satisfaction surveys	Real-time customer feedback system
Interdependency between marketing, operations and personnel	Interface of no or limited strategic importance	Interface of substantial strategic importance
The role of internal marketing	Internal marketing of no or limited importance to success	Internal marketing of substantial strategic importance to success
The product continuum	Consumer packaged goods → ← Consumer durables → ← Industrial goods → ← Services	

Source: Grönroos (1994)

Similar to Grönroos (1994), Dwyer et al. (1987) explains the difference between discrete transactions and relational exchange. The authors emphasizes that discrete transactions conceptually excludes relational elements and distinctions between two should be acknowledged. Table 3 shows a comparison of discrete transactions and relational exchange proposed by Dwyer et al. (1987).

Table 3. A comparison of discrete transactions and relational exchange

Contractual elements	Discrete transactions	Relational exchange
Situational characteristics		
Timing of exchange (commencement, duration, and termination of exchange)	Distinct beginning, short duration, and sharp ending by performance	Commencement traces to previous agreements; exchange is longer in duration, reflecting an ongoing process
Number of parties (entities taking part in some aspect of the exchange process)	Two parties	Often more than two parties involved in the process and governance of exchange
Obligations (three aspects: sources of content, sources of obligation, and specificity)	Content comes from offers and simple claims, obligations come from beliefs and customs (external enforcement), standardized obligations	Content and sources of obligations are promises made in the relation plus customers and laws; obligations are customized, detailed, and administered within the relation
Expectations for relations (especially concerned with conflicts of interest, the prospects of unity, and potential trouble)	Conflicts of interest (goals) and little unity are expected, but no future trouble is anticipated because cash payment upon instantaneous performance precludes future interdependence	Anticipated conflicts of interest and future trouble are counterbalanced by trust and efforts at unity
Process characteristics		
Primary personal relations (social interaction and communication)	Minimal personal relationships; ritual-like communications predominate	Important personal, noneconomic satisfactions derived; both formal and informal communications are used
Contractual solidarity (regulation of exchange behavior to ensure performance)	Governed by social norms, rules, etiquette, and prospects for self-gain	Increased emphasis on legal and self-regulation; psychological satisfactions cause internal adjustments
Transferability (the ability to transfer rights, obligations, and satisfactions to other parties)	Complete transferability; it matters not who fulfills contractual obligation	Limited transferability; exchange is heavily dependent on the identity of the parties
Cooperation (especially joint efforts at performance and planning)	No joint efforts	Joint efforts related to both performance and planning over time; adjustment over time is endemic
Planning (the process and mechanisms for coping with change and conflicts)	Primary focus on the substance of exchange; no future is anticipated	Significant focus on the process of exchange; detailed planning for the future exchange within

		new environments and to satisfy changing goals; tacit and explicit assumptions abound
Measurement and specificity (calculation and reckoning of exchange)	Little attention to measurement and specifications; performance is obvious	Significant attention to measuring, specifying, and quantifying all aspects of performance, including psychic and future benefits
Power (the ability to impose one's will on others)	Power may be exercised when promises are made until promises are executed	Increased interdependence increases the importance of judicious application of power in the exchange
Division of benefits and burdens (the extent of sharing of benefits and burdens)	Sharp division of benefits and burdens into parcels; exclusive allocation to parties	Likely to include some sharing of benefits and burdens and adjustments to both shared and parceled benefits and burdens over time

Source: Dwyer et al. (1987) adapted from Macneil (1978, 1980)

In its early period, relationship marketing focused on the external customer (Buttle, 1996). Now the scope of relational exchanges widens to embrace extended partnerships including stakeholders, government, internal customers, and suppliers. Table 4 shows the relational exchanges in relationship marketing.

Table 4. The relational exchanges in relationship marketing

Supplier partnerships	Lateral partnerships	Internal partnerships	Buyer partnerships
Goods suppliers Services suppliers	Competitors Non-profit organizations government	Business units Employees Functional departments	Intermediate customers Ultimate customers

Source: Buttle (1996)

The division between focused and diffused viewpoints has led to significant differences in the conceptual development of relationship marketing. The focused viewpoint includes a wide range of stakeholders as well as customers, while the diffused viewpoint concentrates on relationships with customers (Egan, 2003). The relationship between a firm and its customers is the ultimate concern for business success (Bendapudi

& Berry, 1997), however. A firm's relationship with various stakeholders must be managed for successful relationship with its customers (Berry, 1995). Therefore, the boundary of relationship marketing in this study is set to the relationship between a customer and a firm (i.e., diffused viewpoint).

The process of relationship development

Dwyer et al. (1987) identifies the five general phases of relationship development process: (1) awareness, (2) exploration, (3) expansion, (4) commitment, and (5) dissolution. The authors described each phase as such:

(1) **Awareness**. Party A recognizes that party B is a feasible exchange partner. Situational proximity between the parties facilitates awareness. However, interaction between parties has not transpired in phase 1.

(2) **Exploration**. The search and trial phase in relational exchange. Potential exchange partners first consider obligations, benefits and burdens, and the possibility of exchange. However, the exploratory relationship is very fragile in the sense that minimal investment and interdependence make for simple termination. This phase is conceptualized in five subprocesses: attraction, communication and bargaining, development and exercise of power, norm development, and expectation development.

(3) **Expansion**. The continual increase in benefits obtained by exchange partners and to their increasing interdependence. The five subprocesses in the exploration phase is succeeded in this phase. The critical distinction is that the rudiments of trust and joint satisfactions established in the exploration stage

now lead to increased risk taking with the dyad. Consequently, the range and depth of mutual dependence increase.

(4) **Commitment**. An implicit or explicit pledge of relational continuity between exchange partners. At this most advanced phase of buyer-seller interdependence the exchange partners have achieved a level of satisfaction from the exchange process that virtually precludes other primary exchange partners who could provide similar benefits. Customer loyalty is achieved in this phase. Three criteria of commitment include inputs, durability, and consistency. Pressure to adjust rather than dissolve a relationship is fueled by the ongoing benefits accruing to each partner.

(5) **Dissolution**. The possibility of withdrawal or disengagement has been implicit throughout the relationship development framework. Dissolution is more easily initiated unilaterally.

Dwyer et al. (1987)'s process of relationship development is conceptually parallel with other three relationship development processes in literature (Tynan, 1997) (Table 5).

Table 5. The processes of relationship development

Ford (1980)	Levitt (1983)	Dwyer et al. (1987)	Wilson (1995)
Pre-relationship stage	Meeting	Awareness	Search and selection
Early stage	Going out	Exploration	Defining purpose
Development stage	Going steady (courting)	Expansion	Boundary definition
Long-term stage	Marriage	Commitment	Creating relationship value
Final stage	Divorce	Dissolution	Hybrid stability

Source: Tynan (1997)

A model of effective relationship marketing

Relationship marketing is not a simple concept. Because relationship marketing itself is a continuous process (Evans & Laskin, 1994), it is important to understand the entire flow of the process. Although Evans and Laskin's model takes a focused viewpoint, it is worthy to be acknowledged here for the detailed explanations about the process. The model consists of (1) inputs, (2) outcomes, and (3) ongoing assessment. The following details are from Evans and Laskin (1994).

(1) **Relationship marketing inputs**. The four major inputs include understanding customer expectations, building service partnerships, empowering employees, and total quality management.

   a. **Understanding customer expectations**. It involves a firm's ability to identify what customers desire and to market goods and services that are at or above the level that they expect.

   b. **Building service partnerships**. Service partnerships are bred when selling firms work closely with customers and add desirable customer services to their traditional product offerings. These partnerships let firms both differentiate and increase the usefulness of product offerings, and devise specific customer-centered approaches.

   c. **Empowering employees**. It means workers can strive to meet customer requirements and resolve problems. To empower employees, four conditions must be met: it must be specified in relation to the firm's mission. Workers must have the skills to solve problems and make decisions. Workers must have the responsibility and authority to make decisions that better serve the customer. The firm must foster a spirit that jobs will not be risked if empowered acts lead to mistakes.

d. **Total quality management.** TQM involves the fully coordinated effort of gaining competitive advantage by continuously improving every facet of the firm.

(2) **Positive outcomes of the relationship marketing process.** The results of effective operations of inputs include customer satisfaction, customer loyalty, quality products, and higher profits.

a. **Customer satisfaction.** A key goal of relationship marketing is to improve customer satisfaction. The benefits of fully satisfied customers are repeat purchases, referrals of other customers, positive word-of-mouth, and the lower costs associated with serving existing customers compared with attracting new ones.

b. **Customer loyalty.** Because relationship marketing fosters a one-on-one approach, buyer-seller relations and customer loyalty are fostered. Firms that lose contact with their customers may be unable to successfully differentiate their products. Ultimately, this would lead to a lower level of customer loyalty.

c. **Quality products.** Another positive outcome of the relationship marketing process is that it constantly encourages a firm to improve product quality, and customers perceive these improvements.

d. **Increased profitability.** Relationship marketing inputs may require sizeable expenditures. Yet, the outcome of the relationship marketing process should be better sales performance, as well as cost efficiencies in both production and marketing, thereby positively impacting on the profitability equation.

(3) **Assessment stage.** Relationship marketing requires a firm to solicit customers' feedback to ensure that their needs are being addressed and to integrate the relationship marketing process into its strategic planning framework.

a. **Customer feedback**. There should be ongoing feedback. This is the best way for a firm to keep in touch with customer perceptions of it. A firm can get a "big-picture" view of customer attitudes, as well as review its ability to "micro-manage" individual accounts. A feedback system should: (1) Gather, analyze, and distribute information about customer needs, expectations, and perceptions; and (2) Let a firm communicate regularly with customers.

b. **Integration**. To work properly, the relationship marketing process requires that a firm integrate a customer focus into its strategic planning framework.

Figure 1 shows the effective relationship marketing proposed by Evans & Laskin (1994).

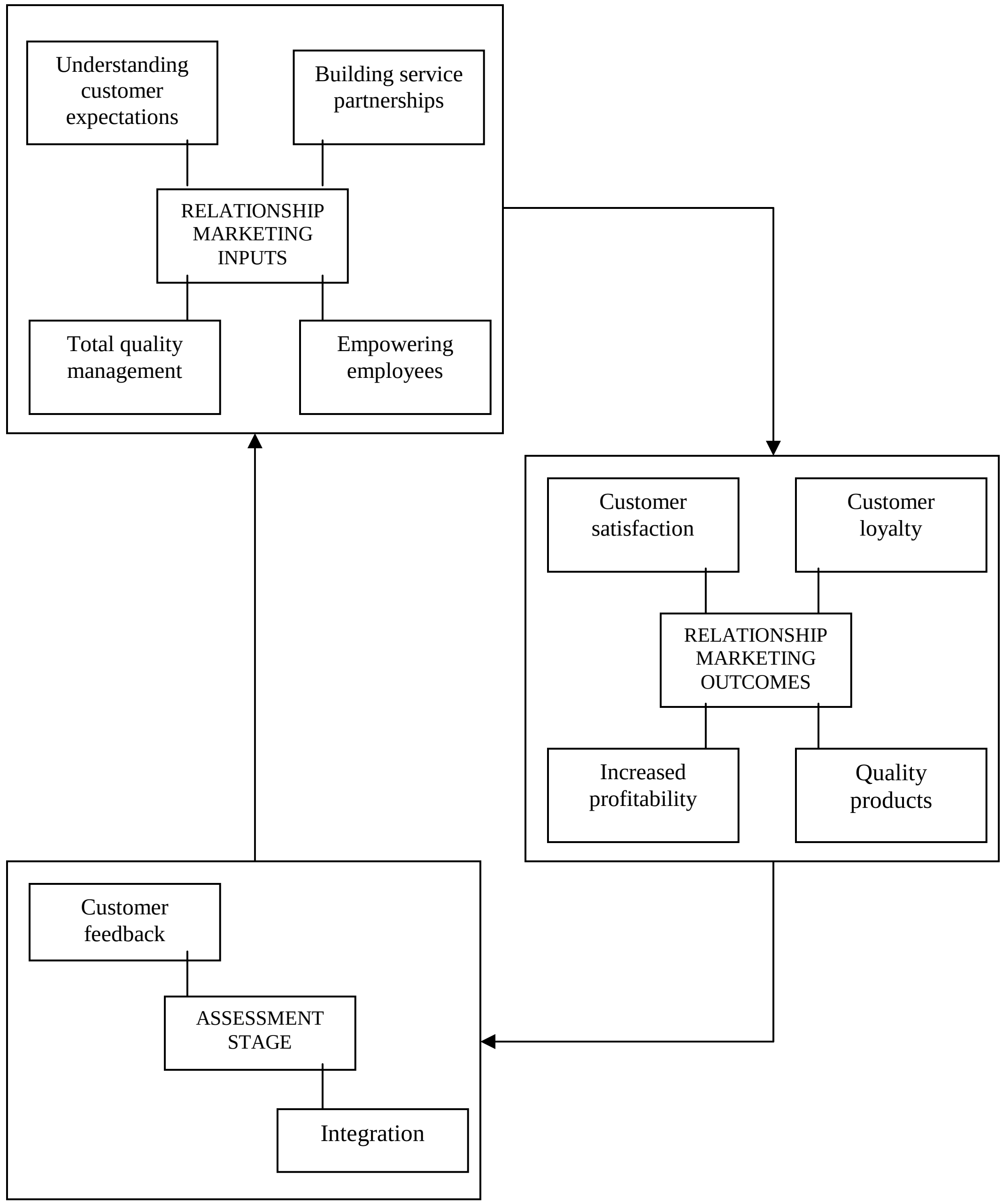


Figure 1. The effective relationship marketing
from Evans and Laskin (1994).

Benefits of relationship marketing

The benefits that customers and firms receive motivate the continuance of the relationship (Hennig-Thurau et al., 2002). From a firm's standpoint, a strong, loyal customer base makes it possible to increase revenue and to decrease related costs (Gwinner et al., 1998). The customer's lifetime value should be considered as a significant asset to the firm. In addition, the firm can reduce costs by keeping relationships with customers. Attracting new customers is more expensive than retaining existing customers (Rosenberg & Czepiel, 1984). Credit-checking, administrative, and database costs can be reduced by customer retention (Buttle, 1996).

Firms can take advantage of relational benefits as a differentiation strategy (Berry, 1995; Gwinner et al., 1998; Lovelock, 1983). Since firms have realized the difficulty of using products to differentiate their company from competitors, providing an extra service has become a dominant strategy. Service competition has been exceptionally intense; nearly all firms, including manufacturers, have declared that what they are actually selling is a "service" (Grönroos, 2004). As competition for functional benefits intensifies, it becomes increasingly difficult to provide better services to customers; Grönroos (1994) defines this as service competition. Fortunately, a long-term relationship based on mutual benefits cannot be easily imitated by competitors (Buttle, 1996). Dedicated customers in the relationship are not easily defected by alternatives (Bendapudi & Berry, 1997). In fact, a firm that fails to provide adequate relational benefits to customers is unable to motivate customers to build a long-term relationship.

Commitment

As a relationship is established and maintained through a continuous exchange of relational benefits, interdependence between the customer and the service provider dramatically increases. The state of maximized interdependence between two parties is called commitment (Dwyer et al., 1987). Commitment can be defined as “an enduring desire to maintain a relationship with a specific entity” (Brown et al., 2005, p. 126).

The importance of commitment in relationship marketing cannot be overemphasized. It is the central concept in the relationship marketing paradigm and the most significant mediator between several antecedents and relational outcomes (Brown et al., 2005; Hennig-Thurau et al., 2002; Kelley & Davis, 1994; Morgan & Hunt, 1994; Pritchard et al., 1999). As Schulz (1998) argues, the defection of highly satisfied customers and the regular product purchases by unsatisfied customers raise questions of satisfaction as the complete antecedent of loyalty and of repeat purchases as a synonym for loyalty. True loyalty must be built on commitment (Beatty, Kahle, & Homer, 1988; Crosby & Taylor, 1983; Day, 1969; Pritchard et al., 1999). Several marketing researchers have used the concept of commitment to explore the relationship between a customer and an organization (Bansal, Irving, & Taylor, 2004; Fullerton, 2003; Gilliland & Bello, 2002; Gruen et al., 2000; Harrison-Walker, 2001; Venetis & Ghauri, 2004).

Whether commitment should be viewed as uni- or multidimensional is unclear. The original concept of commitment is rooted in the discipline of organizational behavior. According to Allen and Meyer (1990), there are three types of organizational commitment: affective, continuance, and normative. Defined as “emotional attachment to, identification with, and involvement in the organization" (Allen & Meyer, 1990, p. 67), affective commitment is based on identification, shared values, belongingness, dedication, and similarity (Achrol, 1997; Bendapudi & Berry 1997; Fullerton, 2003, 2005; Pritchard et al., 1999). Friendship, rapport, and trust are closely related to affective commitment (Fullerton, 2003).

Continuance commitment can be defined as "the extent of the *need* to maintain a relationship due to significant perceived termination or switching costs" (Venetis & Ghauri, 2004, p. 1581). While affective commitment is based on the *desire* of customers to maintain a relationship, continuance commitment is based on the *need* to maintain it. Continuance commitment is built when consumers face a significant amount of switching costs if the relationship is terminated or when the benefits from the relationship are not easily replaceable from alternative partners (Bendapudi & Berry, 1997; Fullerton, 2003). The continuance commitment construct is based on switching costs, dependence, and lack of alternatives (Fullerton, 2003).

While affective and continuance commitment have been widely studied in marketing (Fullerton, 2003, 2005; Gilliland & Bello, 2002; Harrison-Walker, 2001; Mattila, 2004), normative commitment has received less attention (Bansal et al., 2004; Gruen et al., 2000). Normative commitment refers to a sense of obligation to stay with an organization (Bansal et al., 2004; Gruen et al., 2000). It implies relationship maintenance because the subject is *ought to* remain with the organization (Meyer & Allen, 1991). Fullerton (2005) suggests that normative commitment is less relevant to marketing, because it is highly correlated with affective commitment (O'Reilly, Chatman, &

Caldwell, 1991) and its effects on relationship behaviors are weaker than those of affective commitment (Gruen et al., 2000).

Commitment is treated as unidimensional in several studies (Brown et al., 2005; Fontenot & Wilson, 1997; Morgan & Hunt, 1994; Verhoef, Frances, & Hoekstra, 2002). This view takes a neutral standpoint to define commitment. Morgan and Hunt (1994) argue that commitment can be brought about by instrumental or by identification but that commitment itself is neutral. Brown et al. (2005) insist that the unidimensional viewpoint can determine the causality of other constructs on commitment. For example, they argue that identification, which is similar to affective commitment, is an antecedent (rather than a subdimension) of commitment. The unidimensional view on commitment not only enable us to see the possible causal relationships between commitment and antecedents that were identified as subdimensions of commitment (Brown et al., 2005) but also to understand the effects of commitment on relational outcomes from a holistic standpoint. Therefore, this study adopts the unidimensional view of commitment.

Relational benefits approach

The relational benefits approach resulted from the excessive emphasis on benefits that firms gain from customer loyalty (Gwinner et al., 1998). Expansion of the relationship is only possible when each partner perceives benefits from the relationship (Dwyer et al., 1987). The concept of relational benefits can be defined as the benefits that customers receive from maintaining a relationship with a service provider that goes above and beyond the core service provided (Gwinner et al., 1998; Hennig-Thurau et al., 2002). The underlying assumption is that mutual benefits are necessary for long-term, stable, and continuous relationships (Hennig-Thurau et al., 2002). Dwyer et al. (1987) insist that attributed motives are more crucial for relationship maintenance than product performance. Three types of relational benefits are identified: social, confidence, and special treatment (Gwinner et al., 1998; Hennig-Thurau et al., 2002).

Social benefits

The service environment is a marketplace where products/services are exchanged and where social encounters occur. These social interactions between customer and service provider are usually personal and emotional in nature. When repeated on a regular basis, these interactions can generate friendship, personal recognition, rapport, and familiarity (Berry, 1995; Gwinner et al., 1998). For example, a service provider might learn about a customer’s personal life (Rashid, 2003). Scholars refer to these as social benefits (Gwinner et al., 1998; Hennig-Thurau et al., 2002).

Confidence benefits

According to perceived risk theory, consumer purchasing behavior involves risk (Bauer, 1960). Purchasing services is as much riskier than purchasing products due to intangibility and heterogeneity (Lewis, 1976; Mitchell & Greatorex, 1993; Yavas, 1987). Experience, however, increases purchasing confidence (Fenech & O’Cass, 2001; Sönmez & Graefe, 1998). As satisfactory experiences are accumulated over time, customers gain confidence about what they can receive from the service provider; eventually, this process reduces risk and increases trust (Bendapudi & Berry, 1997). Confidence benefits are defined as the “feeling of reduced anxiety, trust, and confidence” from ongoing relationships (Gwinner et al., 1998, p. 104).

Confidence benefits are identified as the most important relational benefits for several types of services (Gwinner et al., 1998). Confidence benefits are distinct from the quality of core service: while the former is the benefits that customers received apart from the core service, the latter is mainly related to the core service performance. When alternatives with comparable quality exist in the same market, customer may perceive confidence benefits from a long-term relationship with a particular service provider (Gwinner et al., 1998).

Special treatment benefits

For a long-term relationship, a service provider needs to recognize relationship-oriented customers and reward them for their loyalty. Whether through financial reward or detailed customization, it is crucial to provide customers with a sense of their special status to the firm. Such recognition and rewards are defined as special treatment benefits that customers receive from a long-term relationship with a service provider. Not every customer needs to receive the same level of service from a firm (Sheth & Parvatiyar, 1995). Identifying customers who want to build and maintain a relationship is one of the goals of relationship marketing. Firms can enjoy several relational outcomes by providing customers with an adequate level of preferably differentiated products/services.

Special treatment benefits is described as “the practice of giving selective customers’ elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices” (Lacey et al., 2007, p. 242). Special treatment benefits are the combination of economic benefits and customization benefits (Gwinner et al., 1998).

From the economic perspective, customers receive money-saving benefits from the ongoing relationship with a service provider (Gwinner et al., 1998). For example, a customer might enjoy special discounts. In addition, customers reduce search time and effort for each transaction due to the established relationship with a specific provider. Faster service is another benefit. A common example of special treatment benefits is the frequent flier program provided by major airline companies. While economic benefits are attractive to customers in the short-term, they are criticized for easy imitation from competitors (Berry, 1995).

On the other hand, customization is very desirable for customers; in fact, it is a significant barrier to termination of the relationship (Hennig-Thurau et al., 2002). Customization is possible through a long-term relationship in which the service provider understands personal preferences and provides service accordingly (Gwinner et al., 1998; Hennig-Thurau et al., 2002). In addition to personalized services, special treatment benefits might also include extra services such as the provision of special demands which are not available to other customers (Gwinner et al., 1998). Unlike economic benefits, customization benefits are not easily copied by competitors (Hennig-Thurau et al., 2002). Thus, customization benefits are superior to economic-based special treatment benefits in terms of competitive advantage (Lacey et al., 2007).

Although Gwinner et al. (1998) show that economic and customization benefits constitute one type of benefits, that is, special treatment benefits, the conceptual differences between them should not be ignored. Lee et al. (2002) measured special treatment benefits using economic and customization benefits; after confirmatory factor analysis, the authors found that only items for customization benefits were reliable, supporting the conceptual differences between the two benefits. Lacey et al. (2007) also highlight the theoretical and practical importance of the separation of special treatment benefits into two constructs: economic benefits and customization benefits. This study questions the possible differential effects of the two constructs on relational outcomes and suggests that separation provides a more concrete understanding of special treatment benefits as a relationship marketing strategy. Therefore, this study divides special treatment benefits into two separate constructs (i.e. economic benefits and customization benefits) to examine the effects on customer relationship development and maintenance. While Lee et al.'s (2002) study is limited to investigate the effects of customization benefits on satisfaction (because they dropped items related to economic benefits after CFA and they did not initially intend to separate special treatment benefits into two constructs), this study tries to separate special treatment benefits conceptually and practically into two constructs.

Identification

Social identity theory

According to social identity theory, people define themselves through comparison with others and comparison with social groups (Ashforth & Mael, 1989; Tajfel, 1981). The latter is the focus of social identity theory. Self-definition derives from a membership of a certain group. Social identity can be defined as "part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1981, p. 255). Through the social comparison process, people acquire value differential between their own group and other groups (Commins & Lockwood, 1979). Value has a significant effect on the consequences of group membership: an individual seeks or maintains membership if a particular group provides positive aspects to his/her identity (Tajfel, 1981).

Social identity has a cognitive component, an evaluative component, and an emotional component (Ellemers, Kortekaas, & Ouwerkerk, 1999). According to Ellemers et al. (1999), a cognitive component refers to a cognitive awareness of one's membership in a social group (i.e., self-categorization). An evaluative component involves a positive or negative value connotation attached to the group membership (i.e., group self-esteem). An emotional component includes a sense of emotional involvement with the group (i.e., affective commitment). Researchers argue that these components are distinctive and should be treated as separate constructs (Ashforth & Mael, 1989; Bergami & Baggozi, 2000; Ellemer et al., 1999). Social identification represents self-categorization (Bergami & Bagozzi, 2000).

Considering an organization as a social category, organizational identification can be understood as social identification (Ashforth & Mael, 1989). Organizational identification is described as "oneness with or belongingness to an organization, where the individual *defines* him or herself in terms of the organization(s) of which he or she is a member" (Mael & Ashforth, 1992, p. 104) or "the degree to which a member defines him- or herself by the same attributes that he or she believes define the organization" (Dutton, Dukerich, & Harquail, 1994) or "the degree of overlap between self-definition and organizational identity" (Bergami & Bagozzi, 2000). It can also be defined as "the degree of overlap of self-schema and organization schema" (Brown et al., 2005, p. 127). This study adopts Brown et al.'s (2005) definition of identification.

Note that organizational identification can occur without formal membership (Ashforth & Mael, 1989; Bhattacharya & Sen, 2003; Pratt, 1998). This is significant, because it is possible to apply organizational identification to consumer identification without membership status. For example, a frequent patron identifies with a particular restaurant without any formal membership. It is possible that customers can be committed or even develop loyalty to an organization in the absence of membership through identification.

Model 1. Commitment as a Relationship Development Outcome

Identification as an antecedent of commitment

Identification involves evaluating self-image congruence to that of the organization. The degree of overlap indicates the strength of identification. Here, consistency plays a significant role, because consumers evaluate the consistency between personal self and social self (Pritchard et al., 1999). Once consumers identify with an organization, inconsistency between the preferred organization and self-image creates unwanted tension and imbalance in their psychological states (Crosby & Taylor, 1983; Pritchard et al., 1999). People tend to avoid or ignore this inconsistency and become more resistant to change (Pritchard et al., 1999). Commitment to the strongly identified organization is comparable to commitment to oneself. Consumers try to maintain cognitive consistency and avoid cognitive dissonance by committing to the organization and avoiding challenges that may exacerbate the organizational identity (Brown et al., 2005).

Previous literature supports the positive link between identification and commitment. Ashforth and Mael (1989) argue that individuals will support and commit to an organization whose identity is congruent with their own. Pratt (1998) suggests that an organization can retain control over its members through commitment cultivated from identification. Pritchard et al. (1999) maintain that commitment is maximized when strong identification is attached to the preference. Shared values – a similar concept of identification also influence commitment in the distribution context (Morgan & Hunt, 1994) and in the restaurant environment (Lacey, 2007). Furthermore, Brown et al. (2005)

have empirically demonstrated that identification positively influences commitment toward the organization. Thus, it is hypothesized that:

H1-1: Identification with the organization is positively related to consumer commitment to the service organization.

Switching costs as an antecedent of commitment

Building and maintaining a relationship require costs, time, and effort from both participants. These investments play a significant role in consumer switching. Switching costs can be defined as “the one time costs that customers associate with the process of switching from one provider to another” (Burnham, Frels, & Mahajan, 2003, p. 110). While financial costs are a typical example, they may also involve procedural, psychological, or emotional costs (Burnham et al., 2003; Sharma & Patterson, 2000; Yang & Peterson, 2004). Procedural costs involve time and effort for establishing a new relationship with a new provider such as economic risk, evaluation, learning, and setup costs (Burnham et al., 2003). Psychological and emotional costs can result from breaking a personal rapport with the current provider as well as the uncertainty related to switching to the alternative (Sharma & Patterson, 2000). Although switching costs can be categorized into sub-dimensions, they are often treated as one construct, because certain factors may influence multiple dimensions of switching costs (Burnham et al., 2003).

In a competitive market environment, the importance of switching costs is obvious (Njite, Kim, & Kim, 2008). For example, when a new competitor enters into the current market or when products/services become more standardized among providers, customers are less likely to change providers if their switching costs are too high

(Vasudevan, Gaur, & Shinde, 2006). That is, high switching costs force customers to remain with their current service provider based on the cost–benefit ratios resulting from possible relationship termination. Even when the core service is not satisfactory, customers faced with high switching costs will unwillingly maintain the relationship (Sharma & Patterson, 2000). Switching costs increase dependence on the partner, that is, consumer commitment.

The positive influence of switching costs on commitment is supported by research. Dwyer et al. (1987) argue that consumer’s high switching costs influence the maintenance of the relationship. Venetis and Ghauri (2004) find that the desires to continue the relationship increases when switching costs are considerably high. Furthermore, Burnham et al. (2003) suggest that switching costs have a stronger influence on customer’s intention to stay with the current provider than their satisfaction with the provider. Thus, it is expected that:

H1-2: Switching costs are related to consumer commitment to the service organization.

Satisfaction as an antecedent of commitment

Satisfaction can be understood as a comparison between consumers’ previously arranged expectations about the service performance (i.e., predicted service) and the actual performance of service provided (i.e., perceived service) (Hennig-Thurau et al., 2002; Oliver, 1980; Zeithaml, Berry, & Parasuraman, 1993). From the relational marketing perspective, satisfaction is viewed as a positive feeling about satisfactory experiences and about the relationship with a particular service provider over time (Bendapudi & Berry, 1997; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002).

Although the significance of satisfaction on customer loyalty should be emphasized, several researchers contend that satisfaction is not enough to explain the psychology of consumers in building loyalty toward a service provider (Jones & Sasser, 1995; Pritchard et al., 1999; Schulz, 1998). Commitment has become the central concept for customer loyalty (Morgan & Hunt, 1994). Satisfied customers can still defect without commitment (Jones & Sasser, 1995). The literature suggests that commitment is influenced by the satisfactory exchange process with a service provider (Brown et al., 2005; Burnham et al., 2003; Dwyer et al., 1987; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994; Sharma & Patterson, 2000; Vasudevan et al., 2006). Without experiencing a high level of satisfaction, customers will not develop commitment toward their service provider. Thus, it is anticipated that:

H1-3: Satisfaction is positively related to consumer commitment.

Relational benefits and identification

This study suggests that customers identify with a service organization through the ongoing exchange of relational benefits. Satisfactory benefits from a relationship with an organization generate identification (Bhattacharya, Rao, & Glynn., 1995). The following sections describe how each type of relational benefit influences customer identification with a service organization.

Social benefits and identification

Social benefits are cultivated mainly from social bonds between customers and front-line employees. Social bonding is made possible through interpersonal interactions between two parties (Berry, 1995; Selnes & Hansen, 2001). Interpersonal interactions enhance in-group attractiveness (Rabbie & Wilkens, 1971). Repeated interpersonal interactions allow customers to become familiar with organization employees (Bendapudi & Berry, 1997). Based on social network theory, Selnes and Hansen (2001) argue that a customer's social ties to employees can carry over to the company to which the employees belong. Thus, it is possible that if customers perceive favorable social benefits from the ongoing relationship with an employee, then they will associate favorable relations with the service organization. This favorability enhances customer identification with the service organization.

Several studies support this rationale. For example, Ahearne, Bhattacharya, and Gruen (2005) argue that customers' favorability ratings of employees with whom they have regular contact helps to define and categorize themselves in terms of the organization. Cardador and Pratt (2006) also insist that personal relationships derived from interpersonal contact enhance identification with an organization. Therefore, it is expected that:

> H1-4: Social benefits are positively related to consumer identification with the service organization.

Confidence benefits and identification

Reduced anxiety and risk motivate consumers to maintain long-term relationships (Gwinner et al., 1998). Confidence benefits result from the consumers' understanding what they receive from an ongoing relationship with the service organization. Belief in partner performance and the absence of opportunistic behavior enhance consumer appreciation for the relationship (Bendapudi & Berry, 1997).

Moreover, consumer confidence includes knowing what level of service would be provided and their own roles in the process. Consumers must understand the unique norms and standards of the relationship exchange and adjust their roles throughout the ongoing process (Dwyer et al., 1987). Trust and confidence in the service organization's performance and in the adjustment process lead to a greater sense of belonging to the service organization. That is, higher levels of confidence benefits enhance consumer identification with the service organization. Bendapudi and Berry (1997) argue that consumer identification is enhanced when consumers view the service organization as a team based on trust. Thus, it is deduced that:

H1-5: Confidence benefits are positively related to consumer identification with the service organization.

Special treatment benefits and identification

Social comparison is necessary to achieve social identity. Every group must compare itself to another group (Tajfel, 1981). Individuals identify with an organization when group identity provides positive self-esteem (Ashforth & Mael, 1989). While this proposition is related to group identity, it is also applicable to the individual level. Each individual compares him/herself with similar others (Festinger, 1954; Lacey et al., 2007). If an organization recognizes its contributing members and provides more salient status and value to the individual, then the individual's sense of belonging to the organization increases. If an individual perceives that he/she is treated special compared to others, the sense of belonging is enhanced. For this reason, differentiated customized service and economic benefits based on customer information and preferences have a positive impact on customer attachment to the organization (Lacey et al., 2007).

Similarly, in the management literature, Pratt (1998) emphasizes that an organization's behavioral consistency in terms of rewards influences employee identification with the organization. Cardador and Pratt (2006) propose that the possibility of identification is low when organizations are unlikely to provide rewards such as financial benefits to group members. Furthermore, Gruen et al. (2000) argue that recognition as an extrinsic reward for contributions has a positive influence on affective commitment, which is similar to identification (Brown et al., 2005). Thus, it is hypothesized that:

> H1-6: Economic benefits are positively related to consumer identification with the service organization.
>
> H1-7: Customization benefits are positively related to consumer identification with the service organization.

Relational benefits and switching costs

This study presents that relational benefits increase switching costs, resulting in consumer commitment. Customers receive relational benefits when they are in a relationship, and those relational benefits are not easily imitated by competitors. Thus, if customers terminate a relationship with a current service provider, they lose these benefits. If relational benefits are highly valued by customers, customers are less likely to switch to alternatives due to high costs (Burnham et al., 2003; Dwyer et al., 1987; Gwinner et al., 1998; Keaveney, 1995). The following sections explore how different types of relational benefits impact switching costs.

Social benefits and switching costs

Customers enjoy familiarity with a service provider through interpersonal interactions. These social benefits generate a level of comfort, which is not directly transferable to competitors (Burnham et al., 2003). Accordingly, the exchange of social benefits can be regarded as an idiosyncratic customer-service provider association (Butcher, 2005). If the relationship is dissolved, psychological or emotional discomfort cannot be avoided due to the loss of social bonds (Burnham et al., 2003). Because switching to alternatives means establishing completely new social bonds, increased social benefits with a current service provider increases switching costs. Vasudevan et al. (2006) suggests that increasing interpersonal closeness with buyers increases relational switching costs. Similarly, Bendapudi and Berry (1997) propose that social bonding can increase customer dependence on the service provider. Therefore, it is expected that:

H1-8: Social benefits are positively related to switching costs.

Confidence benefits and switching costs

As transactions with one service provider increase, transaction costs decrease for customers (Bendapudi & Berry, 1997; Buttle, 1996). That is, customers will incur significantly higher transaction costs if they change service providers for each transaction. In addition, frequent changes of service providers bind customers to the potential perceived risk associated with each service provider's performance. Continuous satisfactory experience with a particular service provider increases customer confidence in the performance of the service provider. Transaction costs are reduced when customers remain with one particular service provider. Buttle (1996) argues that one of advantages of relationship marketing is "the control, reduction and potential elimination of transaction costs” (p, 75). Similar to social benefits, relationship dissolution results in the loss of confidence benefits on the customer’s side. Therefore, customers who receive a high level of confidence benefits incur high costs for switching to other service providers. Therefore, it is anticipated that:

H1-9: Confidence benefits are positively related to switching costs.

Special treatment benefits and switching costs

The underlying mechanism of special treatment benefits is the presence of switching costs (Hennig-Thurau et al., 2002). Service organizations expect to increase switching costs by providing financial rewards or customized services. Firms strive to satisfy their customers’ individual needs through strategies that provide special treatment benefits. Because special treatment benefits disappear when the relationship is dissolved, they become a switching barrier for customers (Patterson & Smith, 2003; Lacey et al., 2007).

Service organizations provide added economic and customized service incentives so that customers cannot switch to another firm that hardly provides comparable benefits. This strategy is especially prevalent in the hospitality industry. For example, shops may offer free service after customers make a predetermined number of purchases or offer preferred seating to recognized customers (Rashid, 2003).

Economic benefits are the primary motivation to establish relationships with a service provider (Gwinner et al., 1998). If customers receive economic benefits from a relationship, termination results in a direct financial cost. Consequently, economic benefits become a barrier to switching providers. Moreover, value-adding benefits that are highly customized and not available from other providers can structurally bond customers with the firm (Berry, 1995); structural bonding creates high switching costs on the customer's side (Noble & Phillips, 2004). Thus, it is deduced that:

H1-10: Economic benefits are positively related to switching costs.

H1-11: Customization benefits are positively related to switching costs.

Relational benefits and satisfaction

Social benefits and satisfaction

Although social benefits are related more to the relationship itself than to the provider's performance (Hennig-Thurau et al., 2002), the effect of social benefits on customer satisfaction should not be overlooked. Close interactions allow the service provider to understand each customer's unique needs and expectations (Ennew & Binks, 1999). Customers evaluate their level of satisfaction based on the level of benefits that they receive (Reynolds & Beatty, 1999). Service providers who understand their customers can serve them better and satisfy them accordingly.

It is assumed that social benefits are desirable when a customer has a lengthy relationship with a particular employee. Interestingly, enjoyable interactions significantly influence satisfaction but personal connection does not (Gremler & Gwinner, 2000). This finding suggests that a personal connection with a particular employee is not necessary to receive social benefits. This is particularly applicable to the hospitality industry, where the turnover rate is high and the possibility of the same employee serving the same customer is low. Understanding each customer's specific needs, caring about the service outcome, and using humor for comfortable interactions can enhance enjoyment in interactions and consequently increase customer satisfaction (Gremler & Gwinner, 2000).

The positive relationship between social benefits and satisfaction has been supported throughout the literature. Ennew and Binks (1999) contend that a customer who willingly shares personal information and maintains close personal contacts with a service provider increases his/her satisfaction, due to the service provider's knowledge of the customer's needs and expectations. Price and Arnould (1999) argue that commercial friendship, which is similar to social benefits, has a strong positive relationship with customer satisfaction. Similarly, Gwinner et al. (1998) find that social benefits have a positive correlation with customer satisfaction. Furthermore, Reynolds and Beatty (1999) believe that social benefits are a significant antecedent of customer satisfaction. Based on the above argument, it is hypothesized that:

H1-12: Social benefits are positively related to satisfaction.

Confidence benefits and satisfaction

Previous experiences impact customer expectations of a service provider, and consumers consider them a prediction of future performance (Zeithaml et al., 1993). If we evaluate satisfaction as a comparison between predicted and perceived service, then prediction of the next transaction influences customer satisfaction. Based on the argument by Parasuraman, Zeithaml, and Berry (1994), Gremler and Gwinner (2000) insist that "the improved accuracy of the customer's service expectations should result in closer alignment between expectations and performance, thus resulting in higher levels of customer satisfaction" (p. 93). Similarly, confidence benefits indicate confidence in what a customer will receive from the service provider based on previous satisfactory experiences. Customers who enjoy high confidence benefits have a level of predicted service for a relationship partner. Therefore, one may expect that customers who receive high confidence benefits from a service provider experience increased satisfaction due to their predicted expectations of performance. The empirical results support the positive relationship between confidence benefits and satisfaction (Gwinner et al., 1998; Hennig-Thurau et al., 2002). Thus, it is expected that:

H1-13: Confidence benefits are positively related to satisfaction.

Special treatment benefits and satisfaction

Although special treatment benefits are not a part of the core service provided, they may be considered as part of performance by the customers who receive them (Hennig-Thurau et al., 2002). Well-managed special treatment benefits are expected to increase customer satisfaction from excellence in performance. Based on Zeithaml's (1981) argument, Gwinner et al. (1998) suggest that special treatment benefits provide satisfaction to customers. Supposing the same level of predicted service, the level of satisfaction from receiving economic and/or customization benefits is greater than the level of satisfaction from a transaction without special treatment benefits. This is because perceived service is higher with special treatment benefits. Yen and Gwinner (2003) support the positive influence of special treatment benefits on satisfaction. Therefore, it is anticipated that:

H1-14: Economic benefits are positively related to satisfaction.

H1-15: Customization benefits are positively related to satisfaction.

Figure 2: the proposed model 1.

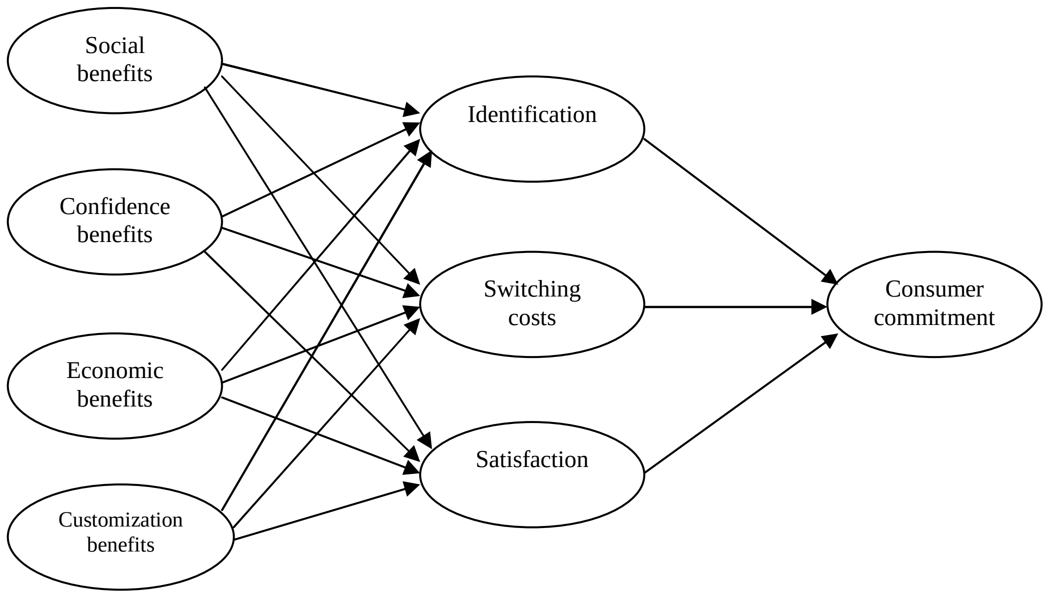


Figure 2. Model 1. Commitment as a relationship development outcome

Figure 2 shows consumer commitment as an outcome of several antecedents. The following section examines the mediating role of commitment. Consumer commitment is a crucial variable that determines long-term relational outcomes (Venetis & Ghauri, 2004). This study explores the relationship between several antecedents of commitment (i.e., identification, switching costs, and satisfaction) and relational outcomes through the mediating role of consumer commitment.

Model 2. Commitment as a Mediator

Relational outcomes

Increased share of purchases

Share of purchases (or share of customer) implies “the percentage of the overall purchases made in a particular product of service category devoted to a particular firm within a specified time period” (Lacey, 2007, p. 321). While repeat purchase intention measures a customer’s intentions to increase the magnitude of purchases from a particular firm (Lacey, 2007), share of purchases indicates the significance of consumer purchases from a particular firm within the total purchases in that product category. Although the absolute measure of increased purchases from the current purchase level is more directly beneficial to a firm, share of purchases is a better measure of relational outcome for its comparativeness (Lacey et al., 2007).

Loyalty does not mean that customers never make transactions with other sellers; rather, it means that customers can still engage in some transactions with other sellers but do not purposefully explore alternatives as potential relational exchange partners (Dwyer et al., 1987). Especially in the restaurant industry, share of purchases is more suitable to measure relational outcome than revisit intentions. We cannot expect a customer to visit only the same restaurant without exceptions. Thus, the percentage of purchase (i.e., visitation) within the customer’s total restaurant visitations is a stronger measure of loyalty compared to the absolute revisit intention. Share of purchases provides a deeper understanding of customer loyalty by considering the customer’s relationship with a particular firm in a product category where alternatives exist (Jones & Sasser, 1995; Keiningham et al., 2007; Lacey, 2007; Walter & Gemunden, 2000).

This study hypothesizes that commitment positively influences increased share of purchases. If marketers pursue business continuity with customers through relationship maintenance, customers maintain the relationship to achieve more efficiency (Dwyer et al., 1987; Sheth & Parvatiyar, 1995), reduce perceived risk (Bendapudi & Berry, 1997; Sheth & Parvatiyar, 1995), and obtain cognitive consistency in their decisions (Crosby & Taylor, 1983; Pritchard et al., 1999; Sheth & Parvatiyar, 1995). Commitment influences a customer's selective perception (Crosby & Taylor, 1983). Commitment leads to deliberate choice reduction in the presence of alternatives. Highly committed customers are more likely to do business repeatedly with the same service provider and are less likely to patronize other providers (Dick & Basu, 1994; Morgan & Hunt, 1994; Pritchard et al., 1999; Sheth & Parvatiyar, 1995; Verhoef, 2003). Therefore, it is deduced that:

H2-1: Commitment is positively related to increased share of purchases.

Positive word-of-mouth intentions

Word-of-mouth (WOM) is defined as "informal, person-to-person communication between a perceived noncommercial communicator and a receiver regarding a brand, a product, an organization, or a service" (Harrison-Walker, 2001, p. 63). WOM communications include positive/negative word-of-mouth, recommendations to others, feedback to the vendor, and defense of the company against detractors (Bendapudi & Berry, 1997; Cross & Smith, 1995; Reichheld, 2003; Swan & Oliver, 1989).

Researchers argue that positive WOM is one of the central outcomes of relationship marketing (Bendapudi & Berry, 1997; Brown et al., 2005; Hennig-Thurau et al., 2002; Lacey et al., 2007; Morgan & Hunt, 1994; Sheth & Parvatiyar, 1995). The significance of positive WOM lies in its power to attract new customers to the firm

(Anderson, 1998; Hennig-Thurau et al., 2002; Lacey et al., 2007; Sheth & Parvatiyar, 1995; Zeithaml et al., 1996). Consumers are not free from perceived risk in their decision making; they are engaged in risk reduction strategies to decrease the uncertainty or negative consequences of an unsatisfactory decision (Mitchell, Davies, Moutinho, & Vassos, 1999; Tan, 1999). As perceived risk increases, consumers increase their reliance on positive WOM for its possible clarification and feedback opportunities (Murray, 1991). Positive WOM, therefore, is a powerfully influential in a firm's ability to acquire new customers and reduce risks that customers perceive (Hennig-Thurau et al., 2002).

In addition to attracting new customers to the firm, positive WOM indicates the highest level of customer loyalty. A customer puts his/her own reputation on the line by offering positive WOM (Reichheld, 2003). This sacrifice for the company and products is impossible if customers are not truly loyal. In addition, customers confirm and reinforce their previous favorable attitudes toward the service provider through exchange of experiences. Marketers need to focus on converting customers into advocates who are not only long-term purchasers but who also spread positive WOM to others (Bhattacharya & Sen, 2003; Buttle, 1996; Jones & Sasser, 1995).

Committed customers are more likely to spread positive WOM (Beatty et al., 1988; Brown et al., 2005; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994). As previously argued, commitment relies on satisfactory experiences with a relationship partner (Brown et al., 2005; Burnham et al., 2003; Dwyer et al., 1987; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994; Sharma & Patterson, 2000; Vasudevan et al., 2006). Thus, if customers are highly committed, they will discuss their favorable experiences and recommend the company to others. Therefore, it is hypothesized that:

H2-2: Commitment is positively related to positive WOM intentions.

Commitment as a full mediator of the effects of identification on relational outcomes

Submodel 1 hypothesizes the positive influence of identification on consumer commitment (see Hypotheses 1-1). It is assumed that the impacts of identification on relationship outcomes (i.e., share of purchases and positive WOM intentions) are indirect. Customers who strongly identify with a particular firm increase their level of commitment to the firm; consequently, commitment positively influences relationship outcomes.

Previous research supports the indirect effect of identification on relationship outcomes. When a customer identifies with a service organization, he/she is more likely to commit to the organization (Ashforth & Mael, 1989; Brown et al., 2005; Lacey, 2007; Morgan & Hunt, 1994; Pratt, 1998; Pritchard et al., 1999). A committed customer spreads positive WOM (Beatty et al., 1988; Brown et al., 2005; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994). Fullerton (2005) suggests that a customer who strongly identified with a service organization has a favorable attitude toward the relationship and would recommend the company to significant others.

Brown et al. (2005) find a non-significant relationship between identification and positive WOM intentions when commitment is included as a mediating variable, which supports the full mediating role of commitment in the equation. In addition, Pritchard et al. (1999) maintain that identification influences customer loyalty with a full mediating effect of resistance to change, which is equivalent with consumer commitment in this study. Moreover, Lacey (2007) finds that shared values, similar to identification in this study, increase commitment, which consequently impacts increased share of purchases. Thus, this study suggests the full mediating role of consumer commitment between identification and relational outcomes and makes the following hypotheses:

H2-3: Commitment mediates the relationship between identification and share of purchases.

H2-4: Commitment mediates the relationship between identification and positive WOM intentions.

Commitment as a full mediator of the effects of switching costs on relational outcomes

This study suggests a full mediating role of commitment between switching costs and relational outcomes. Although we assume that switching costs cannot directly determine the likelihood of relationship outcomes, high switching costs cause customers to remain in a relationship with their current service provider because benefits outweigh costs. Consequently, commitment, enhanced by high switching costs, leads to positive relationship outcomes. Consider the direct relationship between switching costs and positive relationship outcomes without consideration of consumer commitment. If a customer perceives high switching costs, he/she may stay in the relationship because of the possible financial and psychological/emotional loss arising from relationship termination. However, this does not mean that he/she will advocate the service provider.

High switching costs motivate customers to maintain relationships (Burnham et al., 2003; Dwyer et al., 1987; Venetis & Ghauri, 2004). Relationships heavily based on switching costs cause firms to be vulnerable to alternative providers who offer better benefits (Berry, 1995). If customers perceive more benefits than costs, then they will switch to another provider. Therefore, it is expected that high switching costs cannot directly influence increased share of purchases. Instead, if customers are committed due to high switching costs, they will deliberately reduce their choice (Sheth & Parvatiyar, 1995) and increase their spending with the particular service organization in the product category (Verhoef, 2003).

As Sharma and Patterson (2000) argue, even dissatisfied customers maintain relationships due to high switching costs. That is, satisfactory experiences are not a prerequisite of increased switching costs. While high switching costs do not necessarily require satisfactory experiences, positive WOM is possible only when customers have satisfactory experiences. Thus, we do not expect switching costs to have a direct influence on positive WOM. When customers are committed to a relationship with high switching costs, however, they will advocate the service provider. Therefore, it is expected that:

H2-5: Commitment mediates the relationship between switching costs and share of purchases.

H2-6: Commitment mediates the relationship between switching costs and positive WOM intentions.

Commitment as a full mediator of the effects of satisfaction on share of purchases

Although a direct positive relationship between satisfaction and share of purchases has been previously shown (Reynolds & Beatty, 1999), this study suggests an indirect influence. Share of purchases, defined as the percentage of purchases from a particular service provider among total purchases in a product category, should be understood in the presence of competitors in the same market. In contrast, satisfaction, defined as the gap between predicted and the perceived performance of a particular service is not directly affected by the performance of other service providers in the market. Thus, one may assume that a customer's satisfaction from one service provider does not directly influence customer share in that particular product category. Verhoef (2003) supports this idea arguing that performance alone cannot induce increased customer share. If customers are committed to a firm based on their satisfactory experiences with the particular service provider, they will increase their share with that provider. That is, satisfaction positively influences consumer commitment, which increases share of purchases. Satisfied customers who are not psychologically tied to the service provider may defect (Jones & Sasser, 1995). Therefore, it is anticipated that:

H2-7: Commitment mediates the relationship between satisfaction and share of purchases.

Commitment as a partial mediator of the effects of satisfaction on positive WOM intentions

This study suggests that satisfaction has a direct impact on positive WOM intentions. This rationale has been widely supported by previous studies (Hennig-Thurau et al., 2002; Oliver, 1980; Reichheld & Sasser, 1990; Reynolds & Beatty, 1999; Swan & Oliver, 1989). Based on general knowledge about the effect of satisfaction on positive WOM, this study suggests that satisfaction directly influences positive WOM intentions. Therefore, it is expected that:

H2-8: Satisfaction is positively related to positive WOM intentions.

As previously mentioned, consumers who are highly satisfied with a service provider are committed to the relationship and spread positive WOM. Therefore, we expect that commitment plays the role of mediator in the effects of satisfaction on positive WOM. Satisfaction indirectly influences positive WOM intentions through commitment. Several researchers argue that satisfactory experiences increase consumer commitment (Brown et al., 2005; Burnham et al., 2003; Dwyer et al., 1987; Hennig-Thurau et al., 2002). Commitment, in turn, has a positive influence on positive WOM intentions (Beatty et al., 1988; Brown et al., 2005; Hennig-Thurau et al., 2002). Customers who are committed based on satisfactory experiences are more likely to engage in positive WOM. The partial mediating role of commitment of the effects of satisfaction on positive WOM intentions is supported by Brown et al. (2005). Thus, it is deduced that:

H2-9: Commitment partially mediates the relationship between satisfaction and positive WOM intentions.

Figure 3: the model 2.

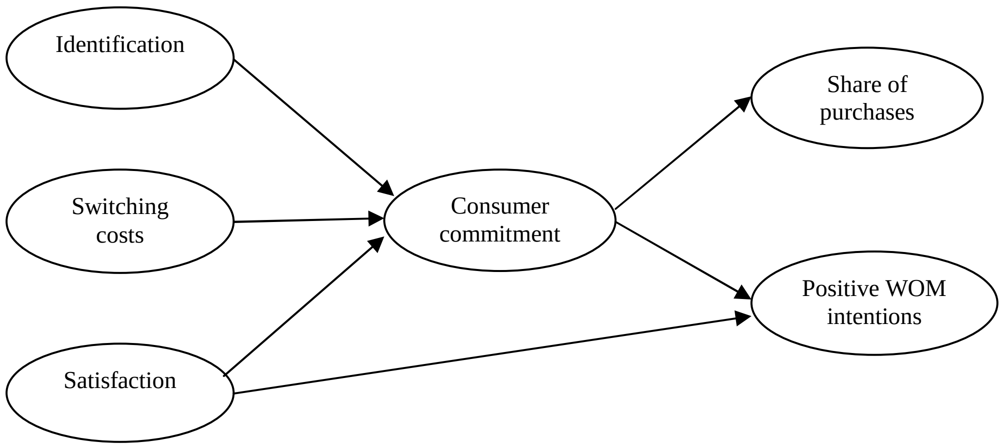


Figure 3. Model 2. Commitment as a mediator

The Moderating Role of Relational Benefits

Relational benefits as a moderator of the effects of switching costs on commitment

For reasons such as dissatisfaction with the current service provider or a new, attractive alternative entering into the market, customers may consider switching a service provider. Once customers are engaged in this situation, they face switching costs, and they evaluate the costs-benefits ratio of leaving the current provider. Switching costs are sacrifices or penalties that consumers face when exchanging service providers (Jones, Reynolds, Mothersbaugh, & Beatty, 2007). Whether switching costs are positive or negative (Jones et al., 2007), the basic impact of switching costs is that customers find it hard to switch service providers, even considering the benefits derived from switching.

It is argued that the more switching costs customers face with as an exit barrier, the more committed they are to the current service provider (Dwyer et al., 1987; Sharma & Patterson, 2000). High switching costs lock customers into the current relationship because of the potentially high costs of switching. Although switching costs are useful in increasing consumer commitment, the use of switching costs is criticized because it creates a passive connection to the provider. For example, switching costs are sometimes referred as “spurious loyalty (Colgate, Tong, Lee, & Farley, 2007).” In an extreme sense, customers whose relationship maintenance with their service provider largely depends on switching costs are viewed as “hostages” (Sharma & Patterson, 2000, p, 484).

Sometimes, it seems that we forget an important question: do customers always positively react to increased switching costs? One notices that conflicting results have been provided for the relationship between switching costs and commitment. For example, Lacey (2007) finds that the effect of switching costs on commitment is significant in department store sample while it is not significant in restaurant sample. The mixed results of the effect of switching costs on commitment raise a question about their underlying nature that might cause these different results.

The author believes that the lock-in effect of switching costs on commitment would be weaker if customers were experiencing high relational benefits through relationship maintenance. The theory of psychological reactance that Brehm (1966) proposed is an excellent foundation for this argument. Based on the reactance theory, when people are faced with a high switching barrier, they feel their freedom is threatened. They may become more attracted to the inaccessible or prohibited alternative(s) and/or try to restore their freedom by rejecting the current service provider (Kivetz, 2005). It should be noted that motivations to comply and to react coexist in consumers' minds (Wendlandt & Schrader, 2007). Thus, when switching costs are high, consumers become dedicated to their current relationship, but at the same time they experience reactance because their freedom is threatened. In other words, switching barriers, while useful in retaining customers, simultaneously influence situational reactance (Kivetz, 2005; Wendlandt & Schrader, 2007). Reactance effects occur at certain threshold points and reduce the cooperativeness of consumers (Wendlandt & Schrader, 2007).

As mentioned above, switching costs generate passivity in a customer's relationship with the service provider. Although increasing switching costs is recommended for customer retention, it is important to acknowledge that reactance to a significant switching barrier can be devastating, even resulting in termination of the current relationship. However, it is suggested that effort activity for own sake and not for some extrinsic goal can reduce reactance (Kivetz, 2005). All things equal, the positive effect of switching costs as a lock-in mechanism on commitment would be weaker for consumers with high relational benefits than those with low relational benefits, because those with high relational benefits would less likely feel locked into the relationship. In other words, although switching costs influence customers to stay in the relationship, if customers are intrinsically motivated from benefits of the on-going relationship, then the effects of switching costs on commitment would be diminished for consumers' proactive engagement in the relationship. Based on Model 2, we may expect commitment to be influenced by identification, satisfaction, and switching costs. This study further proposes that the relationship between switching costs and commitment is moderated by relational benefits. Thus, hypothesis 3-1 is established as:

> H1: When all things are equal, the relationship between switching costs and commitment is weaker when the degree of relational benefits customers received from the on-going relationship is higher rather than lower.

Figure 4: the conceptual model.

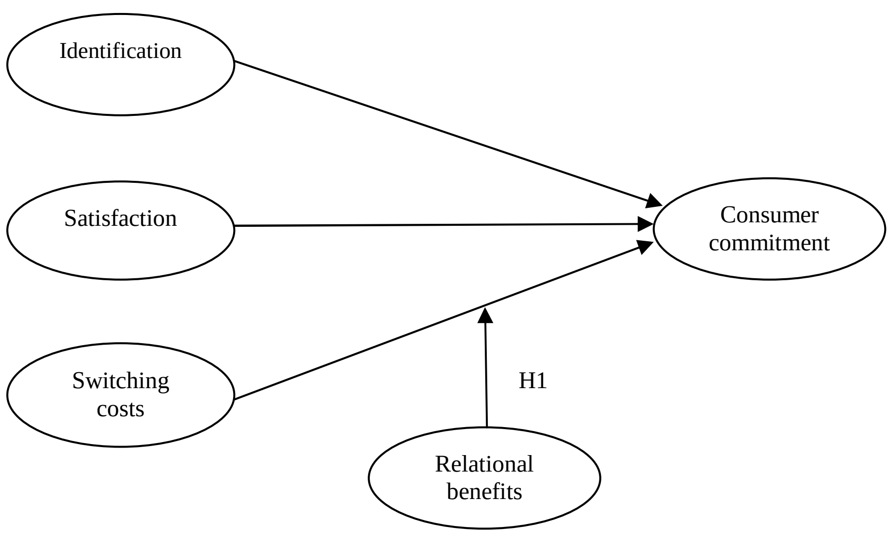


Figure 4. The moderating role of relational benefits

Figure 5: the completed conceptual model of the study.

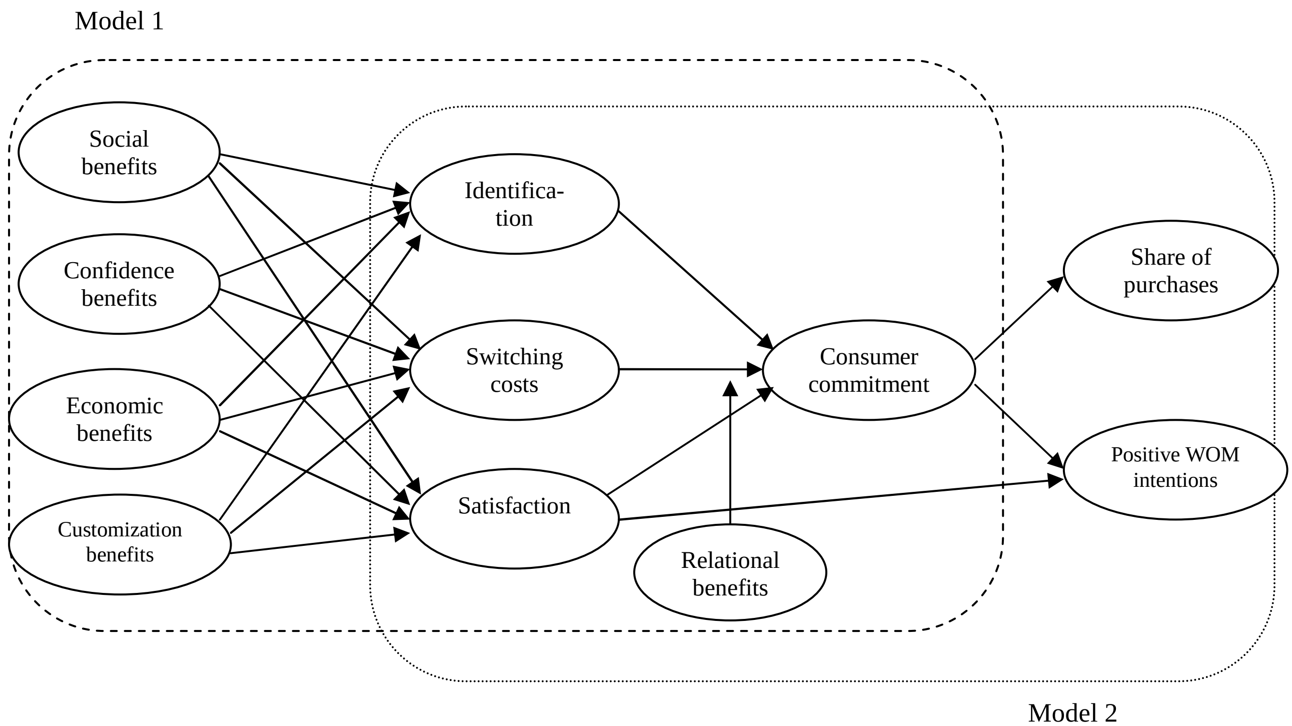


Figure 5. The completed conceptual model.

The Moderating Role of Frequency of Visit

As Grönroos (1998) states, the consumption of a service is all about process consumption. The interaction process is the core of relationship marketing, in which various kinds of contacts between a customer and a service provider occur (Grönroos, 2004) and an interpersonal relationship develops (Price, Arnould, & Tierney, 1995). In the interaction process, a relationship between a customer and a service provider is established, nurtured, and maintained for mutual benefits from the relationship.

Because of its significance on relationship marketing, the nature of interaction in relationship marketing has been an area of interest to marketing scholars. For example, it is argued that the length of the relationship is the core element that distinguishes between transaction and relationship marketing (Rao & Perry, 2002). The length of relationship matters because it is a necessity to build a strong foundation for successful relational exchange (Sweeney & Webb, 2007). It is assumed that long duration of a relationship is a positive signal of interdependence between the two parties (Kelley et al., 1983). As the length of the relationship increases, the opportunities that customers receive relational benefits also increase (Gwinner et al., 1998). However, contrary to the common belief, the quality of relationship does not always improve over time (Barnes, 1997; Berscheid, Snyder, & Omoto, 1989; Kumar, Scheer, & Steenkamp, 1995; Palmer, 2007). As Berscheid et al. (1989) argue the duration of relationship alone is not enough to understand the closeness of relationship; what actually matters is the longevity of high frequency (along with high diversity and strength according to their Relationship Closeness Inventory). Again, as the authors add, long duration of low frequency does not qualify a close relationship. Therefore, a long-time customer should not be automatically assumed to be a loyal, committed customer. He/she may stay in the relationship for habitual purchase tendency, limited product availability, or other possible reasons.

Another nature of interaction that interests us is the frequency dimension. The frequency of interaction in relationship marketing is different from a mere transaction because frequent interaction involves in feeling through extended service encounters with a particular service provider (Ward & Dagger, 2007). It is suggested that frequent face-to-face interpersonal interactions imply a closeness of relationship between a customer and a service provider (Barnes, 1997; Kelley et al., 1983). Furthermore, Crosby et al. (1990) insist that increased interaction is the results of good relationship quality rather than mere success in previous sales. Thus, frequent interactions can be a signal of healthy, close relationship.

One may expect that frequent interactions, as a signal of closeness between two parties, would provide several advantages to relationship enhancement. First, frequent interactions represent both parties' interest as partners. This is the basis of liking and trust of the seller (Nicholson, Compeau, & Sethi, 2001). Second, frequent interactions increase the opportunities of buyer and seller to gather personal information and understand each others' perspectives, which eventually enhance individuation (Nicholson et al., 2001; Wilder, 1986). Third, frequent encounters enhance social bonding between two parties (Bendapudi & Berry, 1997). Finally, frequent interactions build buyers' trust on seller (Bendapudi & Berry, 1997; Doney & Cannon, 1997). Trust is created because buyers or customers can evaluate the seller's or service providers' behavior across various business situations and predict the partner's future behavior (Doney & Cannon, 1997).

Because of the possibility of closeness and emotional bonding, frequent interaction has been argued to be one of the key determinants of consumer commitment. For example, Bove and Johnson (2000) suggest that frequent contact increases the level of commitment, supporting the notion of Crosby et al.'s (1990) that commitment is largely determined by the interpersonal relationship. Furthermore, Kelley et al. (1983) note that more frequent interactions represent a higher degree of interdependence between two parties. Thus, it is plausible that when all else is equal, commitment would be much stronger under the condition of frequent interactions as opposed to less frequent interactions.

In addition to the possible influence of closeness (as represented by frequent interactions) on commitment, Barnes (1997) argues that a consumer who has more closeness with the service provider has much higher level of relationship strength with that relationship partner. According to Barnes (1997), relationship strength is characterized by share of business, intention to do business continuously, and the likelihood of recommendation. These are similar to the relational outcomes in this study. Thus, we may conceive that a customer who frequently interacts with the service provider face-to-face would develop a much stronger relationship with the partner (that is, have stronger relational outcomes) than others who have less frequent interactions (Barnes, 1997; Bove & Johnson, 2000).

Although more frequent interaction has been suggested to build a much closer relationship between two parties and influence the magnitude of relationship strength than less frequent interaction, the empirical support for this assumption is still lacking. Thus, this study tests the moderating role of frequency of interaction as a signal of relationship closeness on relationship dependence and relational outcomes. Specifically, the Model 2 in this study is imported to test the moderating effects of frequency of interaction (more exactly "frequency of visit" in this study) of the effects of consumer dependence on commitment and of the effects of commitment on relational outcomes. Consequently, it is hypothesized that;

H4-1: The relationship between identification and commitment is much stronger Vwhen frequency of visit is higher rather than lower.

H4-2: The relationship between switching costs and commitment is much stronger when frequency of visit is higher rather than lower.

H4-3: The relationship between satisfaction and commitment is much stronger when frequency of visit is higher rather than lower.

H4-4: The relationship between commitment and share of purchases is much stronger when frequency of visit is higher rather than lower.

H4-5: The relationship between commitment and positive WOM intentions is much stronger when frequency of visit is higher rather than lower.

H4-6: The relationship between satisfaction and positive WOM intentions is much stronger when frequency of visit is higher rather than lower.

CHAPTER III

METHODOLOGY

Instrument

A self-administrated questionnaire was used to collect data. As an initial instruction, respondents were asked if they have a service provider in the casual dining sector that they use on a regular basis, which followed Gwinner et al. (1998)'s study. The definition of regular patronage was determined by respondents. This question enabled us to identify respondents who are in ongoing relationship with a particular service provider. Individuals who do not have any particular casual dining restaurant were asked to stop responding to the survey.

Section I asked information about casual dining restaurant experience. This included the frequency of visit, the length of patronage and the usual number of companies upon visit.

Section II solicited opinions of the casual dining restaurant. The main items of the study were included in this section. The items of the questionnaire were developed based on previous studies. In particular, scales for social benefits (four items) and confidence benefits (four items) were both composed of items from Hennig-Thurau et al.'s (2002) study. Because limited study has been carried out to separate special benefit constructs as two different benefits (that is, economic and customization benefits), the general items to observe special benefits were included in the study. Eight items were adapted from those provided by Henning-Thurau et al. (2002), Kim, Lee, and Yoo (2006), Lee et al. (2002), and Marzo-Navarro, Pedraja-Iglesias, and Rivera-Torres (2004). In addition, three items - "as a frequent diner, I enjoy saving time in dining because I am familiar with the service process of this restaurant," "I can tailor my order based on my desire," and "I receive extra service attention from the employees" - were also added based on related literature review. Thus, a total of eleven items were included to measure economic and customization benefits. Identification was measured by verbal and visual scales (two items) adapted from Bergami and Bagozzi (2000). In addition, switching costs (five items) were adapted from the works of Sharma and Patterson (2000) and Ping (1993). The satisfaction construct (four items) was based on the findings of Hennig-Thurau et al. (2002). The commitment construct (four items) were adapted from Morgan and Hunt (1994) and Moorman, Zaltman, and Deshpande (1992). Increased share of purchases were measured using three items: one from Lacey et al. (2007) and two developed for this study. These two items were "In the next three months, how likely are you to increase your visits to this restaurant compared to other restaurants?" and "In the next three months, how likely are you to increase your spending to this restaurant compared to other restaurants?" Finally, positive WOM intentions (four items) were measured by scales provided by Lacey et al. (2007). Overall, a total of forty nine items were included in this section. In addition, respondents were asked to provide their email addresses if they were interested in the follow-up study, which investigates their actual behaviors on positive word-of-mouth and share of purchases in the end of the second section.

In Section II, all items except increased share of purchases (3 items) and identification (2 items) were rated on a seven-point Likert-type scale, ranging from one (extremely disagree) to seven (extremely agree). Increased share of purchases were measured on a seven-point Likert-type scale, ranging from one (very unlikely) to seven (very likely), moderate as a mid-point. Verbal identification was rated on a seven-point Likert scale, ranging from one (not at all) to seven (very much), with moderate as a mid-point. In addition, visual identification was measured with scales that had eight levels of overlap that corresponded to the level of identification between respondent and casual dining restaurant.

In Section III, participants were asked about their demographic information such as gender, marital status, age, education, and annual household income.

Pilot test

Prior to the main survey, a pilot test was conducted to examine the validity and reliability of the instrument. Twenty eight regular casual dining restaurant customers participated in the study to identify the appropriateness and wording of the items in each scale, the length of the instrument, and the format of the scales. The results of the separate reliability test for each construct showed that Cronbach's alphas were .842 for social benefits, .857 for confidence benefits, .787 for economic benefits, .827 for customization benefits, .778 for identification, .936 for switching costs, .804 for satisfaction, .981 for commitment, .958 for positive WOM intentions, and .870 for increased share of purchases, all above the minimum value of .70 (Hair et al., 2006). Proper revision followed based on the feedback of the test.

Data collection and sampling

Casual dining restaurants combine the various menu choices of midscale chains with a price and service level borrowed from upscale restaurants (Muller & Woods, 1994). Examples of casual dining restaurant include Applebee's, Chili's, Olive Garden, Outback Steakhouse, Perkins Restaurant and Bakery, Red Lobster, Texas Roadhouse, T.G.I.Friday's, and so on. The casual dining segment was selected for this study for several reasons. First, casual dining is one of the fastest growing segments in restaurant business (Schaefer, 2008). Second, loyalty programs are widely used in this segment as a customer retention strategy. Third, commitment has a significant influence on patronage in casual dining restaurants (Mattila, 2001, 2004). Fourth, the level of customer identification with the restaurant/brand is crucial to business success in this sector (Muller & Woods, 1994). Fifth, continuous customer-driven service has been heavily emphasized due to the fierce competition in this segment (Kong & Jogaratnam, 2007). Lastly, standardized products and services in this segment make casual dining restaurants difficult to differentiate themselves from competitors. Relational benefits are mainly generated through customer-service provider's direct interactions; they are difficult to be imitated by competitors. Thus, the relational benefits approach can provide a strong foundation for differentiation (Gwinner et al., 1998).

An online survey was administrated to collect data. Online survey has several advantages over the traditional paper-based survey: (1) low costs; (2) short response time; (3) easy implementation; and (4) geographically unlimited sample (Koh & Kim, 2004; Lee, 2005). The questionnaire was posted on a designated web site (i.e., surveymonkey.com) and an e-mail message including a hyperlink to the survey web site was sent to selected subjects asking for their participation in the survey. Data was collected for seven weeks from January 19^{th} to March 6^{th}, 2009.

The population of this study was regular casual dining restaurant customers in the United States. The target population of the study was all the frequent travelers in the U.S. listed in a public available email database purchased. The target population is defined based on two reasons. First, it is highly plausible that all frequent travelers are frequent diners. Second, if they are committed to a particular casual dining chain restaurant in some reasons, they may visit the same casual dining chain restaurant when they travel if possible. Although this second reason is not the main concern in this study; it opens the possibility of customer-brand (as a casual dining chain restaurant) relationship development. The main concern in this study is the relationship development between customer and unit casual dining restaurant. A convenience sampling was utilized to draw samples. A total number of 390,748 email addresses listed in the database were used to collect data. Among 390,748 messages sent, 175,010 were undeliverable, indicating an undeliverable rate of 44.8%. Consequently, 215,738 messages were delivered, and a total of 647 responses were received with .3% response rate.

Data analysis

Exploratory factor analysis, confirmatory factor analysis, structural equation modeling, and hierarchical regression analysis were used to analyze the data. SPSS 17.0 and LISREL 8.8 were utilized.

For model 1, first, exploratory factor analysis (EFA) was conducted to identify the dimensions of relational benefits. Second, Confirmatory Factor Analysis (CFA) was followed to examine the appropriateness of the measurement model. Convergent validity and discriminant validity were investigated. Third, structural equation modeling (SEM) using LISREL 8.8 was used to test the hypothesized model. Finally, a competing model was assessed to examine the best fitting model with the data. Model 2 was approached in the same manner as the Model 1 except for the exploratory factor analysis.

To test the moderating role of relational benefits on the relationship between switching costs and commitment, a multigroup approach was utilized using LISREL 8.8. A model with all path equality constrained was compared with the other model with the intended path freed. The χ^2 difference test between the two models was performed to examine the moderating effect of relational benefits on the relationship between switching costs and commitment. The significance of the χ^2 difference test confirms the moderating effect of the intended variable in the study.

A series of hierarchical regression analyses was adopted to test the moderating effects of frequency of visit on the relationships among consumer dependence, consumer commitment, and relational outcomes. If the results of hierarchical regression analysis were significant, a simple slope analysis was further investigated. In addition, a graphical depiction was employed to understand the nature of the interactions.

Structural Equation Modeling

To test the intended structural model, the two-step SEM process was used. Hair et al. (2006) explained this process as followed:

> Approach to SEM in which the measurement model fit and construct validity are first assessed using CFA and then the structural model is tested, including an assessment of the significance of relationships. The

> structural model is tested only after adequate measurement and construct validity are established (p. 845).

According to Hair et al. (2006), CFA requires researchers to assign variables to factors before any results can be obtained. The results of CFA indicate that how well the specification of the factors matches the actual data. CFA is a confirmatory test of the measurement theory, which specifies a series of relationships that describe how measured indicators represent a latent construct that is not measured directly. When the results of CFA achieve acceptable model fit based on chi-square test (χ^2), comparative fit index (CFI), root mean square error of approximation (RMSEA), and the standardized root mean square residual (SRMR), construct validity was assessed.

Construct validity was assessed by examining convergent validity and discriminant validity. Convergent validity refers the extent to which indicators of a specific construct converge or share a high proportion of variance in common (Hair et al., 2006). Several ways are utilized to examine convergent validity among item measures: factor loadings, average variance extracted (AVE), coefficient alpha, and construct reliability (CR). In terms of factor loadings, high loadings on a factor are considered as they converge on some common point. Standardized loading estimates should be .5 or above. AVE is a summary indicator of convergence; AVE of .5 or higher is accepted as adequate convergence. For coefficient alpha and CR, reliability estimate .7 or higher is considered as good reliability.

Discriminant validity refers to the extent to which a construct is distinct from other constructs (Hair et al., 2006). Hair et al. (2006) explained that a best test to examine discriminant validity is to compare the variance-extracted percentages for any two constructs with the square of the correlation estimate between these two constructs. The variance-extracted estimates should be greater than the squared correlation estimated to be acceptable.

After testing the measurement theory based on CFA, a structural model is tested. The primary focus in testing the structural model is to examine the relationships between latent constructs (Hair et al., 2006). It is recommended that when a structural model is being specified, the CFA factor pattern corresponding to the measurement theory should be used and the coefficients for the loadings and the error variance terms should be estimated along with the structural model coefficients (Hair et al., 2006).

Competing Models Strategy

It involves in comparing the proposed model with a number of alternative models in order to reveal that no better-fitting model exists (Hair et al., 2006). Because acceptable fit alone does not guarantee that the intended model is the best fitting model with the data, this competing models strategy is useful in SEM in which a model can be shown only to have acceptable fit or not. Competing models are basically nested models. A nested model refers to a model that contains the same number of variables and can be formed from the other model by either adding or deleting paths. Competing models are compared with Chi-square (χ^2) difference statistic ($\Delta\chi^2$). Diamantopoulos and Siguaw (2000) provided a good example in which M1 is nested within M2 and M2 is nested within M3. The authors showed that a series of model comparison can be utilized based on Chi-square difference tests as followed:

Comparison	Chi-square difference test	Degree of freedom
M1 – M2	$\chi_1^2 - \chi_2^2$	$df_1 - df_2$
M2 – M3	$\chi_2^2 - \chi_3^2$	$df_2 - df_3$
M1 – M3	$\chi_1^2 - \chi_3^2$	$df_1 - df_3$

A Multigroup Approach

A multigroup approach is one of the most widely used approaches to test the latent variable interaction effects (Rigdon, Schumacker, & Wothke, 1998). The basic logic and comparison process was well explained by Schumacker and Lamax (1996). The basic logic is that if interaction effects are present, then certain parameters should have different values in different samples. Both main effects and interaction effects can be determined by using different samples to estimate the intercept and regression slopes. A χ^2 difference test can determine whether a main-effect difference in the groups exists, as well as whether regression coefficients are equal or parallel. Since the two models are nested, a χ^2 difference test with one degree of freedom is computed (1996, P. 216).

The sample is divided into two groups based on the moderator. A comparison between two models, a model wherein every path equally constrained and another model wherein only a specific path freed across groups, is conducted using Chi-square difference test.

CHAPTER IV

FINDINGS

Among 647 responses received, 115 responses were deleted for excessive missing data. Missing values were replaced via mean substitution, which was appropriate with small numbers of missing values in the dataset (Hair et al., 2006). Further, twenty-two responses were removed as outliers. Thus, a total of 510 responses were used for data analysis. Detailed sample characteristics are shown in Table 6. Of the 510 respondents, 46.5% were male and 53.3% were female. More than 60% of respondents were married (62%). Approximately 80% of respondents were 40 years or older (80.6%). In addition, 87% of respondents received some college or higher level of education. More than one third of the respondents had an annual household income which ranged from $40,000 to $79.999 (36.8%). In terms of the length of patronage, 94.2% indicated that they have visited a particular casual dining restaurant more than one year; among them, 59.6% had more than 4 years of patronage. In addition, approximately 60% of respondents visit their particular restaurants at least two or three times a month (60.7%). These facts indicated that the initial filtering instruction was effective to approach the regular casual dining restaurant customers. More than half of the respondents indicated an average two or three companies for their visits to the restaurants (57.5%).

The demographic characteristics of the current study revealed a similar pattern to that of casual dining restaurant customers in previous study. For example, Lacey (2007), who used mail surveys, found that casual dining restaurant chain sample has a balanced gender representation with 62 percent female and 38 percent male. This study also shows the similar balanced gender representation with 53.3 percent of female and 46.5 percent male. In addition, the author indicates that 48 percent of the casual dining restaurant sample has an undergraduate degree and 18 percent of them with a graduate degree. This study also has 32.9 percent of the respondents with college graduate (and approximately 64 percent combined with some college education) and 22.4 percent of them with graduate degree. Furthermore, in terms of an annual household income, the author found 22 percent of respondents with $100,000 or more, which consists of 25.1 percent in this study. Overall, the demographic information shows that the respondents in this study are representative for regular casual dining restaurant customers.

Table 6. Demographic and dining characteristics of respondents (N = 510)

Variable	Frequency	Percent (%)
Gender		
Male	237	46.5
Female	272	53.3
Marital status		
Single	188	36.9
Married	316	62.0
Age		
18-29 years old	38	7.5
30-39 years old	58	11.4
40-49 years old	132	25.9
50-59 years old	174	34.1
60 or older	105	20.6
Education		
Less than high school degree	7	1.4
High school degree	54	10.6
Some college	161	31.6
College graduate	168	32.9
Graduate degree	114	22.4
Annual household income		
Less than $20,000	36	7.1
$20,000 - $39,999	76	14.9
$40,000 - $59,999	106	20.8
$60,000 - $79,999	83	16.3
$80,000 - $99,999	54	10.6
$100,000 or more	128	25.1
The length of patronage		
Less than 1 year	30	5.9
1-2 years	62	12.2
2-3 years	62	12.2
3-4 years	52	10.2
More than 4 years	304	59.6
Frequency of visit		
Twice a week	44	8.6
Once a week	95	18.6
Twice or three times a month	170	33.3
Once a month	150	29.4
Others	50	9.8
Number of companies upon visit		
Myself	25	4.9
1	168	32.9
2	123	24.1
3	82	16.1
4	63	12.4
5 or more	45	8.8

Model 1. Commitment as a Relationship Development Outcome

Exploratory factor analysis

An exploratory factor analysis was conducted to identify the underlying dimensions of relational benefits. A principal component analysis with orthogonal rotation (VARIMAX) was used to interpret the factors. The appropriateness of factor analysis was assessed with the Bartlett test of sphericity and the measure of sampling adequacy (MSA). The Bartlett test of sphericity indicates the probability that the correlation matrix has significant correlations among variables. The result of the Bartlett test was statistically significant, indicating the correlations among at least some of the variables. The guideline for the measure of sampling adequacy (MSA) was provided as: .80 or above, meritorious; .70 or above, middling; .60 or above, mediocre; .50 or above, miserable; and below .50, unacceptable (Hair et al., 2006). The result of MSA was .951, supporting that the data is proper for a factor analysis.

To determine the number of factors, four criteria were utilized. That is, eigenvalue higher than 1.0, scree test criteria, percentage of variance explained, and a theory. Initial analysis found the three factor solution with 65.721% of the total variance explained, with the eigenvalues higher than 1. However, the result of the scree test supported the four factor solution. When the four factor solution was assessed, 69.987% of the total variance was explained, with the increase of 4.266% of the explanation power. Furthermore, a theory guided the determination of the number of factors in this study. As previously mentioned, it has been suggested that special treatment benefits be divided into two separate constructs; namely economic and customization benefits (Lacey et al., 2007; Lee et al., 2002). Based on the observation, a four factor solution was utilized to assess the dimensions of relational benefits.

A principal component analysis with VARIMAX rotation was conducted to extract the four fixed factors. To identify the significant factor loadings, both practical and statistical significances were regarded based on the recommendations of Hair et al. (2006). From a practical perspective, factor loadings in the range of ± .30 to ± .40 are considered to meet the minimal level; ± .50 or greater are considered practically significant; and if the loadings are ± .70 or greater, they are considered as well-defined structure. In addition, in a statistical perspective, factor loadings of ± .40 are considered significant based on the power of .80 at a significant level of $p \leq .05$ with the minimum sample sizes of 200. Based on the Hair et al.'s (2006) recommendation, variables with factor loadings greater than ± .40 were included for the further analyses of the data in this study. Four factors were identified with 69.987% of total variance explained. Among 19 relational benefits items, six items were persistently cross-loaded, greater than ± .40. These variables are "I know what to expect when I visit the restaurant," "I am treated as a special and valued customer," "I can tailor my order based on my desire," "They know what I like," "I receive service according to my particular preferences on food and drinks," and "I receive extra service attention from the employees." A variable with persistent cross-loadings become a candidate for deletion (Hair et al., 2006). The dropping of these variables with cross-loadings increased the total variance explained, approximately 6.67% (from 69.987% to 76.652%). The results of the principal component analysis with orthogonal (VARIMAX) rotations were shown in Table 7.

Factors were labeled based on the highly loaded items and the common characteristics of items they included. The factors are named as social benefits (Factor 1), confidence benefits (Factor 2), customization benefits (Factor 3), and economic benefits (Factor 4).

The first factor with 51.56% of total variance explained was labeled “social benefits.” Three items included in factor 1are “I am recognized by certain employees,” “I enjoy certain social aspects of the relationship with this restaurant,” “I have developed a friendship with this restaurant,” and “Most employees know my name.”

The second factor with 11.31% of total variance explained was named “confidence benefits.” Three items included in this factor are “This restaurant’s employees are perfectly honest and truthful,” “This restaurant’s employees can be trusted completely,” and “This restaurant’s employees have high integrity.”

The third factor was labeled “customization benefits” and accounted for 7.66% of total variance explained. These attributes included four items “As a frequent diner, I get complementary offerings such as desserts or drinks,” “This restaurant provides me a personalized dining service,” “The employees provide me insider’s tips/advice for menu selection or special events and promotions,” and “They provide me the table seat that I prefer.”

The fourth factor was named “economic benefits” with 6.12% of total variance explained. Two items were included in this factor: “As a frequent diner, I get fast service” and “As a frequent diner, I enjoy saving time in dining because I am familiar with the service process in this restaurant.”

Table 7. Dimensions of relational benefits

Attributes	Factor loadings				Communa-lity	Item-total correlation
Factor 1: Social Benefits	**F1**					
I am recognized by certain employees	.857				.835	.819
I enjoy certain social aspects of the relationship with this restaurant	.769				.740	.756
I have developed a friendship with this restaurant	.775				.805	.812
Most employees know my name	.778				.730	.741
Factor 2: Confidence Benefits		**F2**				
This restaurant's employees are perfectly honest and truthful		.879			.853	.824
This restaurant's employees can be trusted completely		.868			.865	.853
This restaurant's employees have high integrity		.838			.836	.821
Factor 3: Customization Benefits			**F3**			
As a frequent diner, I get complementary offerings such as desserts or drinks			.710		.654	.639
This restaurant provides me a personalized dining service			.665		.705	.699
The employees provide me insider's tips/advice for menu selection or special events and promotions			.775		.716	.629
They provide me the table seat that I prefer			.729		.658	.609
Factor 4: Economic Benefits				**F4**		
As a frequent diner, I get fast service				.640	.739	.566
As a frequent diner, I enjoy saving time in dining because I am familiar with the service process in this restaurant				.850	.829	.566
Eigenvalue	6.70	1.47	.996	.796		
Variance (%)	51.56	11.31	7.66	6.12		
Cumulative Variance (%)	51.56	62.87	70.53	76.65		
Cronbach's Alpha	.898	.917	.818	.722		

Measurement model

Before testing the measurement model, the data was investigated for satisfaction of the multivariate normality assumption of the SEM. This assumption is important because Maximum Likelihood Estimation is directly derived from the expression of multivariate normality. Maximum Likelihood (ML) attains optimal asymptotic properties, which are normally distributed, unbiased, and efficient, with this assumption. Although non-normality does not affect parameter estimates, it results in underestimated standard errors and overestimated chi-square statistic. Non-normality can be detected by observing multivariate skewness and kurtosis. If skewness is over 3 and kurtosis exceeds 10, multivariate normality should be questioned. The data showed no violations on multivariate normality.

Confirmatory factor analysis (CFA) was conducted to assess the measurement model. For CFA, a total of 28 items were used: social benefits (4 items), confidence benefits (3 items), customization benefits (4 items), economic benefits (2 items), identification (2 items), switching costs (5 items), satisfaction (4 items), and commitment (4 items). Because there was no reason to expect uncorrelated relationships among variables, the factors were allowed to correlate as well (Hair et al., 2006). Structural equation modeling accommodates either a covariance matrix or a correlation matrix with standard deviations. For purposes of CFA, a covariance matrix was employed. LISREL program (version 8.8) was utilized to estimate the measurement model.

To assess the validity of the measurement model, overall model fit and additional diagnostic information such as path estimates, standardized residuals, and modification indices were utilized (Hair et al., 2006). First, the model fit for the measurement model was good (df = 322, x^2 = 901.93, RMSEA = .064, CFI = .99, SRMR = .046). Next, diagnostic information was investigated. All of the path estimates were significant with high factor loadings ranging from .66 to .96, surpassing the threshold value of |.5|. Furthermore, the standardized residuals were examined as recommended by Hair et al. (2006). The standardized residuals are the raw residuals divided by the standard error of the residual, which are independent on the actual measurement scale range (Hair et al., 2006). According to Hair et al. (2006), the values of standardized residuals should be used to identify item pairs for which the specified measurement model does not accurately re-create those two items' observed covariance. The authors recommended that standardized residuals greater than |2.5| deserved researcher's attention; residuals greater than |4.0| suggested a potentially unacceptable degree of error, suggesting the possibility of related item deletion. The results of the standardized residual examination suggested that the item "They provide me the table seat that I prefer" (for customization benefits) was problematic. This item was associated with three residuals exceeding |4.0| (-4.05, +4.48, and +5.74, respectively), and other three suspicious residuals exceeding 2.5 (2.58, 3.23, and 3.54, respectively). In addition, this particular item was subjected to modification indices exceeding threshold value of 4 (Hair et al., 2006), ranging from 4.12 to 32.90 with other relational benefits items. Furthermore, it was the variable with the third lowest squared multiple correlations (SMC) (.48). With the combined diagnostic information, the deletion of this particular item was expected to improve the model's test of measurement theory (Hair et al., 2006). Thus, it was dropped from the further data analysis.

After the item deletion, the measurement model was reassessed. The model fit for the measurement model was good (df = 296, x^2 = 824.60, RMSEA = .064, CFI = .99, SRMR = .046). Once the measurement model was identified as an acceptable fit, each of the constructs was evaluated by its convergent validity and discriminant validity. The convergent validity of the measurement scale was examined based on the recommendations by Chi and Qu (2008). First, the *t* value associated with each of the loadings was significant. Second, squared multiple correlation coefficients (SMC) ranged from .43 to .93, indicating good reliability of the measurement model. The construct reliability (CR) for each construct surpassed the threshold value of .70. In addition, the Cronbach's alphas for eight constructs ranged from .722 to .956. Based on the above information, the convergent validity of the measurement model was satisfied. Furthermore, average variance extracted (AVE) of each construct exceeded the threshold value of .50; the squared correlations between the constructs (i.e., Φ^2) were smaller than AVE of each construct. Thus, the discriminant validity was supported for the measurement model. Table 8 shows the results for the measurement model.

Table 8. The results of the measurement model

Attributes	Std. loadings	SMC	Std. error	CR	AVE
Social Benefits (α = .898)				.90	.70
I am recognized by certain employees	.86	.73	.27		
I enjoy certain social aspects of the relationship with this restaurant	.82	.67	.33		
I have developed a friendship with this restaurant	.89	.79	.21		
Most employees know my name	.78	.61	.39		
Confidence Benefits (α = .917)				.92	.79
This restaurant's employees are perfectly honest and truthful	.87	.76	.24		
This restaurant's employees can be trusted completely	.91	.83	.17		
This restaurant's employees have high integrity	.88	.77	.23		
Economic Benefits (α = .722)				.74	.59
As a frequent diner, I get fast service	.86	.74	.26		
As a frequent diner, I enjoy saving time in dining because I am familiar with the service process in this restaurant	.66	.43	.57		
Customization Benefits (α = .787)				.79	.56
As a frequent diner, I get complementary offerings such as desserts or drinks	.75	.56	.44		
This restaurant provides me a personalized dining service	.85	.72	.28		
The employees provide me insider's tips/advice for menu selection or special events and promotions	.64	.40	.60		
Identification (α = .729)				.74	.59
Visual identification	.72	.52	.48		
Verbal identification	.81	.65	.35		
Switching Costs (α = .931)				.93	.74
I would feel frustrated if I terminated my current relationship with this restaurant.	.73	.54	.46		
Generally speaking, the costs in time, finance, effort, and grief to switch from the current restaurant would be high.	.87	.75	.25		
I would lose a lot in changing from the current restaurant.	.88	.77	.23		
On the whole, it would cost me a lot of time and energy to find a new restaurant.	.90	.80	.20		
Considering everything, the cost to stop doing business with this restaurant and start up with a new restaurant would be high.	.90	.82	.18		
Satisfaction (α = .921)				.93	.77
My choice to use this restaurant was a wise one.	.84	.71	.29		
I am always delighted with this restaurant's service.	.80	.64	.36		
Overall, I am satisfied with this restaurant.	.91	.83	.17		
I think I did the right thing when I decided to dine at this restaurant.	.94	.88	.12		
Commitment (α = .956)				.97	.90
I am committed to my relationship with this restaurant.	.88	.78	.22		
I really care about my ongoing relationship with this restaurant.	.95	.91	.09		
The relationship that I have with this restaurant is something I am very committed to.	.96	.93	.07		
The relationship that I have with this restaurant deserves my maximum effort to maintain.	.89	.79	.21		

Table 9: the phi matrix of the model 1.

Table 9. Phi matrix

	1	2	3	4	5	6	7	8
1. Social benefits (4.74[a])	1.00							
2. Confidence benefits (5.46)	.57	1.00						
3. Economic benefits (5.33)	.73	.67	1.00					
4. Customization benefits (4.25)	.74	.51	.72	1.00				
5. Identification (3.93)	.38	.37	.36	.55	1.00			
6. Switching costs (4.19)	.49	.38	.53	.57	.57	1.00		
7. Satisfaction (5.99)	.47	.60	.55	.44	.37	.41	1.00	
8. Commitment (4.58)	.63	.51	.61	.68	.55	.77	.52	1.00

N = 510. All phi-values are statistically significant at $p<.01$. [a] mean

Structural model

The structural model achieved a good level of fit: df = 303, $x^2 = 936.08$, $p < .01$, RMSEA = .069, CFI = .98, SRMR = .063. Among fifteen hypotheses, eight paths were significant at $p < .05$. The signs of all significant paths were consistent with the hypothesized relationships among the latent variables.

H1, H2, and H3 postulated the positive relationships between three antecedents of consumer dependence and commitment. Identification (standardized $\beta_{41} = .18$, $p < .001$), switching costs (standardized $\beta_{42} = .61$, $p < .001$), and satisfaction (standardized $\beta_{43} = .24$, $p < .001$) all had significant effects on consumer commitment. Thus, the three hypotheses (i.e., H1, H2, and H3) could not be rejected. The amount of variance in each endogenous variable in the structural model was assessed by the SMCs for structural equations. The SMC for ‘consumer commitment’ was .66, indicating that 66% of the variance in commitment was explained by identification, switching costs, and satisfaction.

H4, H5, H6, and H7 postulated the positive relationship between four types of relational benefits and identification. H5 (path from confidence benefits to identification) and H7 (path from customization benefits to identification) were supported. SMCs for structural equations showed that 43% of the variance in identification was explained by confidence and customization benefits.

H8, H9, H10, and H11 postulated the positive relationship between four types of relational benefits and switching costs. Only H11 (path from customization benefits to switching costs) was supported. SMCs for structural equations showed that 41% of the variance in switching costs was explained by customization benefits.

H12, H13, H14, and H15 postulated the positive relationship between four types of relational benefits and satisfaction. H13 (path from confidence benefits to satisfaction) and H14 (path from economic benefits to satisfaction) were supported. SMCs for structural equations showed that 41% of the variance in satisfaction was explained by confidence and economic benefits.

Table 10: the results of the structural path estimates.

Table 10. Structural path estimates

Path to	**Path from**		**H_0**	**Standardized estimate**	***t*-value**
***β* paths**					
commitment	Identification	β_{41}	H1	.18	4.44***
	Switching costs	β_{42}	H2	.61	13.71***
	satisfaction	β_{43}	H3	.24	7.06***
***γ* paths**					
Identification	Social benefits	γ_{11}	H4	-.12	-1.24
	Confidence benefits	γ_{12}	H5	.22	2.98**
	Economic benefits	γ_{13}	H6	-.20	-1.67
	Customization benefits	γ_{14}	H7	.75	6.41***
Switching costs	Social benefits	γ_{21}	H8	.00	.02
	Confidence benefits	γ_{22}	H9	.05	.81
	Economic benefits	γ_{23}	H10	.12	1.33
	Customization benefits	γ_{24}	H11	.51	5.76***
Satisfaction	Social benefits	γ_{31}	H12	.03	.43
	Confidence benefits	γ_{32}	H13	.41	6.91***
	Economic benefits	γ_{33}	H14	.18	1.95*
	Customization benefits	γ_{34}	H15	.10	1.30
Model fit indices					
df = 303, x^2 = 936.08, p < .01, RMSEA = .069, CFI = .98, SRMR = .063					

*p < .05; **p < .01; ***p < .001

Figure 6: the standardized structural path coefficients in model 1.

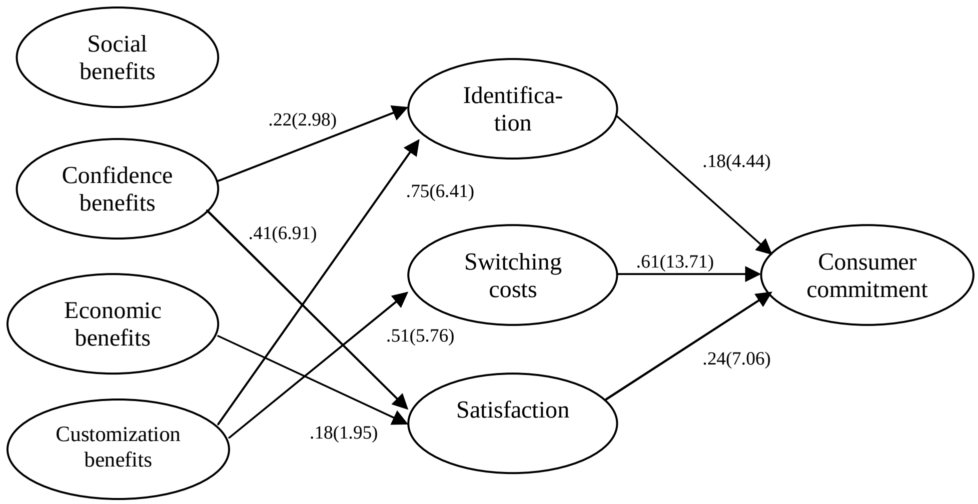
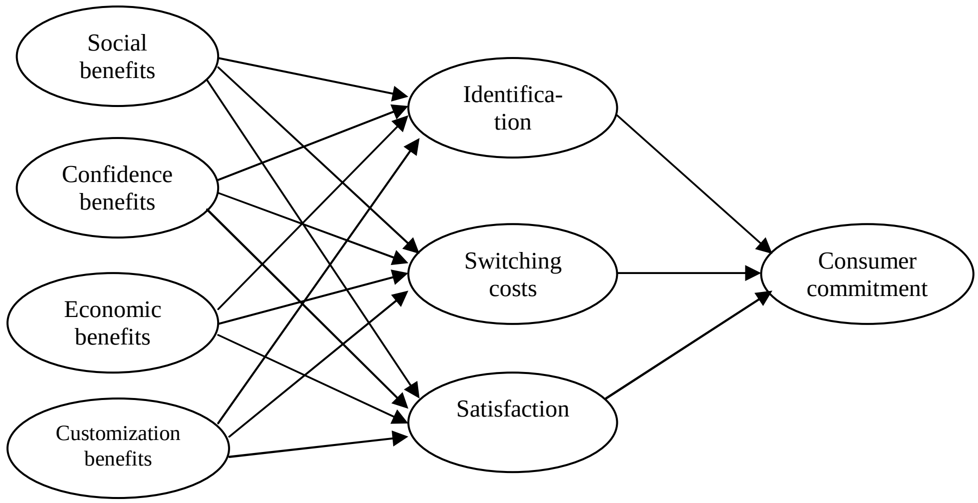


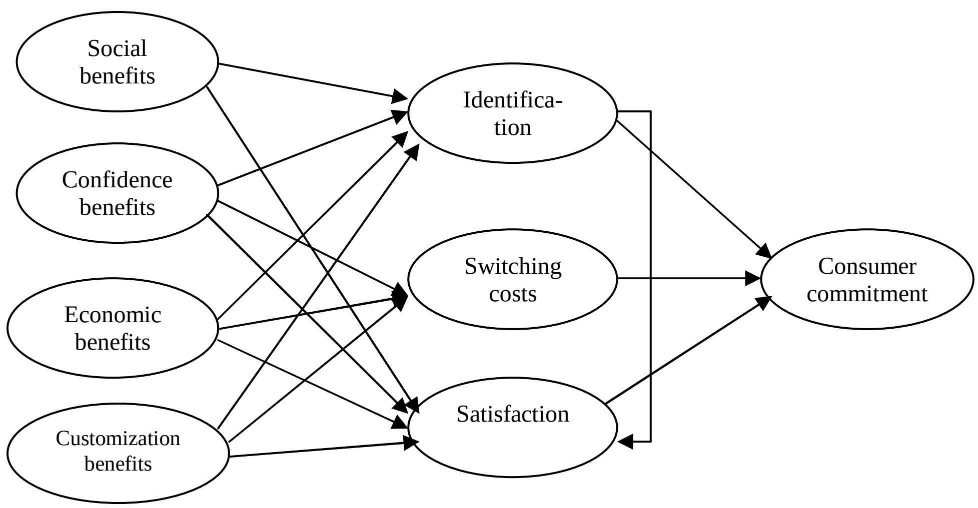
Figure 6. Standardized structural path coefficients

The final model assessment was to compare the proposed theoretical model to a competing model. The purpose of this approach was to determine the best fitting model. In this study, one alternative model was proposed. The alternative model added the path between identification to satisfaction. It has been argued that a high level of organizational identification results in employee satisfaction (O'Reilly et al., 1991). In sport marketing, team identification was supported as a significant variable that influences customer satisfaction (Madrigal, 1995). In addition, it has been argued that consumers who purchase their preferred brand are more likely to be satisfied with the features of the brand than consumers who purchase a service that was not their first choice (Paswan, Spears, & Ganesh, 2007). Thus, this particular path from identification to satisfaction seems plausible.

The Chi-square (χ^2) difference test was performed to examine whether there was a significant difference in estimated construct covariances explained by the two structural models (Joreskog & Sorbom, 1995). The null hypothesis of no significant difference between two nested models was tested. The results of the Chi-square (χ^2) difference test revealed that there is no significant difference between two models ($\Delta df = 1$, $\Delta\chi^2 = 2.65$, critical value of χ^2 at df = 1 is 3.8415), failing to reject the null hypothesis. Thus, the more constrained model (without the path from identification to satisfaction) was supported. The path from identification to satisfaction in the competing model was not statistically significant. Figure 7 shows the results of the Chi-square (χ^2) difference test.



Original model (df = 303, χ^2 = 936.08)



Competing model (df = 302, χ^2 = 933.43)

Figure 7. The results of the Chi-square (χ^2) difference test

Model 2. Commitment as a Mediator

Measurement model

As in Model 1, the data was examined for multivariate normality assumption. The data showed no violations on multivariate normality. Confirmatory factor analysis (CFA) was conducted to assess the measurement model. For CFA, a total of 22 items were used: identification (2 items), switching costs (5 items), satisfaction (4 items), commitment (4 items), share of purchases (3 items), and positive word-of-mouth intentions (4 items). Because there was no reason to expect uncorrelated relationships among variables, the factors were allowed to correlate as well (Hair et al., 2006).

The model fit for the measurement model was good (df = 194, x^2 = 715.52, RMSEA = .080, CFI = .98, SRMR = .060). Once the measurement model was identified as an acceptable fit, each of the constructs was evaluated by its convergent validity and discriminant validity. First, the *t* value associated with each of the loadings was significant. Second, squared multiple correlation coefficients (SMC) ranged from .43 to .93, indicating good reliability of the measurement model. The construct reliability (CR) for each construct surpassed the threshold value of .70. In addition, the cronbach's alphas for eight constructs were ranged from .729 to .956. Based on the above information, the convergent validity of the measurement model was satisfied. Furthermore, average variance extracted (AVE) of each construct exceeded the threshold value of .50; the squared correlations between the constructs (i.e., Φ^2) were smaller than AVE of each construct. Thus, the discriminant validity was supported for the measurement model. Table 11: the results for the measurement model.

Table 11. The results of the measurement model

Attributes	Std. loadings	SMC	Std. error	CR	AVE
Identification (α = .729)				.74	.58
Visual identification	.70	.49	.51		
Verbal identification	.82	.68	.32		
Switching Costs (α = .931)				.93	.74
I would feel frustrated if I terminated my current relationship with this restaurant.	.73	.54	.46		
Generally speaking, the costs in time, finance, effort, and grief to switch from the current restaurant would be high.	.87	.75	.25		
I would lose a lot in changing from the current restaurant.	.88	.77	.23		
On the whole, it would cost me a lot of time and energy to find a new restaurant.	.90	.80	.20		
Considering everything, the cost to stop doing business with this restaurant and start up with a new restaurant would be high.	90	.82	.18		
Satisfaction (α = .921)				.93	.77
My choice to use this restaurant was a wise one.	.85	.72	.28		
I am always delighted with this restaurant's service.	.80	.64	.36		
Overall, I am satisfied with this restaurant.	.91	.83	.17		
I think I did the right thing when I decided to dine at this restaurant.	.94	.87	.13		
Commitment (α = .956)				.96	.85
I am committed to my relationship with this restaurant.	.88	.78	.22		
I really care about my ongoing relationship with this restaurant.	.95	.90	.10		
The relationship that I have with this restaurant is something I am very committed to.	.96	.93	.07		
The relationship that I have with this restaurant deserves my maximum effort to maintain.	.89	.79	.21		
Positive Word-of-Mouth Intentions (α = .951)				.96	.84
I am willing to encourage friends and relatives to do business with this restaurant.	.92	.85	.15		
I am willing to recommend this restaurant whenever anyone seeks my advice.	.96	.92	.08		
When the topic of dining out comes up in my conversation, I am willing to go out of my way to recommend this restaurant.	.85	.73	.27		
I am willing to recommend this restaurant to my friends.	.93	.87	.13		
Share of Purchases (α = .910)				.92	.78
In the next three months, how likely are you to make a larger share of your eating-out expenditure at this restaurant rather than other restaurants?	.77	.60	.40		
In the next three months, how likely are you to increase your visits to this restaurant as compared to other restaurants?	.94	.88	.12		
In the next three months, how likely are you to increase your spending to this restaurant as compared to other restaurants?	.93	.87	.13		

Table 12: the phi matrix of the model 2.

Table 12. Phi matrix

	1	2	3	4	5	6
1. Identification (3.93[a])	1.00					
2. Switching costs (4.19)	.57	1.00				
3. Satisfaction (5.99)	.37	.41	1.00			
4. Commitment (4.58)	.54	.77	.52	1.00		
5. Positive WOM intentions (5.81)	.43	.46	.79	.62	1.00	
6. Share of purchases (4.54)	.48	.55	.47	.56	.50	1.00

N = 510. All phi-values are statistically significant at $p<.01$. [a] mean

Structural model

The structural model achieved an acceptable level of fit: df = 200, $x^2 = 778.87$, $p < .01$, RMSEA = .082, CFI = .98, SRMR = .081. The results showed that all the paths proposed in the model were statistically significant and of the expected positive direction. The signs of all significant paths were consistent with the hypothesized relationships among the latent variables.

H1 and H2 postulated the positive relationships between commitment and relational outcomes: share of purchases and positive WOM intentions. Commitment had significant effects on share of purchases (standardized $\beta_{21} = .57$, $p < .001$) and positive WOM intentions (standardized $\beta_{31} = .29$, $p < .001$), respectively. Thus, H1 and H2 could not be rejected.

H3 and H4 postulated the mediating role of commitment between identification and relational outcomes. First, identification had a significant effect on commitment (standardized $\gamma_{11} = .12$, $p < .01$). The indirect effects of identification on relational outcomes through commitment were also significant: on share of purchases (standardized coefficients = .03, $p < .05$) and on positive WOM intentions (standardized coefficients = .07, $p < .01$). Thus, H3 and H4 could not be rejected.

H5 and H6 examined the mediating role of commitment between switching costs and relational outcomes. Switching costs had a significant direct effect on commitment (standardized γ_{21} = .61, $p < .001$). The indirect effects of switching costs on relational outcomes through commitment were significant: on share of purchases (standardized coefficients = .35, $p < .001$) and on positive WOM intentions (standardized coefficients = .18, $p < .001$). Thus, H5 and H6 could not be rejected.

H7 investigated commitment as a mediator of the effects of satisfaction on share of purchases. Satisfaction positively influenced commitment (standardized γ_{31} = .24, $p < .001$). The indirect effect of satisfaction on share of purchases through commitment was also significant: on share of purchases (standardized coefficients = .14, $p < .001$). Thus, H7 could not be rejected.

H8 tested the direct effect of satisfaction on positive WOM intentions. As expected, the results confirmed the positive influence of satisfaction on positive WOM intentions (standardized γ_{33} = .63, $p < .001$). Thus, H8 was supported.

H9 examined commitment as a partial mediator of the effects of satisfaction on positive WOM intentions. The indirect effect of satisfaction on positive WOM intentions was significant (standardized coefficients = .07, $p < .001$). The total effects of satisfaction on positive WOM intentions was significant (standardized coefficients = .70, $p < .001$). The total effects (.70) were the sum of direct effect (.63) and indirect effect (.07). The direct effect of satisfaction on positive WOM intentions was greater than its indirect effect on positive WOM intentions.

Table 13: the effects of latent variables in model 2.

Table 13: Direct, indirect, and total effects of latent variables

	Commitment			Share of purchases			Positive WOM intentions		
Variables	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Identification	.12	-	.12	-	.07	.07	-	.03	.03
Switching costs	.61	-	.61	-	.35	.35	-	.18	.18
Satisfaction	.24	-	.24	-	.14	.14	.63	.07	.70
commitment	-	-	-	.57	-	.57	.29	-	.29

All effects are significant at least at $p < .05$.

The SMC for consumer commitment was .66, indicating that 66% of the variance in commitment was explained by identification, switching costs, and satisfaction. 33% of the variance in share of purchases was explained by commitment. Furthermore, the SMC for positive WOM intentions was .68, showing that 68% of the variance in positive WOM intentions was explained by commitment and satisfaction.

Table 14: the structural path estimates of the model 2.

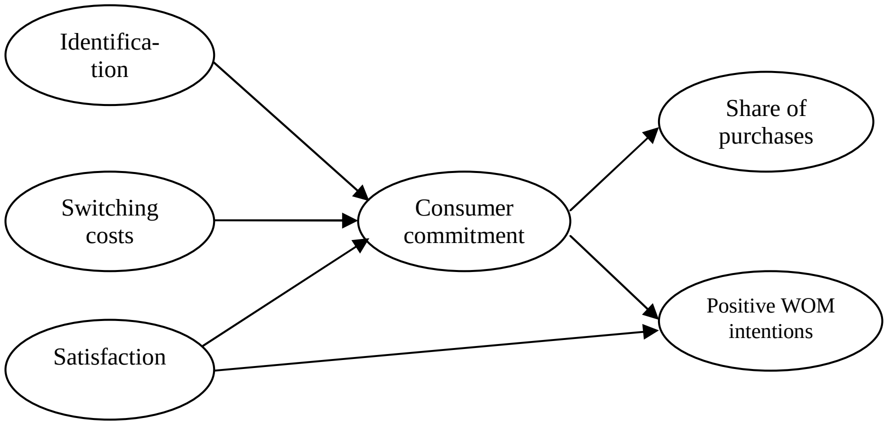
Table 14. Structural path estimates

Path to	**Path from**		**Standardized estimate**	***t*-value**
***β* paths**				
Share of purchases	Commitment	β_{21}	.57	12.45**
Positive WOM intentions	Commitment	β_{31}	.29	8.53**
***γ* paths**				
commitment	Identification	γ_{11}	.12	2.66*
	Switching costs	γ_{12}	.61	12.51**
	Satisfaction	γ_{13}	.24	7.09**
Positive WOM intentions	Satisfaction	γ_{33}	.63	15.98**
Model fit indices				
df = 200, x^2 = 778.87, $p < .01$, RMSEA = .082, CFI = .98, SRMR = .081.				

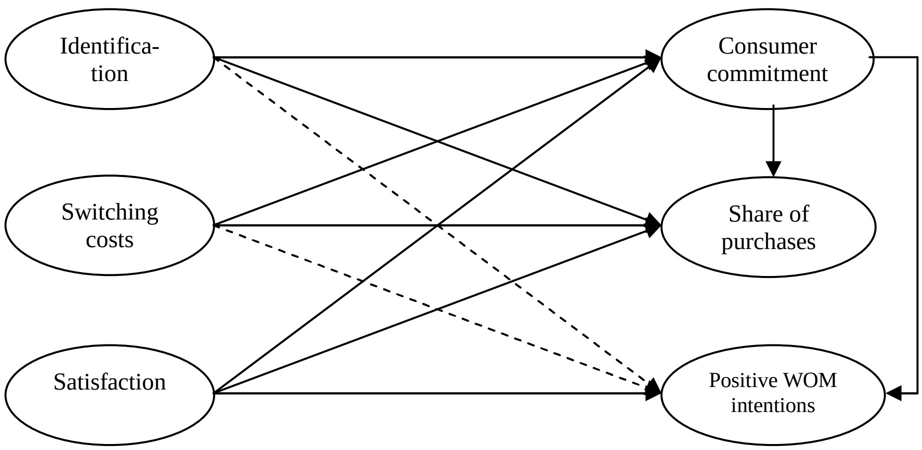
*$p < .01$; **$p < .001$

The original model was compared with the nested model. While the original model examined the full mediating role of commitment among its antecedents and relational outcomes - except the partial mediating role for the relationship between satisfaction and positive WOM intentions, the alternative model proposed the partial mediating role of commitment. So, five more paths were added: three paths from identification, switching costs, and satisfaction to share of purchases and two paths from identification and switching costs to positive WOM intentions.

The Chi-square (χ^2) difference test was performed to examine if there was a significant difference between two models. The results of the Chi-square (χ^2) difference test revealed that there was a significant difference between two models ($\Delta df = 5$, $\Delta\chi^2 = 60.8$, critical value of χ^2 at df = 5 is 11.0705), rejecting the null hypothesis. Thus, the alternative model (i.e., the less parsimonious model) was supported. Figure 8 shows the results of the Chi-square (χ^2) difference test.



Original model (df = 200, x^2 = 778.87)



Competing model (df = 195, x^2 = 718.07)

Figure 8. The results of the Chi-square (χ^2) difference test

The overall model fit of the revised model (i.e., the alternative model) was good (df = 195, x^2 = 718.07, p < .01, RMSEA = .080, CFI = .98, SRMR = .061). The results showed that all the paths proposed in the model were statistically significant and in the positive directions. Among five added paths, three paths were significant at p < .01. These were the paths from identification, switching costs, and satisfaction to share of purchases, supporting the partial mediating role of commitment from its three antecedents to share of purchases. On the other hand, two paths from identification and switching costs to positive WOM intentions were not significant, supporting commitment as a full mediator of the effects of identification and switching costs on positive WOM intentions. The SMC for commitment was .65, indicating that 65% of the variance in commitment was explained by identification, switching costs, and satisfaction. 41% of the total variance of share of purchases was explained by commitment, identification, switching costs, and satisfaction. The direct paths from identification, switching costs, and satisfaction increased 8% more variance explained than without direct effects of these variables (33% explained). The SMC for positive WOM intentions was .69. Table 15 shows the direct, indirect, and total effects of latent variables. Based on the table 15, switching costs was the most influential variable to affect commitment. While share of purchases was affected by the four variables in a similar magnitude, positive WOM intentions were largely influenced by satisfaction and commitment.

Table 15: Revised direct, indirect, and total effects of latent variables

	Commitment			**Share of purchases**			**Positive WOM intentions**		
Variables	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Identification	.11	-	.11	.18	.02*	.20	.08 (n/s)	.03	.11
Switching costs	.61	-	.61	.21	.11	.33	-.07 (n/s)	.19	.12
Satisfaction	.24	-	.24	.22	.04	.27	.62	.07	.70
commitment	-	-	-	.18	-	.18	.31	-	.31

*at $p < .10$, t-value was 1.93.

Table 16: the structural path estimates of the revised model.

Table 16. Revised structural path estimates

Path to	Path from		Standardized estimate	*t*-value
***β* paths**				
Share of purchases	Commitment	β_{21}	.18	2.75**
Positive WOM intentions	Commitment	β_{31}	.31	6.07***
***γ* paths**				
Commitment	Identification	γ_{11}	.11	2.56*
	Switching costs	γ_{12}	.61	12.42***
	Satisfaction	γ_{13}	.24	6.90***
Share of purchase	Identification	γ_{21}	.18	3.10**
	Switching costs	γ_{22}	.21	3.21**
	Satisfaction	γ_{23}	.22	4.88***
Positive WOM intentions	Identification	γ_{31}	.08	1.80
	Switching costs	γ_{32}	-.07	-1.42
	Satisfaction	γ_{33}	.62	15.84***
Model fit indices				
df = 195, x^2 = 718.07, p < .01, RMSEA = .080, CFI = .98, SRMR = .061				

*p < .05; **p < .01; ***p < .001

The Moderating Role of Relational Benefits

Relational benefits as a moderator of the effects of switching costs on consumer commitment were tested using a multigroup approach. A multigroup approach is one of the most useful procedures to test the interaction effects of latent variable (Rigdon et al., 1998). The sample was split at the mean of 19 items of relational benefits to consist of two subgroups that represented low and high relational benefits groups. The mean of relational benefits was 4.9692. It generated 253 cases in the low groups and 247 cases in the high group.

There are two ways to check the moderating effect of a latent variable using the multigroup approach. One way is to compare a model with every path across groups that are freely estimated to another model with only a specific path that is equality constrained across groups. The other way is to compare a model wherein every path is equality constrained to another model wherein only a specific path is freed across groups. Either way is appropriate to test a moderating effect of a latent variable; the second way was utilized for this study. For the comparison purpose, the Chi-square difference test was used with one degree of freedom (it was because of this that two models were only one path different); a significant Chi-square difference suggests a moderating effect of the latent variable, used for group separation (here, it was relational benefits).

Before testing a proposed model, CFA was used to test the validity of the measurement model although it is a part of the Model 2. The model fit was in an acceptable range (df = 84, x^2 = 436.06, p < .01, RMSEA = .010, CFI = .98, SRMR = .055). The value of RMSEA was relatively high for this model, yet still in the acceptable range (Hair et al., 2006). The values of factor loadings, error variances, and phi matrix were almost identical with slight exceptions with those in the Model 2.

Table 17: the results of the measurement model.

Table 17. The results of the measurement model

Attributes	Std. loadings	SMC	Std. error	CR	AVE
Identification (α = .729)				.74	.59
Visual identification	.70	.50	.50		
Verbal identification	.82	.68	.32		
Switching Costs (α = .931)				.93	.74
I would feel frustrated if I terminated my current relationship with this restaurant.	.73	.54	.46		
Generally speaking, the costs in time, finance, effort, and grief to switch from the current restaurant would be high.	.87	.75	.25		
I would lose a lot in changing from the current restaurant.	.88	.77	.23		
On the whole, it would cost me a lot of time and energy to find a new restaurant.	90	.80	.20		
Considering everything, the cost to stop doing business with this restaurant and start up with a new restaurant would be high.	90	.82	.18		
Satisfaction (α = .921)				.93	.76
My choice to use this restaurant was a wise one.	.84	.71	.29		
I am always delighted with this restaurant's service.	.80	.63	.37		
Overall, I am satisfied with this restaurant.	.91	.83	.17		
I think I did the right thing when I decided to dine at this restaurant.	.94	.88	.12		
Commitment (α = .956)				.96	.85
I am committed to my relationship with this restaurant.	.88	.78	.22		
I really care about my ongoing relationship with this restaurant.	.95	.90	.10		
The relationship that I have with this restaurant is something I am very committed to.	.96	.93	.07		
The relationship that I have with this restaurant deserves my maximum effort to maintain.	.89	.79	.21		

Table 18: the phi matrix of the model.

Table 18. Phi matrix

	1	2	3	4
1. Identification	1.00			
2. Switching costs	.57	1.00		
3. Satisfaction	.36	.41	1.00	
4. Commitment	.54	.77	.52	1.00

N = 510. All phi-values are statistically significant at $p<.001$.

The *t* value associated with each of the loadings was significant, and squared multiple correlation coefficients (SMC) indicated good reliability of the measurement model. The construct reliability (CR) for each construct surpassed the threshold value of .70. In addition, the Cronbach's alphas for eight constructs ranged from .729 to .956. Based on the above information, the convergent validity of the measurement model was satisfied. Furthermore, average variance extracted (AVE) of each construct exceeded the threshold value of .50; the squared correlations between the constructs (i.e., Φ^2) were smaller than AVE of each construct. Thus, the discriminant validity was supported for the measurement model.

The fully equality constrained model had χ^2 = 676.04 with 204 degree of freedom. The model with one path freely estimated from switching costs to commitment had χ^2 = 665.31with 203 degree of freedom. The Chi-square difference test showed the significant difference between the two models (Δdf = 1, $\Delta\chi^2$ = 10.73, critical value of χ^2 at 1 df =3.8415), supporting the moderating effect of relational benefits between switching costs and consumer commitment. Because the variances of two groups were different, the values of unstandardized coefficients from switching costs to commitment (γ_{12}) were compared. The value of coefficients in low relational benefits group was .87 (t-value = 10.55); the value in high relational benefits group was .60 (t-value = 8.17). So, the effect of switching costs on commitment was statistically stronger for the low relational benefits group than for the high relational benefits group. The results support H1.

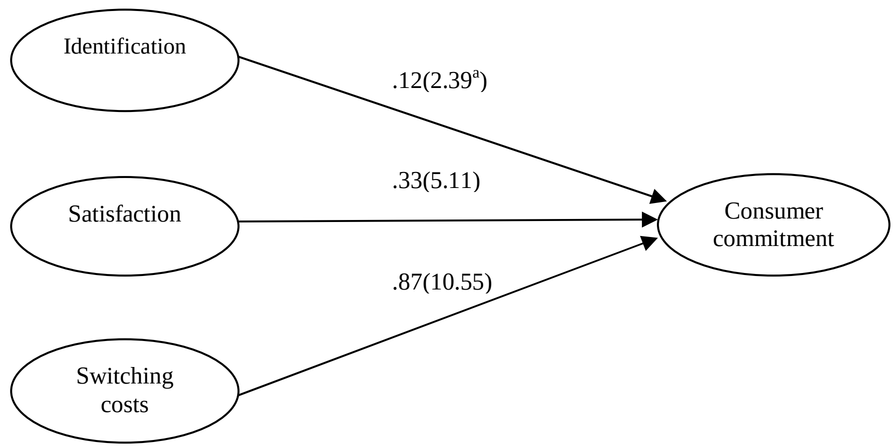
Table 19: the results of moderating effects of relational benefits.

Table 19. The results of moderating effects of relational benefits

Path to	**Path from**		**Unstandardized estimate (*t*-value)**	
			Low relational benefits (N = 253)	**High relational benefits (N = 247)**
Commitment	Switching costs	γ_{12}	.87 (10.55)*	.60 (8.17)*

*p < .001

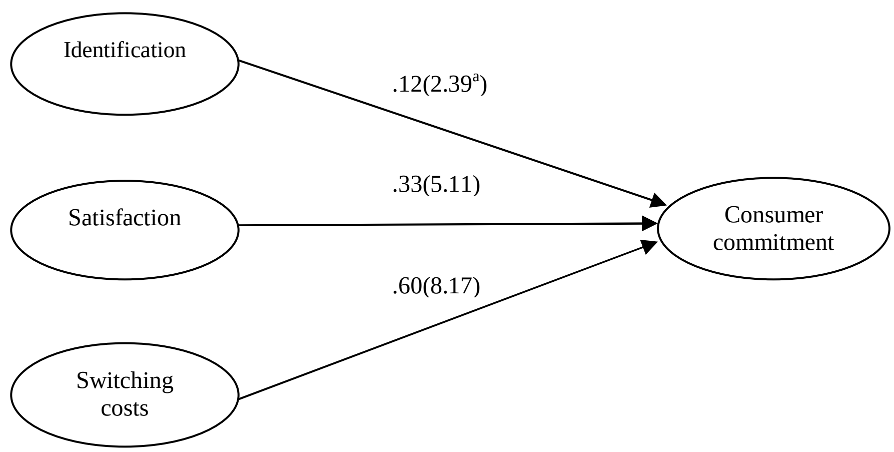
Figure 9: the unstandardized parameter coefficients for the low relational benefits group.



[a] *t*-value

Figure 9. Unstandardized parameter coefficients for the low relational benefits group

Figure 10: the unstandardized parameter coefficients for the high relational benefits group.



[a] *t*-value

Figure 10. Unstandardized parameter coefficients for the high relational benefits

The Completed Relationship Development Model

Measurement model

After assessing Model 1 and Model 2 separately, a completed model including these two models was examined. First of all, the data showed no violations on multivariate normality. Confirmatory factor analysis (CFA) was conducted to assess the measurement model. For CFA, a total of 34 items were used: social benefits (4 items), confidence benefits (3 items), customization benefits (3 items), economic benefits (2 items), identification (2 items), switching costs (5 items), satisfaction (4 items), commitment (4 items), share of purchases (3 items), and positive word-of-mouth intentions (4 items). Because there was no reason to expect uncorrelated relationships among variables, the factors were allowed to correlate as well (Hair et al., 2006).

The model fit for the measurement model was good (df = 482, x^2 = 1228.51, RMSEA = .060, CFI = .99, SRMR = .051). Once the measurement model was identified as an acceptable fit, each of the constructs was evaluated by its convergent validity and discriminant validity. First, the *t* value associated with each of the loadings was significant. Second, squared multiple correlation coefficients (SMC) ranged from .41 to .93, indicating good reliability of the measurement model. The construct reliability (CR) for each construct surpassed the threshold value of .70. In addition, the Cronbach's alphas for eight constructs ranged from .722 to .956. Based on the above information, the convergent validity of the measurement model was satisfied. Furthermore, average variance extracted (AVE) of each construct exceeded the threshold value of .50; the squared correlations between the constructs (i.e., Φ^2) were smaller than AVE of each construct. Thus, the discriminant validity was supported for the measurement model. Table 20: the results for the measurement model.

Table 20. The results of the measurement model

Attributes	Std. loadings	SMC	Std. error	CR	AVE
Social Benefits (α = .898)				.90	.70
I am recognized by certain employees	.86	.73	.27		
I enjoy certain social aspects of the relationship with this restaurant	.82	.67	.33		
I have developed a friendship with this restaurant	.89	.79	.21		
Most employees know my name	.78	.62	.38		
Confidence Benefits (α = .917)				.92	.79
This restaurant's employees are perfectly honest and truthful	.87	.76	.24		
This restaurant's employees can be trusted completely	.91	.82	.18		
This restaurant's employees have high integrity	.88	.78	.22		
Economic Benefits (α = .722)				.74	.59
As a frequent diner, I get fast service	.86	.74	.26		
As a frequent diner, I enjoy saving time in dining because I am familiar with the service process in this restaurant	.66	.43	.57		
Customization Benefits (α = .787)				.79	.56
As a frequent diner, I get complementary offerings such as desserts or drinks	.76	.57	.43		
This restaurant provides me a personalized dining service	.84	.71	.29		
The employees provide me insider's tips/advice for menu selection or special events and promotions	.64	.41	.59		
Identification (α = .729)				.74	.58
Visual identification	.72	.51	.49		
Verbal identification	.81	.65	.35		
Switching Costs (α = .931)				.93	.74
I would feel frustrated if I terminated my current relationship with this restaurant.	.73	.54	.46		
Generally speaking, the costs in time, finance, effort, and grief to switch from the current restaurant would be high.	.87	.75	.25		
I would lose a lot in changing from the current restaurant.	.88	.77	.23		
On the whole, it would cost me a lot of time and energy to find a new restaurant.	.90	.80	.20		
Considering everything, the cost to stop doing business with this restaurant and start up with a new restaurant would be high.	.90	.82	.18		
Satisfaction (α = .921)				.93	.77
My choice to use this restaurant was a wise one.	.85	.72	.28		
I am always delighted with this restaurant's service.	.80	.64	.36		
Overall, I am satisfied with this restaurant.	.91	.83	.17		
I think I did the right thing when I decided to dine at this restaurant.	.93	.87	.13		
Commitment (α = .956)				.96	.85
I am committed to my relationship with this restaurant.	.88	.78	.22		
I really care about my ongoing relationship with this restaurant.	.95	.91	.09		
The relationship that I have with this restaurant is something I am very committed to.	.96	.93	.07		
The relationship that I have with this restaurant deserves my maximum effort to maintain.	.89	.79	.21		
Positive Word-of-Mouth Intentions (α = .951)				.96	.84
I am willing to encourage friends and relatives to do business with this restaurant.	.92	.85	.15		
I am willing to recommend this restaurant whenever anyone seeks my advice.	.96	.92	.08		

When the topic of dining out comes up in my conversation, I am willing to go out of my way to recommend this restaurant.	.86	.73	.27		
I am willing to recommend this restaurant to my friends.	.94	.87	.13		
Share of Purchases (α = .910)				.92	.78
In the next three months, how likely are you to make a larger share of your eating-out expenditure at this restaurant rather than other restaurants?	.77	.60	.40		
In the next three months, how likely are you to increase your visits to this restaurant as compared to other restaurants?	.94	.88	.12		
In the next three months, how likely are you to increase your spending to this restaurant as compared to other restaurants?	.93	.87	.13		

Table 21: the phi matrix of the completed model.

Table 21. Phi matrix

	1	2	3	4	5	6	7	8	9	10
1. SB	1.00									
2. CB	.57	1.00								
3. EB	.73	.67	1.00							
4. CUB	.74	.51	.73	1.00						
5. ID	.38	.37	.36	.55	1.00					
6. SC	.49	.38	.53	.57	.57	1.00				
7. SAT	.47	.60	.55	.44	.37	.41	1.00			
8. COM	.63	.51	.61	.68	.55	.77	.53	1.00		
9. WOM	.47	.56	.55	.51	.44	.46	.79	.63	1.00	
10. SP	.36	.35	.43	.52	.48	.55	.47	.56	.50	1.00

N = 510. All phi-values are statistically significant at p<.01.

SB: social benefits; CB: confidence benefits; EB: economic benefits; CUB: customization benefits; ID: identification; SC: switching costs; SAT: satisfaction; COM: commitment; WOM: positive word-of-mouth intentions; SP: increased share of purchases.

Structural model

The structural model achieved an acceptable level of fit: df = 503, x^2 = 1420.68, p < .01, RMSEA = .064, CFI = .98, SRMR = .080. First, commitment had significant effects on share of purchases (standardized β_{54} = .57, p < .001) and positive WOM intentions (standardized β_{64} = .29, p < .001), respectively.

Identification had a significant effect on commitment (standardized β_{41} = .18, p < .001). Commitment was also significantly influenced by switching costs (standardized β_{42} = .61, p < .001) and satisfaction (standardized β_{43} = .24, p < .001). Satisfaction had a significant effect on positive WOM intentions (standardized β_{63} = .64, p < .001).

Identification was significantly influenced by confidence benefits (standardized γ_{12} = .22, p < .01) and customization benefits (standardized γ_{14} = .75, p < .001). Only customization benefits had a significant effect on switching costs (standardized γ_{24} = .52, p < .001). Satisfaction was significantly influenced by confidence benefits (standardized γ_{32} = .41, p < .001) and economic benefits (standardized γ_{33} = .18, p < .05).

Table 22: the results of the structural path estimates.

Table 22. Structural path estimates

Path to	**Path from**		**Standardized estimate**	***t*-value**
***β* paths**				
Share of purchases	Commitment	β_{54}	.57	12.27***
Positive WOM intentions	Commitment	β_{64}	.29	8.48***
	Satisfaction	β_{63}	.64	16.29***
commitment	Identification	β_{41}	.18	4.55***
	Switching costs	β_{42}	.61	13.79***
	satisfaction	β_{43}	.24	7.27***
***γ* paths**				
Identification	Social benefits	γ_{11}	-.12	-1.26
	Confidence benefits	γ_{12}	.22	2.97**
	Economic benefits	γ_{13}	-.20	-1.68
	Customization benefits	γ_{14}	.75	6.42***
Switching costs	Social benefits	γ_{21}	.00	.00
	Confidence benefits	γ_{22}	.05	.81
	Economic benefits	γ_{23}	.12	1.32
	Customization benefits	γ_{24}	.52	5.77***
Satisfaction	Social benefits	γ_{31}	.02	.28
	Confidence benefits	γ_{32}	.41	7.05***
	Economic benefits	γ_{33}	.18	1.97*
	Customization benefits	γ_{34}	.11	1.43
Model fit indices				
df = 503, x^2 = 1420.68, p < .01, RMSEA = .064, CFI = .98, SRMR = .080				

*p < .05; **p < .01; ***p < .001

Figure 11: the standardized structural path coefficients in the completed model.

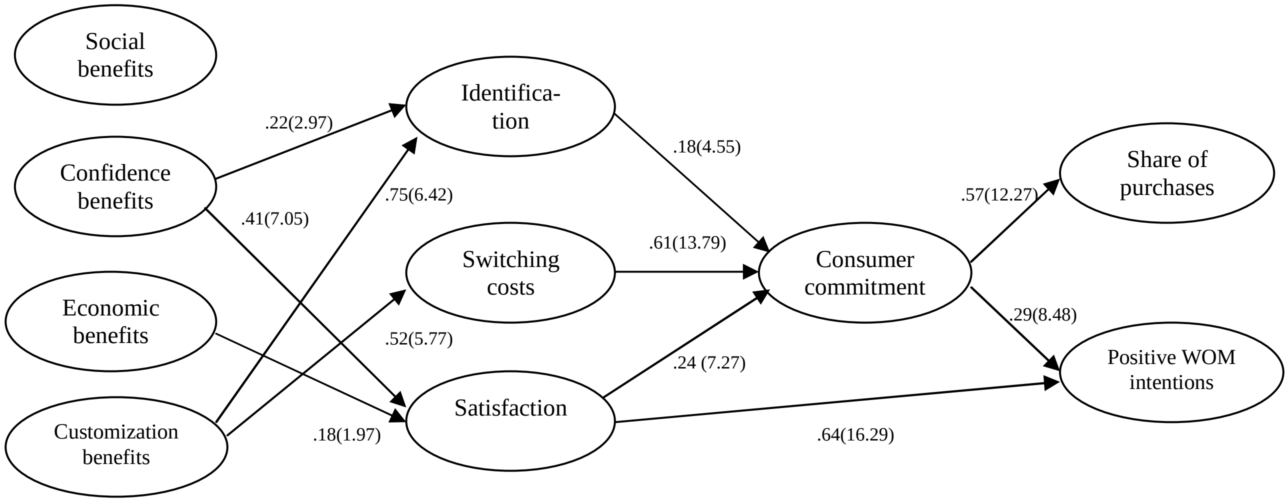


Figure 11. Standardized structural path coefficients

Table 23 shows the direct, indirect, and total effects of latent variables. The results showed that confidence benefits and customization benefits had significant indirect effects on commitment and share of purchases. In addition, positive WOM intentions were indirectly influenced by confidence, economic, and customization benefits. Social benefits had no significant indirect or direct effects on any endogenous variable.

Table 23. Direct, indirect, and total effects of latent variables

	Identification			Switching costs			satisfaction			Commitment			Share of purchases			Positive WOM intentions		
	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T
SB	-.12	-	-.12	.00	-	.00	.02	-	.02	-	-.02	-.02	-	-.01	-.01	-	.01	.01
CB	.22*	-	.22*	.05	-	.05	.41*	-	.41*	-	.17*	.17*	-	.10*	.10*	-	.31*	.31*
EB	-.20	-	-.20	.12	-	.12	.18*	-	.18*	-	.08	.08	-	.05	.05	-	.14*	.14*
CUB	.75*	-	.75*	.52*	-	.52*	.11	-	.11	-	.48*	.48*	-	.27*	.27*	-	.21*	.21*
ID	-	-	-	-	-	-	-	-	-	.18*	-	.18*	-	.10*	.10*	-	.05*	.05*
SC	-	-	-	-	-	-	-	-	-	.61*	-	.61*	-	.34*	.34*	-	.18*	.18*
SAT	-	-	-	-	-	-	-	-	-	.24*	-	.24*	-	.14*	.14*	.64*	.07*	.71*
COM	-	-	-	-	-	-	-	-	-	-	-	-	.57*	-	.57*	.29*	-	.29*

Dir: Direct effect; Ind: Indirect effect; T: total effect.

SB: social benefits; CB: confidence benefits; EB: economic benefits; CUB: customization benefits;

ID: identification; SC: switching costs; SAT: satisfaction; COM: commitment.

All phi-values are statistically significant at p<.01.

The original model was compared with the nested model. The competing model reflected the competing/revised model in Model 2. That is, as in Model 2, five more paths were added: three paths from identification, switching costs, and satisfaction to share of purchases and two paths from identification and switching costs to positive WOM intentions. The structural model of the competing model achieved a good level of fit: df = 498, x^2 = 1356.86, p < .01, RMSEA = .063, CFI = .99, SRMR = .066.

The Chi-square (χ^2) difference test was performed to examine whether there was a significant difference between the two models. The results of the Chi-square (χ^2) difference test revealed that there was a significant difference between the two models (Δdf = 5, $\Delta\chi^2$ = 63.82, critical value of χ^2 at df = 5 is 11.0705). Thus, the alternative model (i.e., the less parsimonious model) was supported.

Among five added paths, four paths - except the direct effect of switching costs on positive WOM intentions - were statistically significant. It is noteworthy that identification had a significant direct effect on positive WOM intentions, which was not significant in the revised Model 2.

Table 24: the structural path estimates of the revised model.

Table 24. Revised structural path estimates

Path to	**Path from**		**Standardized estimate**	***t*-value**
***β* paths**				
Share of purchases	Identification	β_{51}	.19	3.62***
	Switching costs	β_{52}	.25	4.03***
	Satisfaction	β_{53}	.23	5.04***
	Commitment	β_{54}	.14	2.04*
Positive WOM intentions	Identification	B_{61}	.10	2.60**
	Switching costs	β_{62}	-.05	-1.07
	Satisfaction	β_{63}	.63	16.12***
	Commitment	β_{64}	.27	5.22***
commitment	Identification	β_{41}	.18	4.44***
	Switching costs	β_{42}	.60	13.65***
	satisfaction	β_{43}	.24	7.08***
***γ* paths**				
Identification	Social benefits	γ_{11}	-.15	-1.59
	Confidence benefits	γ_{12}	.22	2.93**
	Economic benefits	γ_{13}	-.19	-1.64
	Customization benefits	γ_{14}	.79	6.62***
Switching costs	Social benefits	γ_{21}	-.01	-.11
	Confidence benefits	γ_{22}	.05	.77
	Economic benefits	γ_{23}	.12	1.33
	Customization benefits	γ_{24}	.53	5.85***
Satisfaction	Social benefits	γ_{31}	.02	.22
	Confidence benefits	γ_{32}	.41	6.98***
	Economic benefits	γ_{33}	.19	2.02*
	Customization benefits	γ_{34}	.11	1.42
Model fit indices				
df = 498, x^2 = 1356.86, p < .01, RMSEA = .063, CFI = .99, SRMR = .066				

*p < .05; **p < .01; ***p < .001

Figure 12: the revised completed model.

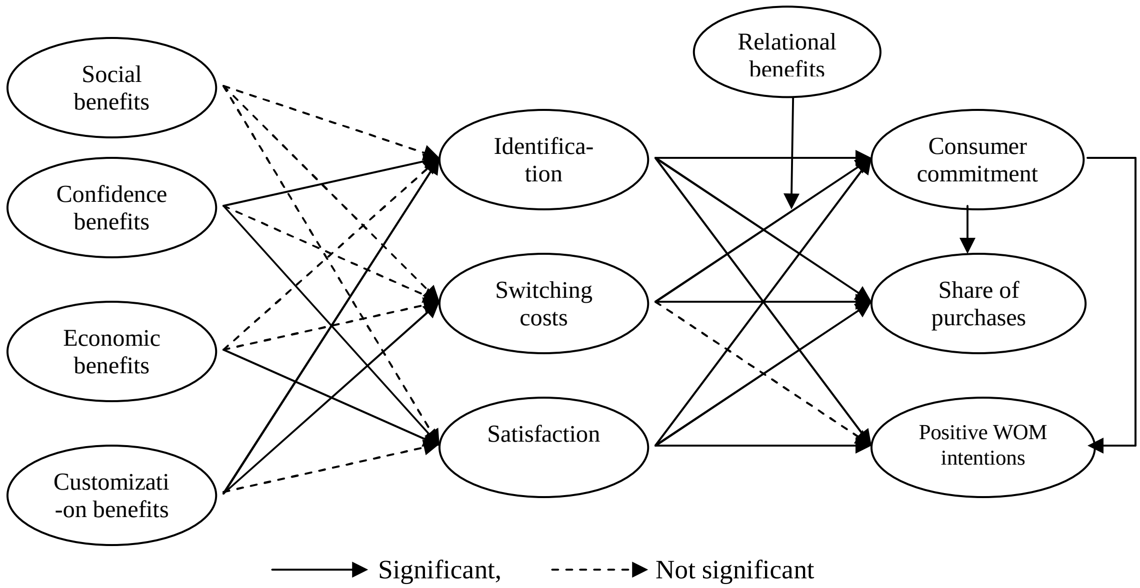


Figure 12. The revised completed model

Table 25 shows the revised direct, indirect, and total effects of latent variables. Contrary to the original model, the indirect effect of economic benefits on positive WOM intentions became non-significant in the revised model.

Table 25. Revised direct, indirect, and total effects of latent variables

	Identification			**Switching costs**			**satisfaction**			**Commitment**			**Share of purchases**			**Positive WOM intentions**		
	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T	Dir	Ind	T
SB	-.15	-	-.15	-.01	-	-.01	.02	-	.02	-	-.03	-.03	-	-.03	-.03	-	-.01	-.01
CB	.22*	-	.22*	.05	-	.05	.41*	-	.41*	-	.16*	.16*	-	.17*	.17*	-	.32*	.32*
EB	-.19	-	-.19	.12	-	.12	.19*	-	.19*	-	.08	.08	-	.05	.05	-	.11	.11
CUB	.79*	-	.79*	.53*	-	.53*	.11	-	.11	-	.48*	.48*	-	.38*	.38*	-	.26*	.26*
ID	-	-	-	-	-	-	-	-	-	.18*	-	.18*	.19*	.03*[a]	.22*	.10*	.05*	.15*
SC	-	-	-	-	-	-	-	-	-	.60*	-	.60*	.25*	.09*	.34*	-.05	.17*	.12*
SAT	-	-	-	-	-	-	-	-	-	.24*	-	.24*	.23*	.03*	.27*	.63*	.06*	.70*
COM	-	-	-	-	-	-	-	-	-	-	-	-	.14*	-	.14*	.27*	-	.27*

Dir: Direct effect; Ind: Indirect effect; T: total effect.
SB: social benefits; CB: confidence benefits; EB: economic benefits; CUB: customization benefits;
ID: identification; SC: switching costs; SAT: satisfaction; COM: commitment.

All phi-values are statistically significant at $p<.05$.
[a] at $p < .10$, t-value was 1.91.

The Moderating Role of Frequency of Visit

Among 509 respondents on the frequency of visit, 50 respondents who chose "others" were excluded. A total of 459 responses were used for this model. Respondents were divided into two groups: more frequent group (more than once a week, n = 139) and less frequent group (less than two or three times a month, n = 320).

Because the sample sizes of the two groups were largely different (139 versus 320), a series of hierarchical regression analyses was utilized to identify the moderating effect of frequency of visit. Hierarchical regression analysis is a useful method of understanding the effect of a variable after having controlled for other variable(s), rather than to identify the relative importance of variables (Pedhazur, 1997). The proportion of variance explained by all the independent variables is partitioned incrementally, indicating the increment in the proportion of variance accounted for by each independent variable when it is entered into the equation (Pedhazur, 1997).

H1 proposed the moderating role of frequency of visit of the effect of identification on consumer commitment. Table 26 shows no significant interaction between identification and frequency of visit as a determinant of consumer commitment, although the F test for the three models was significant, implying that the models fit the data. Thus, H1 was not supported.

Table 26. Moderating effect of frequency of visit on the relationship between identification and commitment

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	119.678***	4.617		68.350***	.208	.206	.208
	ID		.484	.456	1.940***			
2	Constant	75.011***	4.401		55.647***	.248	.244	.040
	ID		.458	.431	10.532***			
	FRE		.712	.202	4.925***			
3	Constant	50.972***	4.396		55.603***	.252	.247	.004
	ID		.412	.387	7.820***			
	FRE		.689	.195	4.756***			
	ID*FRE		.145	.077	1.558			

Notes: DV = consumer commitment, ID = identification, FRE = frequency of visit; *** $p < .001$

H2 examined the moderating role of frequency on the relationship between switching costs and consumer commitment. Table 27 shows no significant interaction between switching costs and frequency of visit as a determinant of consumer commitment. Thus, H2 was not supported.

Table 27. Moderating effect of frequency of visit on the relationship between switching costs and commitment

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	589.640***	4.617		92.080***	.563	.562	.563
	SC		.737	.751	24.282***			
2	Constant	315.552***	4.475		75.620***	.581	.579	.017
	SC		.715	.728	23.685***			
	FRE		.469	.133	4.321***			
3	Constant	210.546***	4.471		75.376***	.581	.579	.001
	SC		.696	.709	18.659***			
	FRE		.457	.129	4.177***			
	SC *FRE		.057	.034	.897			

Notes: DV = consumer commitment, SC = switching costs, FRE = frequency of visit; *** $p < .001$

H3 suggested that satisfaction and frequency of visit interact to predict consumer commitment. The results shown in Table 28 supported this hypothesis.

Table 28. Moderating effect of frequency of visit on the relationship between satisfaction and commitment

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	173.742***	4.617		71.482***	.275	.274	.275
	SAT		1.028	.525	13.181***			
2	Constant	100.496***	4.428		58.204***	.306	.303	.030
	SAT		.974	.497	12.594***			
	FRE		.624	.177	4.474***			
3	Constant	72.107***	4.415		58.575***	.322	.318	.016
	SAT		.817	.417	9.083***			
	FRE		.557	.158	3.998***			
	SAT *FRE		.565	.153	3.308***			

Notes: DV = consumer commitment, SAT = satisfaction, FRE = frequency of visit; *** $p < .001$

H4 suggested that a significant interaction between commitment and frequency of visit exists to predict share of purchases. The results supported the significant moderating effect of frequency of visit on the relationship between commitment and share of purchases.

Table 29: the results of hierarchical regression analysis.

Table 29. Moderating effect of frequency of visit on the relationship between commitment and share of purchases

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	175.339***	4.569		75.567***	.277	.276	.277
	COM		.494	.527	13.242***			
2	Constant	87.724***	4.593		62.739***	.278	.275	.001
	COM		.499	.533	12.950***			
	FRE		-.081	-.025	-.596			
3	Constant	60.199***	4.578		62.420***	.284	.279	.006
	COM		.445	.475	9.432***			
	FRE		-.134	-.040	-.969			
	COM *FRE		.163	.102	1.999*			

Notes: DV = share of purchases, COM = consumer commitment, FRE = frequency of visit;
* $p < .05$, *** $p < .001$

H5 suggested frequency of visit as a moderating variable of the effect of commitment on positive WOM intentions. The results showed that the interaction term is significant at $p < .10$ ($t = 1.896$).

Table 30: the results of the hierarchical regression analysis.

Table 30. Moderating effect of frequency of visit on the relationship between commitment and positive WOM intentions

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	285.095***	5.840		143.429***	.384	.383	.384
	COM		.424	.620	16.885***			
2	Constant	142.251***	5.837		118.323***	.384	.382	.000
	COM		.423	.619	16.279***			
	FRE		.012	.005	.136			
3	Constant	96.572***	5.827		117.860***	.389	.385	.005
	COM		.388	.567	12.209***			
	FRE		-.021	-.009	-.228			
	COM *FRE		.104	.089	1.896*			

Notes: DV = positive WOM intentions, COM = consumer commitment, FRE = frequency of visit;
* $p < .10$, *** $p < .001$

H6 proposed the moderating role of frequency of visit of the effect of satisfaction on positive WOM intentions. Table 31 shows no significant interaction between satisfaction and frequency of visit as a determinant of positive WOM intentions. Thus, H6 was not supported.

Table 31. Moderating effect of frequency of visit on the relationship between satisfaction and positive WOM intentions

Model	Variable entered	F	B	*b*	t	R^2	$R^2_{adj.}$	ΔR^2
1	Constant	567.670***	5.840		168.539***	.554	.553	.554
	SAT		.997	.744	23.826***			
2	Constant	285.779***	5.805		139.558***	.556	.554	.002
	SAT		.987	.737	23.335***			
	FRE		.115	.048	1.513			
3	Constant	190.386***	5.804		139.232***	.557	.554	.000
	SAT		.970	.725	19.504***			
	FRE		.108	.045	1.407			
	SAT *FRE		.058	.023	.615			

Notes: DV = positive WOM intentions, SAT = satisfaction, FRE = frequency of visit; *** $p < .001$

Simple slope analysis was conducted to further identify the moderating effect of frequency of visit on the relationship between satisfaction and commitment. The results indicated that satisfaction is more strongly associated with commitment for the more frequent group than the less frequent group.

Table 32: the results of simple slope analysis.

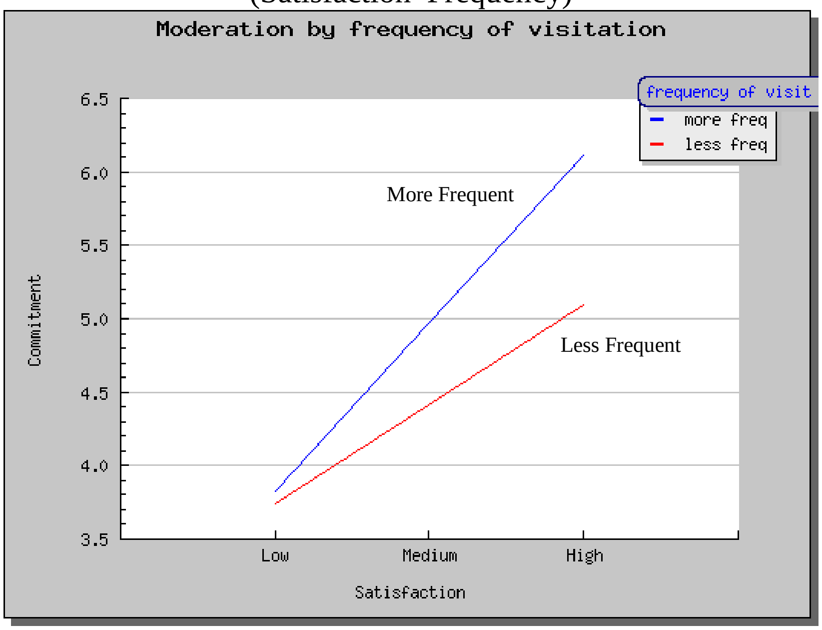
Table 32. The results of simple slope analysis
(Satisfaction*Frequency)

	Simple slope	*t*-value
More frequent group	1.382	9.54***
Less frequent group	.817	9.13***

DV = commitment; *** $p < .001$

The interaction can be best described when presented graphically. Figure 13 shows the interaction effect of satisfaction and frequency of visit on consumer commitment in a graphic depiction.

Figure 13. A graphic depiction of interaction effect
(Satisfaction*Frequency)



Again, simple slope analysis was used to identify the moderating effect of frequency of visit on the relationship between commitment and share of purchases. The results indicated that commitment is more strongly associated with share of purchases for the more frequent group than the less frequent group.

Table 33: the results of simple slope analysis.

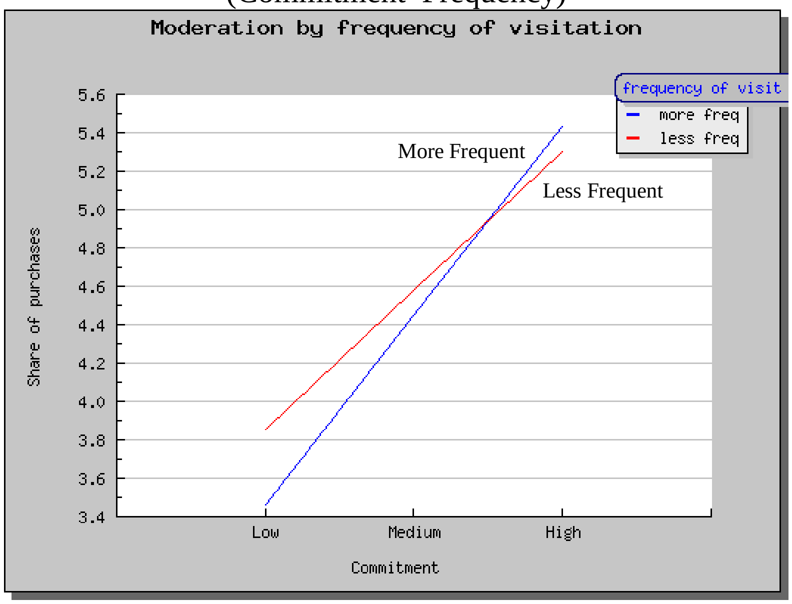
Table 33. The results of simple slope analysis
(Commitment*Frequency)

	Simple slope	*t*-value
More frequent group	.608	8.60***
Less frequent group	.445	9.95***

DV = share of purchases; *** $p < .001$

Figure 14 shows the interaction effect of commitment and frequency of visit on share of purchases in a graphic depiction.

Figure 14. A graphic depiction of interaction effect
(Commitment*Frequency)



Simple slope analysis was utilized again to examine the moderating effect of frequency of visit on the relationship between commitment and positive WOM intentions. The results showed that commitment was more strongly associated with positive WOM intentions for the more frequent group than the less frequent group.

Table 34: the results of simple slope analysis.

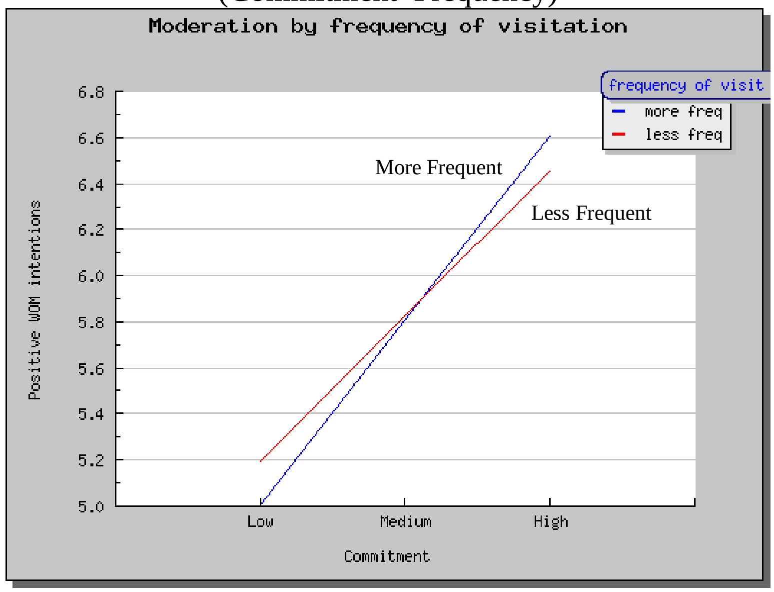
Table 34. The results of simple slope analysis
(Commitment*Frequency)

	Simple slope	*t*-value
More frequent group	.492	11.00***
Less frequent group	.388	12.27***

DV = positive WOM intentions; *** $p < .001$

Figure 15 shows the interaction effect of commitment and frequency of visit on share of purchases in a graphic representation.

Figure 15. A graphic depiction of interaction effect (Commitment*Frequency)



In addition, the moderating effects of the length of interactions were examined. However, the results showed no significant effects on any relationship.

CHAPTER V

DISCUSSIONS AND CONCLUSIONS

Model 1. Commitment as a Relationship Development Outcome

The objective of the study was to understand the complex relationships among relational benefits, consumer dependence (i.e., identification, switching costs, and satisfaction), and commitment. This study demonstrated that consumer commitment, a desire to maintain a relationship with a specific entity (Brown et al., 2005), is significantly influenced by identification, switching costs, and satisfaction – which make up the phase of increased consumer dependence on the service provider. Furthermore, each types of relational benefits (except social benefits) has differential effects on establishing consumer dependence toward the service provider, giving credit to this study for separation of special treatment benefits into economic and customization benefits.

As expected, identification, switching costs, and satisfaction had significant, positive impacts on developing consumer commitment. Interestingly, switching costs were the strongest factor among the three antecedents. Switching costs have not been a focus in the restaurant context. The results of the study contradict the previous belief and suggest that consumers who see themselves regular customers of a particular restaurant (as asked in the questionnaire) are subject to switching costs by recognizing the value of a long-term relationship. Within the boundary of switching costs, social and lost benefits costs (e.g., lost friendship and special privileges) are crucial value drivers in service relationships, compared to procedural costs (e. g., search time, set up and learning costs) (Jones, Mothersbaugh, & Beatty, 2002). As supported in this study, in terms of relational benefits, customization benefits were the main factor that increased switching costs, which is compatible with lost benefits. It means that special privileges that customers recognize through personalized services and extra offerings are crucial in increasing the switching barriers.

Economic benefits are not a significant factor that increases switching costs. Considering that the underlying concept of special treatment benefits is the presence of switching costs (Hennig-Thurau et al., 2002), this result is somewhat surprising. It implied that when economic benefits are mainly derived from time savings, their effects were not significant enough to lock customers into the relationship. One may argue that the results are attributed to the exclusion of monetary savings to represent economic benefits in this study. However, common economic benefits such as "better prices *than most customers*" or "discounts or special deals *that most customers don't get*" (*italics added*) (Gwinner et al., 1998; Hennig-Thurau et al., 2002) are fairly rare in the casual dining restaurant context. It should be noted that price break can be easily copied by competitors and may cover a true relationship with a customer (Hennig-Thurau et al., 2002). Because service providers may receive more by focusing on non-monetary economic benefits such as time savings and fast service (Hennig-Thurau et al., 2002), the exclusion of monetary savings for this study seems acceptable. Although special treatment benefits are criticized as an unsuitable source of competitive advantage (Berry, 1995; Gwinner et al., 1998; Hennig-Thurau et al., 2002), the criticism should not also be attached to customization benefits, which are in fact the most influential relational benefits on consumer dependence toward a service provider.

In addition, the insignificant effect of confidence benefits on switching costs implies that the confidence that results from accumulated satisfactory experiences is not enough to enhance switching costs on the customer's side. Although the uncertainty of performance should be strong in services due to intangibility and heterogeneity (Zeithaml et al., 1985), to increase switching costs, we may need something more than confidence; that is, personalized services.

Satisfaction was the second most important factor to increase consumer commitment, supporting its significance in previous literature (Brown et al., 2005; Burnham et al., 2003; Dwyer et al., 1987; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994; Sharma & Patterson, 2000; Vasudevan et al., 2006). Although the importance of satisfaction on customer loyalty seems diminished by the finding of the defection of satisfied customers without commitment (Jones & Sasser, 1995), satisfaction is still an essential element to attract customers to keep the relationship based on their pure desire.

Confidence benefits were the major antecedent of satisfaction, supporting the argement that confidence benefits are the most important benefits on satisfaction compared with other types of benefits (Hennig-Thurau et al., 2002). This is because confidence benefits are generated from on-going satisfactory experiences with the service provider. In addition to confidence benefits, economic benefits were marginally supported to increase customer satisfaction on the on-going relationship. As Hennig-Thurau et al. (2002) noted; customers would perceive economic benefits (as part of special treatment benefits) as performance of the service provider. Interestingly, however, customization benefits were not a significant factor to increase customer satisfaction. This may be because individualized services are not directly perceived as performance, as opposed to economic benefits, which are perceived as such. Gremler and Gwinner (2000) argue that for a service with clearer distinction between technical and functional qualities, it is more likely for a customer to evaluate his/her satisfaction in a separate manner. For example, although an employee provides a personal service based on the customer's preferences, if the direct performance is not acceptable (e.g., bad food taste or too long waiting time), dissatisfaction can occur. If performance is satisfactory and personalized service is followed, high satisfaction would be achieved, but customization benefits by themselves cannot be a significant antecedent of satisfaction.

This research supports that the more customers identify with a service organization, the more they are committed to the current relationship (Brown et al., 2005; Lacey, 2007; Morgan & Hunt, 1994; Pritchard et al., 1999). To increase customer identification, this study suggests that customers should receive customization and confidence benefits from the relationship. The significance of customization benefits on identification implies that enhanced personal identity from the continuous recognition of customer's special status and value to the organization would increase the customer's sense of belonging to that organization. Moreover, because people are motivated to resist change in their self-concept (Rosenberg, 1979); they would pursue the relationship with the identified organization in a continuous manner. In addition to customization benefits, confidence benefits are another significant factor for increasing identification. This result is not surprising because identification cannot be achieved without trust in a partner (Bendapudi & Berry, 1997).

It is intriguing that social benefits were not a significant antecedent on any expected outcomes. This result is contradictory to the previous studies which show that social aspects of a relationship between a customer and a service provider are significant in building and maintaining a relationship (Gwinner et al., 1998; Price & Arnould, 1999; Reynolds & Beatty, 1999). Several explanations may result in the non-significance of social benefits. First, the effectiveness of the commercial instrumentalization of social relationships has been doubted for its possible negative customer reaction (Hennig-Thurau et al., 2002). If a customer perceives that the interpersonal relationship with an employee is for mainly instrumental purposes, the relationship will deteriorate (Price & Arnould, 1999). The customer's detection of tainted intention for friendship would be regarded as manipulation of the relationship, and only for a service provider's financial gain. Second, some customers may not want to build an interpersonal relationship with a service provider due to privacy issues (Noble & Phillips, 2004). Social interactions involve knowing about the person: name, preferences, dislikes and so on. If a customer perceives this to be intrusive, the effort to build an interpersonal relationship can be worthless. Third, it is also plausible that customers simply may not want to build a social relationship with a casual dining restaurant. The significance of customization benefits compared with social benefits may imply that they may want to be treated as valued customers rather than as friends. As the once extremely popular mantra of "customer is king" implies, the different levels of power – at least in the service process between customers and a casual dining restaurant may interfere in establishing an interpersonal relationship. Customers may want to be personally cared for and valued by a casual dining restaurant, rather than engage in simple social interactions. Lastly, the chance for a customer to meet the same employee is quite rare in this business context due to high turnover and varying work schedules (Gremler & Gwinner, 2000). While social benefits require intensive interactions with customers and employees in the significant amount of time and frequencies, the high turnover rate and varying work schedule may devastate the possibility of establishing interpersonal relationship between two parties. It may emphasize the importance of building a relationship between customers and brands as well as between customers and individual restaurant units. It should be noted, however, that, due to the context-specific nature of relationship marketing, it may be possible that other restaurant sectors have a significant effect of social benefits on consumer dependence. These sectors may include fine dining or private clubs (e.g., golf clubs), where the interaction time is longer or turnover is less prevalent compared with the casual dining sector.

Model 2. Commitment as a Mediator

The objective of this study was to identify the mediating role of commitment between consumer dependence (i.e., identification, switching costs, and satisfaction) and relational outcomes (i.e., share of purchases and positive WOM intentions). The results support that commitment is a significant mediator in delivering the outcomes that firms desire from the initial psychological states in the relationship development.

This study suggests that commitment plays a partial mediating role in the relationship between consumer dependence and share of purchases. When a customer identifies with a service provider, they increase share of purchases with a particular provider both directly and indirectly. It is noteworthy that the direct effects of identification on share of purchases were much larger than the indirect effects through consumer commitment. This underlines that the closer the overlap between the customer's self-schema and the organization's schema, the more a customer will increase share of purchases with a particular service provider. As in brand literature that states that customers favor brands that are consistent with their self-concept (Dolich, 1969), the result supports that customers are likely to stay in the relationship and increase their spending with a particular service provider which has a corresponding organization's schema that will reinforce their self-concept. Thus, it is critical for managers, in order to directly impact customer loyalty, to create and manage the organization's identity so that customers will have a specific entity that may project their self-identity. Furthermore, an identified customer becomes committed to the current relationship with their service provider, and consequently increases their share-of-purchases. This supports that the consistency of shared values between an individual and an organization increases commitment and further maximizes the customer's lifetime value to the organization (Lacey, 2007).

Similar to identification, switching costs have direct and indirect effects on share of purchases. As anticipated, a customer faced with high switching costs is more likely to commit to the relationship, and increase the share of purchases with that particular service provider. Moreover, the direct effect of switching costs on share of purchases shows that a customer who may not be committed may increase share of purchases because of high switching costs as well. This may explain why some loyalty programs that focus on increasing switching costs can be successful without the consideration of consumer commitment (Winer, 2001). Yet, this direct link between switching costs and share of purchases should be viewed with a caution because customers whose relationship largely depends on switching costs are vulnerable to competitors' offerings. The author recommends that managers should try more to get their customers committed to the relationship rather than simply increasing switching costs to lock them into the relationship and expect profitability. Although switching costs are the strongest indicators of share of purchases with their direct and indirect impacts, other mechanisms (i.e., identification and satisfaction) should also be primary concerns of managers in order to increase share of customers, due to the vulnerability associated with switching costs.

Contrary to the argument that share of purchases would be more influenced by the performance of competitors and not solely on the performance of the focal firm (Verhoef, 2003); the finding suggests that customer satisfaction in an on-going relationship would directly influence the increased share of purchases, as well as indirectly through commitment. This is consistent with the argument that highly satisfied relationship customers are more profitable to the firm because of their increased spending with the firm (Reynolds & Beatty, 1999). It means that increasing share of purchases does not necessarily require a comparison process of the current service provider's performance with the competing suppliers. Instead, highly satisfied customers would simply increase total purchases of casual dining services with a particular restaurant based on their satisfactory experiences built through on-going relationships. Although satisfaction itself has a direct influence on share of purchase; satisfied customers still defect if they are not psychologically tied to the service provider (Jones & Sasser, 1995). Thus, consumer commitment should be considered as a vital indicator of increased share of purchases by its ability to induce customers to stay in the relationship and increase their purchases with a specific casual dining restaurant.

Contrary to the author's expectation of the full mediating roles of consumer commitment between consumer dependence (i.e., identification, switching costs, and satisfaction) and relational outcomes, the findings suggest that the three precursors of commitment have direct impacts on share of purchases as well as indirect impacts through commitment. Considering that their relative total impacts on share of purchases are not largely different, the author suggests that identification, switching costs, and satisfaction need to be orchestrated with balance to increase share of customers directly and indirectly through consumer commitment. Furthermore, because committed customers are more likely to *be* in the relationship and less vulnerable to the attractiveness of alternatives, managers should pay more attention on commitment for stable prediction of share of purchases.

While consumer commitment plays a partial mediating role in the relationships among identification, switching costs, satisfaction, and share of purchases, it exerts a full mediating role on the effects of identification and switching costs on positive WOM intentions. In terms of identification, the finding supports the full mediating role of commitment on the effects of identification on positive WOM intentions as in Brown et al. (2005)'s study. Identified customers would engage in spreading positive WOM only when they are committed to a relationship. While it is expected that identified customers are more likely to commit to the relationship, it cannot be expected that every identified customer would be automatically committed. Although this study did not investigate what condition(s) identification would be more conducive to commitment, it is an important question because commitment has a full mediating role between identification and positive WOM intentions.

Furthermore, switching costs did not have any significant positive or negative direct impact on positive WOM intentions. The direct effect of switching costs on positive WOM intentions were negatively shown, yet statistically non-significant. Instead, similar to identification, high switching costs would increase consumer commitment, and then lead to positive WOM intentions. Overall, the full mediating effects of consumer commitment emphasize the importance of consumer commitment in motivating consumers' positive WOM communications.

Satisfaction has the strongest total impact on positive WOM intentions. Although satisfaction becomes less important as customer loyalty engages in other mechanisms (Oliver, 1999); it should be regarded as a basis to lead customers to involve in positive WOM intentions. This emphasizes the importance of managing customers' satisfactory experiences in a cumulated manner because satisfaction is not limited to each transactional episode, but embraces the overall cognitive and affective evaluation of experiences with a relationship partner (Roberts, Varki, & Brodie, 2003). Although the effects of satisfaction on positive WOM intentions are significant, this research suggests that firms should not focus only on mere satisfaction of customers. As Brown et al. (2005) insist positive WOM communications are not only influenced by satisfaction, but also by other psychological mechanisms: commitment, identification, and switching costs.

The results of the study suggest that managers must recognize that relational outcomes they desire (i.e., increased share of purchases and positive WOM communications) are achievable when customers become committed to the relationship. Especially, in terms of positive WOM communications, customers need to be committed based on the high level of identification and switching costs as well as direct and indirect influences of the high level of satisfaction with a service provider.

The Moderating Role of Relational Benefits

This study examined whether the effects of switching costs on commitment are different when customers perceive a different level of relational benefits. The results confirm the moderating effect of relational benefits. That is, the effects of switching costs are weaker in a situation where relational benefits are high rather than low. When customers receive high relational benefits, they would be less influenced by switching costs to be committed to the relationship.

Switching costs have two sides: positive and negative (Jones et al., 2007). When they are properly orchestrated, they should induce customers to maintain a relationship. Unfortunately, if they are too forceful, reactance can be aroused, and the threatened/eliminated choice options become more desirable. Although it is important to increase switching costs to enhance consumer commitment, caution should be always observed because of the possible negative consequences of consumer reactance. Thus, an effective mechanism is necessary to deal with this possibility. The results of the study suggest that a part of switching costs involved in reactance arousal can be reduced in the presence of high relational benefits. This may imply that relational benefits can reduce psychological reactance and reinforce intrinsic motivation to engage in the relationship. As Kivetz (2005) argue, reactance is expected to be reduced if rewards are congruent with customers' effort activity. Similarly, relational benefits can be seen as rewards because they are benefits of maintaining a relationship with a specific service provider that goes above and beyond the core service provided (Gwinner et al., 1998; Hennig-Thurau et al., 2002), requiring effort to maintain the relationship from customers.

The results of the study do not imply that increasing switching costs are not a proper strategy to retain customer base, nor do they imply that high relational benefits would decrease switching costs. It may sound contradictory that relational benefits are expected to increase switching costs (see Model 1), and at the same time, the effect of switching costs on commitment is lower in high relational benefits than when those benefits are low. Yet, it is possible when we think about the nature of relational benefits. Relational benefits are effective in the early stage of relationship development as well as in the later stages (Dwyer et al., 1987). They are continuous reinforcement of relationship development and maintenance as long as a customer is *in* a relationship with a service provider. Thus, it is possible that relational benefits are antecedents of consumer dependence and a moderator on the relationship between switching costs and commitment simultaneously.

The results show that under the condition of high relational benefits, a threat to freedom derived from a lock-in situation (i.e., switching costs) may be mitigated and the feeling of controlled external influences may be reduced. Consequently the effect of switching costs on commitment can be reduced. The point is that customers must not think that they are locked in to a relationship. They need to feel that they are in the relationship based on their freedom of choice. Thus, they may commit to the relationship through other positive psychological mechanisms rather than the lock-in mechanism of switching costs. For example, Sharma and Patterson (2000) argue that the effect of satisfaction on commitment is stronger in low switching cost situation.

Managers who implement loyalty programs largely focusing on increasing switching costs should be cautious of the potential negative effect of switching costs in relationship maintenance. This is because switching costs are not guaranteed to keep the customers in the relationship when alternatives are more attractive than current offer

(Sharma & Patterson, 2000). More importantly, it has been argued that financial or other extrinsic rewards do not usually enhance emotional commitment, but rather decrease the intrinsic motivation (Hennig-Thurau et al., 2002). Thus, the effectiveness of raising high switching costs as a retention strategy should be reevaluated. It is recommended that relational benefits be accompanied when increasing switching costs are main theme to retain customers in the relationship. It is argued that customers may prefer effort-congruent rewards to reinforce intrinsic motivation that reduces reactance without recognizing the underlying motivation (i.e., switching costs in this study) (Kivetz, 2005; Nisbett & Wilson, 1977).

Although this study suggests that high relational benefits are preferred to reduce the potential negative effect of switching costs on commitment, it does not necessarily mean that every customer should be involved in high relational benefits with a service provider. Relationship marketing should be applied if it can be expected to result in positive outcomes. If a customer wants to engage only in transaction-based business, transactional marketing should be utilized. The new paradigm (i.e., Relationship Marketing) is not a panacea for all the problems. In addition, as Kivetz (2005) insists, rewards should be effort-congruent. Thus, relational benefits should not be overused or insufficient with customer's efforts. Various levels of relational benefits should be adopted to match the different levels of customers' efforts to keep up the relationship with a provider. Furthermore, relational benefits consist of several dimensions (i.e., social, confidence, economic, and customization benefits). Because the relative importance of each relational benefit is expected to be different based on the diverse customer segments (Hennig-Thurau et al., 2002), it is important to evaluate the preferred types and degrees of relational benefits for each segment, and the result should be applied in business practices.

The Moderating Role of Frequency of Visit

Not every relationship is a close relationship. Yet a close relationship is desirable because of strong possibility of lasting longer when established (Barnes, 2000). This study elucidates the significance of *closeness* in relationship maintenance. This study adopted the frequency of visit as a signal of closeness of a relationship and investigated if different degrees of frequency of visit have different impacts on consumer commitment and possible relational outcomes. The findings suggest that customers with high frequency of visit have a stronger relationship with a service provider. Specifically, the effect of satisfaction on commitment was stronger in high frequency situation. In addition, commitment was more influential on relational outcomes when customers have more frequent contacts with a service provider.

The study found that satisfaction has a stronger impact on commitment when the frequency of visit is high rather than low. It may be that satisfaction is cumulative in nature in relationship marketing. Satisfaction can be defined as a favorable evaluation of satisfactory experiences and the relationship with a specific service provider over time (Bendapudi & Berry, 1997; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002). Because commitment is affected by satisfactory exchange process (Brown et al., 2005; Burnham et al., 2003; Dwyer et al., 1998; Hennig-Thurau et al., 2002; Morgan & Hunt, 1994; Sharma & Patterson, 2000; Vasudevan et al., 2006), more frequent exposure to high levels of satisfaction over time may encourage customers to be more committed.

Although not the main focus of the study, it is also noteworthy that the more frequent group is consistently superior to the less frequent group in terms of commitment in each level of satisfaction (the significant main effect of frequency of visit on commitment). This indicates that a close relationship led by frequent visit contributes to the development of commitment even without the effects of other psychological mechanisms. It indicates that frequent interactions between a customer and a service provider (i.e., a closer relationship) should be encouraged to increase consumer commitment.

As expected, when a customer has a close relationship with a service provider (i.e., more frequent visits), the effect of commitment on share of purchases is stronger. When a customer in a close relationship with a service provider experiences high level of commitment, he/she may increase share of purchases because the high level of commitment and a close relationship motivate him/her to be loyal to the service provider. It is argued that customers are regarded as loyal only when they have both a strong positive attitude and an intention to purchases (Dick & Basu, 1994). These are the customers who would be directly related to increased share of customers to the firms.

Positive WOM is considered as a signal of customers' true loyalty toward a company/brand. That is, it is highly related to strong relative attitude as well as repurchase decisions (Jones & Farquhar, 2007). Customers with a close relationship show much higher intention to spread positive WOM to others compared with those with a less close relationship. This clearly indicates that relative attitude and behavioral measures should be considered simultaneously to understand true customer loyalty (Dick & Basu, 1994). Highest level of customer loyalty (i.e., positive WOM) is motivated by strong desire for relationship maintenance and a close relationship with a service provider.

Altogether, this study indicates that highly committed customers would provide more favorable relational outcomes with more frequent interactions. It implies that a close relationship should be encouraged, especially for high committed customers.

Unfortunately, this study does not provide enough evidence to demonstrate the causal relationship between commitment and relationship closeness. We do not know if closeness increases high level of commitment or vice versa. Instead, this study shows that when these factors are positively combined, the highest level of loyalty is expected. Thus, managers in casual dining restaurants should pay attention to these findings. Highly committed customers should be identified and induced to have more frequent direct contacts with the service providers.

It should be noted that not every customer wants to build a close relationship with a service provider, however (Barnes, 2000). Although a close relationship would be positively related to relational outcomes, if customers are not prone to have a close relationship, the attempts would result in negative reactions from customers. There is a possibility that aggressive attempts would raise psychological reactance from customers, who perceive the attempts as a threat to their freedom. Thus, clear understanding about the customer preferences on a relationship building should be the foundation in implementing any relationship marketing strategies and tactics. The author suggests that a careful segmentation based on customer preferences of relationship marketing should be the first step to build a close relationship with customers.

Managerial Implications

Relationship development

The results of the study suggest some implications for managers in casual dining restaurants. Managers need to recognize the importance of customization benefits on relationship development. Customization benefits are the strongest factor in raising switching costs and identification. Customization benefits are based on customer's perception that he/she is treated as a special customer by the service provider. Any practices that enhance customer's perception on his/her recognition by the service provider will contribute to customization benefits. This study found that personalized services, complimentary offerings, and/or insider information for a recognized customer can be the exemplary practices to increase customization benefits.

Getting personal requires systemized management of customer information. Customer information such as menu preferences and special requests should be managed using a centralized information system, not mainly by employee's ability to remember each customer's preferences. It is difficult for an employee to memorize all the detailed preferences that customers request. If a regular customer needs to ask the same preferential request for each visit, he/she would feel frustrated and think the restaurant does not care about him/her seriously. More important, although an employee may be able to remember and handle each preference of regular customers, if the employee quits the job, these benefits can be lost simultaneously. It is more risky with the relatively high turnover rate in the casual dining restaurants.

The next significant benefits are confidence benefits. Confidence benefits are largely derived from satisfactory experiences over time. They are closely related to technical and functional qualities in the service process. Both technical and functional qualities require significant attention from mangers because customers evaluate their satisfaction on technical and functional qualities in a separate manner for a service with clearer distinction between two qualities (Gremler & Gwinner, 2000). Furthermore, managers should keep in mind that relationship marketing is a long-term process, which is the composite of each individual episode (Grönroos, 2004). Each episode should provide customers with the satisfactory products and services. Confidence benefits require consistency of provided service throughout the relationship development process. Excellent products and services should not be a great one-time episode, but be consistent in the long-term. The accumulated consistent satisfactory experiences reduce customers' uncertainty and increase confidence in the performance of the service provider, which are the foundation of confidence benefits.

These customization and confidence benefits are the core benefits that require managers' significant attention. They increase consumer dependence on service provider as well as enhance consumer commitment, share of purchases, and positive WOM intentions. Managers who want to develop and maintain a relationship with a customer should recognize the importance these two benefits and practice them in their daily operations.

The results found that social benefits are not a strong indicator in increasing consumer dependence on a service provider. Whether it is due to a privacy concern or low probability of being served by the same employee, customer dependence is not significantly influenced by social benefits. Thus, it is recommended that managers should allocate their limited resources to increase customization, confidence, and economic benefits rather than social benefits. Although not significant, however, social benefits should not be ignored in the process. Enjoyable service process based on comfortable interactions with employees would enhance customer evaluation on the overall service quality provided by the service provider.

Casual dining restaurants can achieve important relational outcomes through relationship marketing practices. This study suggests that potential relational outcomes such as increased share of purchases and positive WOM intentions are possible through increased consumer commitment toward the service provider. Consumer commitment indicates the consumer's *desire* to keep a relationship, not obligation. Committed customers are customers who are willingly engaged in the relationship. Because they are willingly in the relationship, they will be less vulnerable to alternatives and more loyal to the current service provider.

For example, this study suggests that positive WOM intentions are largely influenced by satisfaction and commitment. Moreover, switching costs and identification only have indirect impacts on positive WOM intentions through consumer commitment. Considering the significance of positive WOM on attracting new customers (i.e., increased market share), managers need to recognize the importance of consumer commitment in relationship development and maintenance. In addition, increased share of purchases is achievable through commitment with balanced effects of increased consumer dependence (i.e., identification, switching costs, and satisfaction). Thus, managers need to motivate customers to be committed to the relationship with the casual dining restaurants.

Customers are more likely to be committed to the relationship with a service provider when they identify with the service provider and perceive high switching costs and satisfaction. Among these three factors (i.e., identification, switching costs, and satisfaction), switching costs are the strongest one to increase consumer commitment. Following the results of the study, it is observed that switching costs are mainly influenced by customization benefits. Again, customization benefits should be the critical relational benefits that managers need to provide to their customers.

Relational benefits to reduce possible reactance derived from high switching costs

Increasing switching costs may be one of the main reasons why loyalty programs are widely used to keep customers in the relationship with a service provider. It is because those high switching costs lock customers into the current relationship with a service provider (Dwyer et al., 1987; Sharma & Patterson, 2000). Managers should notice that loyalty programs or any practices to target increasing switching costs can be effective until customers perceive reactance from high switching costs.

Managers need to understand that there is a possibility that reactant customers can be vulnerable to alternatives or even can terminate the current relationship with a service provider (Kivetz, 2005). This study recommends that when switching costs are the main strategy to retain customers, relational benefits should be provided to customers to reduce the potential reactance and its possible consequences. The results suggest that when customers perceive high relational benefits, they would be less influenced by switching costs to be committed because they may perceive that they are in the relationship due to their own will to keep the relationship, not due to the lock-in from high switching costs.

Therefore, it is recommended that managers in casual dining restaurants need to provide relational benefits to customers for them to feel proactive engagement in the relationship and reduce reactance from switching costs.

Relational benefits are the benefits that customers receive from maintaining a relationship with a service provider that goes above and beyond the core service provided (Gwinner et al., 1998; Hennig-Thurau et al., 2002). Relational benefits include social, confidence, economic, and customization benefits. Social benefits involve friendship, personal recognition, rapport, and familiarity derived from interpersonal interactions throughout the service process (Barry, 1995; Gwinner et al., 1998). To increase social benefits, managers need to train their employees to deliver enjoyable interactions with customers. For example, using humor during the interactions can provide customers with comfortable and enjoyable services, which are desirable for increasing social benefits (Gremler & Gwinner, 2000). In addition, recognizing regular customers and knowing their names can help increase social benefits.

Confidence benefits refer to the “feeling of reduced anxiety, trust, and confidence” from ongoing relationships (Gwinner et al., 1998, p. 104). Because trust and confidence on the service provider’s performance can be largely achievable through on-going satisfaction from previous experiences, managers need to provide customers with satisfaction for each transaction/episode. It is important to note that service interactions are mainly involved in two parties: customer and employee. Thus, managers are encouraged to train their employees in a way that they can represent the organization properly (Shostack, 1977). In addition, employees need to have professional knowledge about the products they provide and be honest and truthful in dealing with customers.

Economic benefits include monetary savings and time savings (Gwinner et al., 1998). Monetary savings relates to special discounts or coupons. Time savings involves reduced search time or fast service. Economic benefits, particularly monetary savings, are easy to implement and attractive to customers in the short-term (Berry, 1995). However, they are easy to be imitated (Berry, 1995) and make it difficult to detect if customers are truly loyal to the service provider or only attracted to economic savings. Therefore, it is recommended to adopt economic benefits with caution in business practice.

Lastly, customization benefits include personalized service and extra attention to the valued customers (Gwinner et al., 1998), which are expected to provide a greater competitive advantage compared to economic benefits (Lacey et al., 2007). The results of the study (in Model 1) found that customization benefits are the most important benefits to influence consumer behavior. To deliver customization benefits, first, managers need to identify their valued customers. And then, preferences of the valued customers should be recognized and services be provided to satisfy the particular preferences of customers. In addition, customization benefits are achievable through providing more than what customers expect. For example, complimentary offerings without customer's request can provide a customer with the feeling that he/she is treated as a special customer to the service provider.

Overall, managers are encouraged to acknowledge the importance of various types of relational benefits and utilize practices to increase these benefits to reduce possible reactance derived from high switching costs.

Closeness of a relationship

Managers in casual dining restaurants need to acknowledge the consistent pattern of customer's positive attitudes towards a service provider with whom he/she has a close relationship. Closeness of a relationship is indicated by frequency of visit that a customer makes with a particular casual dining restaurant. The more frequent visits, the closer the relationship. Then what in frequency of visit makes a customer attached more with a service provider? One of the reasons may be the strong bonding that customer and service provider develop during the frequent interactions. From the frequent interactions, customers and employees share information, understand each other's perspectives (Nicholson et al., 2001; Wilder, 1986), engage in social bonding (Bendapudi & Berry, 1997), and build trust on the relationship partner (Bendapudi & Berry, 1997; Doney & Cannon, 1997). When a customer develops a strong bonding with a service provider, he/she is more likely to be committed to the relationship and provide relational outcomes that the service provider desires (i.e., increased share of purchases and positive WOM intentions in this study). Thus, managers should apply the concept of closeness of a relationship to their business practices.

It is critical to identify customers who want to build a close relationship with a casual dining restaurant. This study suggests that customers who frequently visit a particular casual dining restaurant should be considered as closeness-prone customers. To managers, it is not a difficult task to identify customers who frequently visit the restaurant. Managers need to recognize that these are the customers who are more likely to be committed, increase share of purchases, and provide positive WOM to their significant others. These are the customers that managers pay more attention to increase customer share and the target market that customer retention strategy should be utilized.

Furthermore, managers can identify potential customers who want to build a close relationship using technology such as telephone and email. For example, managers can ask customers to fill out a customer information card if they want to receive contacts from service provider. Although this strategy is not related to direct face-to-face interactions, it still provides an advantage to build a closer relationship with customers (Barnes, 2000).

As Barnes (2000) suggests, there exists customers who do not want to build a close relationship. They may be more likely to engage in transaction marketing, in which technical quality of the product/output is the dominating quality dimension and interdependence between a customer and a service provider has no or limited importance in business (Grönroos, 1994). If they are attempted to build a close relationship with a service provider, there is a possibility for them to react in an opposite way that a firm does not expect. Therefore, building a close relationship with a customer should start from understanding customer preferences of relationship closeness.

Limitations and Suggestions for Future Research

This study faces with several limitations. First, response rate is low. The short attention span (approximately 15 seconds) and the huge amount of junk mail that online users receive might be a reason for the low response rate (Kim, Nam & Stimpert, 2004). The low response rate is directly related to nonresponse error, raising a question of whether respondents are different from non-respondents. Although not used in this study, incentives or follow-up contact would be useful to increase response rate for future research.

Although items for relational benefits are adopted from previous research and related industry articles, it is possible that items that are important to casual dining restaurant customers may not have been included in this study. Qualitative research design using a focus group or personal interviews may provide more in-depth understanding in relational benefits specific to casual dining restaurants. It is therefore recommended that triangulation of research methods should be utilized for more convincing and accurate understanding in this field of research.

The current study examined relationship marketing practices using the unit of each individual restaurant. However, it should be noted that the relationship boundary is not limited to customer-unit restaurant but can expand to customer-parent company (or brand). Thus, it would be interesting to investigate whether a customer's attitude toward a unit restaurant has a significant effect on his/her attitude toward a parent company. For example, is it conceivable that a customer with a positive relationship with a unit restaurant would have more positive attitude toward a parent company of the restaurant? This could be a source of future research.

A fourth limitation is related to constructs used in this study. Constructs investigated are mainly cognitive rather than emotional in nature. Although identification is somewhat related to feeling, such as it is viewed similar with affective commitment, the root of identification is basically cognitive for its emphasis on self-categorization. It is argued that emotion may possess greater explanatory power beyond the model, which mainly relies on cognitive aspects of the relationship (Nicholson et al., 2001). Thus, constructs related to emotion or feeling (e.g., liking) should be taken into account in the relationship for more complete understanding of relationship development.

This study did not examine the loyalty program usage by respondents. It is acknowledged that loyalty programs are like a two-sided coin. They have both positive and negative effects on relationship marketing practices. For example, loyalty programs would encourage customers to establish a relationship with a provider especially for financial attractiveness. However, they also increase switching costs, which can produce negative results if pushed to an extreme, and mainly cultivate passive loyalty from customers. For possible advantages and disadvantages, it may be interesting to examine the possible differential relationships among antecedents and outcomes between loyalty program users and non-users. It is therefore suggested that similar studies in the future address this limitation.

The moderating role of relational benefits as one construct of the effect of switching costs on commitment was investigated. Yet, it is possible that each type of relational benefits may have a differential effect as a moderator. This may be an interesting area to study in the future.

In addition, frequency of visit was the only item to measure closeness of a relationship. It is suggested that closeness can be measured with other constructs such as high diversity and strength (Berscheid et al., 1989). It would be more helpful in understanding relationship closeness if these items were combined to measure it.

This study investigated the relationship development in the customer's perspective. However, relationship development should be understood as a mutual process. It is significant to understand the relationship development in the service provider's perspective as well. For example, it is argued that the insignificant influence of social benefits in this study was explained in the customer's perspective such as customer's privacy concern and non-interest in building a social relationship with a service provider. Yet, it is possible that a service provider may not want to build a social relationship with a customer. The service provider, who anticipates more costs rather than benefits from a social relationship development, may avoid building a social relationship with a customer. Therefore, future studies should not ignore the relationship development in the service provider's perspective.

Last but not least, items to measure identification need more attention from researchers. It is noticeable that several responses were stopped at the questions of measuring identification. It seems that especially the visual identification item (which was the first question for identification) was not easy to understand by respondents. Easier items might have increased response rate in this study. Future research should deal with this problem to increase the response rate.

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APPENDICES

APPENDICES A

SURVEY COVER LETTER

Okla. State Un
IRB
Approved 12/23/08
Expires 12/21/09
IRB# HE0889

Dear Participants:

Hello! I am Lisa H. Kim, a doctoral student in Hospitality Administration at Oklahoma State University. I am conducting a research survey as part of my doctoral dissertation.

As a casual dining restaurant customer, you may have received certain benefits such as employees' recognition of customers and/or customized service from your patronized restaurant. The purpose of my study is to understand the effects of these benefits on building and maintaining a customer-restaurant relationship. Results of the study will help restaurateurs provide customers appropriate benefits to increase customer commitment and loyalty toward the restaurant.

Since we only sent this survey to a limited group, your response is valuable to the success of this research. Please take about 15 minutes to complete this survey. Your e-mail address was obtained from a public available database purchased. Your participation is greatly appreciated.

Your participation is strictly voluntary. There are no known risks greater than those ordinarily encountered in daily life by participating in this study. There is no penalty for refusal to participate and you are free to withdraw from the survey at anytime without penalty. Your responses will remain confidential. You must be at least 18 years of age to participate.

We are interested in your actual behaviors on positive word-of-mouth and share of purchases. If you allow us to ask your actual behaviors in the next three months, please provide us your email address at the end of the questionnaire. Your email address will be used only for the follow-up study. Your data will be separated from the non-identifiers and your response will be reported only in an aggregated format. Your identity will be kept confidential and will not be released or identified on the report. To start the survey, please press the start button below.

If you have any further questions about this study, please contact the principal investigator, Lisa H. Kim, a doctoral student, in the School of Hotel and Restaurant Administration at Oklahoma State University (email: hj.kim@okstate.edu; phone: 405-744-2355). For information on subjects' rights, please contact Dr. Shelia Kennison, IRB Chair, 219 Cordell North, Stillwater, OK 74078, U.S.A., 405-744-1676. Thank you for your valuable time.

START

Sincerely,

Lisa H. Kim
Doctoral student
School of Hotel and Restaurant Administration
Oklahoma State University
Phone: (405) 744-2355
Fax: (405) 744-6299
E-mail: hj.kim@okstate.edu

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APPENDICES B

SURVEY QUESTIONNAIRE

Questionnaire I

Do you have a particular casual dining restaurant (for example, Applebee's, Chili's, T.G.I.Friday's or any local casual dining restaurant) that you visit on a regular basis?
If **yes**, please continue the survey.
If **no**, please stop the survey. Thank you for your attention.

Section I. Experiences of casual dining restaurant

Please answer the following questions about the casual dining restaurant that **you regularly visit**.

1. How long have you patronized the restaurant?
   ☐ Less than 1 year ☐ 1-2 years ☐ 2-3 years
   ☐ 3-4 years ☐ More than 4 years
2. How often do you visit the restaurant?
   ☐ Twice a week ☐ Once a week ☐ Twice or three times a month
   ☐ Once a month ☐ Others (please specify) _______________
3. How many people usually accompany with you when you go to the restaurant?
   ☐ Myself ☐ 1 ☐ 2
   ☐ 3 ☐ 4 ☐ 5 or more

Section II. Your opinion about the casual dining restaurant

Please check the number that best describes your opinion about the casual dining restaurant that **you regularly visit**.

1 = extremely disagree, 2 = strongly disagree, 3 = somewhat disagree, 4 = neither agree nor disagree, 5 = somewhat agree, 6 = strongly agree, 7 = extremely agree.

Relational Benefits	**Extremely Disagree**	→					**Extremely Agree**
1. I am recognized by certain employees.	1	2	3	4	5	6	7
2. I enjoy certain social aspects of the relationship with this restaurant.	1	2	3	4	5	6	7
3. I have developed a friendship with this restaurant.	1	2	3	4	5	6	7
4. Most employees know my name.	1	2	3	4	5	6	7
5. I know what to expect when I visit the restaurant.	1	2	3	4	5	6	7
6. This restaurant’s employees are perfectly honest and truthful.	1	2	3	4	5	6	7
7. This restaurant’s employees can be trusted completely.	1	2	3	4	5	6	7
8. This restaurant’s employees have high integrity.	1	2	3	4	5	6	7
9. As a frequent diner, I get fast service.	1	2	3	4	5	6	7
10. As a frequent diner, I enjoy saving time in dining because I am familiar with the service process of this restaurant.	1	2	3	4	5	6	7

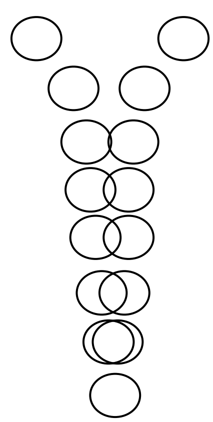
11. As a frequent diner, I get complementary offerings such as desserts or drinks.	1	2	3	4	5	6	7
12. This restaurant provides me a personalized dining service.	1	2	3	4	5	6	7
13. I am treated as a special and valued customer.	1	2	3	4	5	6	7
14. I can tailor my order based on my desire.	1	2	3	4	5	6	7
15. They know what I like.	1	2	3	4	5	6	7
16. I receive service according to my particular preferences on food and drinks.	1	2	3	4	5	6	7
17. The employees provide me insider's tips/advice for menu selection or special events and promotions.	1	2	3	4	5	6	7
18. They provide me the table seat that I prefer.	1	2	3	4	5	6	7
19. I receive extra service attention from the employees.	1	2	3	4	5	6	7

Switching costs	**Extremely Disagree**			→			**Extremely Agree**
1. I would feel frustrated if I terminated my current relationship with this restaurant.	1	2	3	4	5	6	7
2. Generally speaking, the costs in time, finance, effort, and grief to switch from the current restaurant would be high.	1	2	3	4	5	6	7
3. I would lose a lot in changing from the current restaurant.	1	2	3	4	5	6	7
4. On the whole, it would cost me a lot of time and energy to find a new restaurant.	1	2	3	4	5	6	7
5. Considering everything, the cost to stop doing business with this restaurant and start up with a new restaurant would be high.	1	2	3	4	5	6	7

Identification

1. Some people suggest that customers want to be associated with companies that reflect the attributes and values of the customers themselves. Imagine that one of the circles in each row represents your own personal identity and the other circle at the right represents the restaurant's identity. Please indicate which one case (A, B, C, D, E, F, G, or H) best describes the level of overlap between your and the restaurant's identities. Circle only one letter on the following scale.

Me Restaurant



A	Far Apart
B	Close Together but Separate
C	Very Small Overlap
D	Small Overlap
E	Moderate Overlap
F	Large Overlap
G	Very Large Overlap
H	Complete Overlap

	Not at all		moderate				Very much
2. Please indicate to what degree your self-image overlaps with the restaurant's image.	1	2	3	4	5	6	7

Satisfaction

	Extremely Disagree →						Extremely Agree
1. My choice to use this restaurant was a wise one.	1	2	3	4	5	6	7
2. I am always delighted with this restaurant's service.	1	2	3	4	5	6	7
3. Overall, I am satisfied with this restaurant.	1	2	3	4	5	6	7
4. I think I did the right thing when I decided to dine at this restaurant.	1	2	3	4	5	6	7

Commitment

	Extremely Disagree →						Extremely Agree
1. I am committed to my relationship with this restaurant.	1	2	3	4	5	6	7
2. I really care about my ongoing relationship with this restaurant.	1	2	3	4	5	6	7
3. The relationship that I have with this restaurant is something I am very committed to.	1	2	3	4	5	6	7
4. The relationship that I have with this restaurant deserves my maximum effort to maintain.	1	2	3	4	5	6	7

Positive Word-of-Mouth Intentions

	Extremely Disagree →						Extremely Agree
1. I am willing to encourage friends and relatives to do business with this restaurant.	1	2	3	4	5	6	7
2. I am willing to recommend this restaurant whenever anyone seeks my advice.	1	2	3	4	5	6	7
3. When the topic of dining out comes up in my conversation, I am willing to go out of my way to recommend this restaurant.	1	2	3	4	5	6	7
4. I am willing to recommend this restaurant to my friends.	1	2	3	4	5	6	7

Increased Share of Purchases

	Very unlikely		moderate				Very likely
1. In the next three months, how likely are you to make a larger share of your eating-out expenditure at this restaurant rather than other restaurants?	1	2	3	4	5	6	7
2. In the next three months, how likely are you to increase your visits to this restaurant as compared to other restaurants?	1	2	3	4	5	6	7
3. In the next three months, how likely are you to increase your spending to this restaurant as compared to other restaurants?	1	2	3	4	5	6	7

We are interested in your **actual** behaviors on positive word-of-mouth and share of purchases. If you allow us to ask your actual behaviors in the next three months, please provide us your email address. Your identity will be kept confidential and will not be released or identified on the report. Your response will be reported only in an aggregated format. We really appreciate it.

Your email address ______________________________

(Please type here)

Section III. Information about yourself

Please answer the following questions to provide information about yourself. This information will be used for research purposes only.

1.	Gender	☐ Male	☐ Female	
2.	Marital status	☐ Single	☐ Married	
3.	Age	☐ 18-29 years old ☐ 50-59 years old	☐ 30-39 years old ☐ 60 or older	☐ 40-49 years old
4.	Education	☐ Less than high school degree ☐ Some college ☐ Graduate degree	☐ High school degree ☐ College graduate	
5.	Annual household income	☐ Less than $20,000 ☐ $40,000-$59,999 ☐ $80,000-$99,999	☐ $20,000-$39,999 ☐ $60,000-$79,999 ☐ $100,000 or more	

Thank you for your participation in this study!

APPENDICES C

OKLAHOMA STATE UNIVERSITY

INSTITUTIONAL REVIEW BOARD (IRB) APPROVAL

Oklahoma State University Institutional Review Board

Date:	Monday, December 22, 2008
IRB Application No	HE0889
Proposal Title:	A Consumer Commitment Model: Commitment Development and Its Effects on Relational Outcome
Reviewed and Processed as:	Exempt

Status Recommended by Reviewer(s): Approved   Protocol Expires: 12/21/2009

Principal Investigator(s):

Hyun Jung Kim	Hailin Qu
148 HES	148 HES
Stillwater, OK 74078	Stillwater, OK 74078

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45 CFR 46.

☒ The final versions of any printed recruitment, consent and assent documents bearing the IRB approval stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol must be submitted with the appropriate signatures for IRB approval.
2. Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.
3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are unanticipated and impact the subjects during the course of this research; and
4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Beth McTernan in 219 Cordell North (phone: 405-744-5700, beth.mcternan@okstate.edu).

Sincerely,

Shelia M. K

Shelia Kennison, Chair
Institutional Review Board

VITA

Lisa Hyunjung Kim

Candidate for the Degree of

Doctor of Philosophy

Dissertation: A STUDY OF CUSTOMER-SERVICE PROVIDER RELATIONSHIP DEVELOPMENT IN CASUAL DINING RESTAURANTS: A RELATIONAL BENEFITS APPROACH

Major Field: Human Environmental Sciences

Biographical:

Personal Data: Daughter of Young-Hwan Kim and Kong-Im Jung; married to Dong Jin Kim in December, 2001; has a son, Andrew (currently five years old).

Education: Received the Bachelor of Science degree in Tourism Management (under Business Administration) from Cheju National University, Jeju, Korea, in 1999; received the Master of Science degree with a major in Hospitality Administration at Oklahoma State University, Stillwater, Oklahoma in May, 2003; completed the requirements for the Doctor of Philosophy degree with a major in Hospitality Administration at Oklahoma State University, Stillwater, Oklahoma in July, 2009.

Experience: Research Assistant in the Center for Hospitality and Tourism Research at Oklahoma State University (from August 2008 to July 2009); Research Assistant (from January 2006 to July 2008); Recipient of Ambassadorial Scholarship from the Rotary Foundation (from 2001 to 2003); Internship, Grand Hotel (a five-star hotel), Korea (from January 1999 to May 1999 and from July 1997 to August 1997).

Professional Memberships: Lifetime member of The Honor Society of Phi Kappa Phi

Name: Lisa Hyunjung Kim Date of Degree: July, 2009

Institution: Oklahoma State University Location: Stillwater, Oklahoma

Title of Study: A STUDY OF CUSTOMER-SERVICE PROVIDER RELATIONSHIP DEVELOPMENT IN CASUAL DINING RESTAURANTS: A RELATIONAL BENEFITS APPROACH

Pages in Study: 173 Candidate for the Degree of Doctor of Philosophy

Major Field: Human Environmental Sciences

Scope and Method of Study: The overall purpose of the study was to understand the more complete process of customer-service provider relationship development and maintenance in the context of casual dining restaurants. This study suggested that relational benefits (with four sub-dimensions, which is a more detailed view compared to the traditional view) be significant antecedents to increase consumer dependence on the relationship partner, which consequently influence consumer commitment and desired relational outcomes. The target population of the study was all the frequent travelers in the U.S. listed in a public available database purchased. A convenience sampling was utilized to draw samples. An online survey was conducted to collect data. Exploratory factor analysis, confirmatory factor analysis, structural equation modeling, and hierarchical regression analysis were used to analyze the data.

Findings and Conclusions: First, the study contributes to the identification of the new dimensionality of relational benefits and its differential effects on consumer dependence and relational outcomes. Especially, customization and confidence benefits are emphasized to increase consumer dependence, requiring more serious consideration from managers. Second, it provides more complete understanding about the nature of commitment as a mediator between consumer dependence and relational outcomes. The results imply that managers should pay attention to increasing consumer dependence as well as commitment to maximize the share of customers. Furthermore, managers need to allocate their resources to deliver excellent satisfaction and maximize the interdependence with customers to increase positive WOM communications from customers. Third, based on the theory of psychological reactance, the findings open the possibility that relational benefits can provide customers with intrinsic motivations to stay in the relationship without reactance to high switching costs. Lastly, the situational/conditional significance of a closeness of a relationship is proven to involve stronger attachment between a consumer and a service provider and the possibilities to deliver the relational outcomes that a firm desires.

ADVISER’S APPROVAL: Dr. Hailin Qu