Doctorado en Administración y Dirección de Empresas
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SUCCESS FACTORS OF A CRM STRATEGY
FACTORES DE ÉXITO DE UNA ESTRATEGIA CRM

Doctoral Thesis

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A Josito, Paula y Marina.
Las tres luces que me guían.

Con constancia y tenacidad se obtiene lo que se desea; la palabra imposible no tiene significado.

Napoleón Bonaparte (1769-1821)

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Resumen:

El marketing de relaciones es uno de los grandes paradigmas estudiados durante las últimas décadas, tanto en el campo académico como empresarial. Aspectos como la intensa competencia, la globalización de los mercados y el desarrollo de la tecnología hacen que siga siendo necesario adaptar los principios relacionales y profundizar en diversas cuestiones que permitan lograr su implementación de forma exitosa.

El propósito de este trabajo se centra en estudiar determinados aspectos que influyen en lograr el éxito de una estrategia relacional en el contexto competitivo actual. Para ello, inicialmente se toma como referencia el concepto de CRM, entendido no como tecnología, sino como una herramienta estratégica centrada en establecer, mantener y mejorar relaciones rentables a largo plazo con los principales clientes de la empresa. Además, se utilizan otros conceptos como calidad de la relación y propensión del cliente a mantener la relación. Todo ello contribuye a entender mejor esa orientación a largo plazo de la relación empresa-clientes, así como sus implicaciones para la gestión.

El estudio se realiza desde una doble vertiente, empresa y consumidores, para poder tener una visión global basada en las percepciones de las dos partes implicadas en la relación. De esta manera podemos observar cómo puede lograrse la satisfacción del cliente, a la vez que la empresa mantiene en el tiempo una relación rentable.

Palabras clave: Marketing Relacional, CRM, Calidad de la Relación, Propensión del cliente a mantener la relación, Orientación al Mercado, Gestión del Conocimiento.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

In recent years, the economic environment has experience great changes mainly marked by the development of technology, the intensification of competition and the globalization of markets (Shams, 2016). Futhermore, the new technologies, in turn, are contributing to define new consumer profiles which are becoming more and better informed and, therefore, more demanding, while assuming a much more active and protagonist role in exchange relationships (Wang et al., 2004; Flatters and Willmott, 2009; Pekovic and Rolland, 2016). Therefore, the environment turbulence drives firms to stand away from a competitive advantage solely based on the product (Egan, 2001), and stimulates a movement towards knowledge as it has become the key to obtaining competitiveness (Bornemann et al., 2003; Massa and Testa, 2009). In this sense, deep market knowledge becomes the basis for obtaining sustained competitive advantages. Thereby, customer-centric firms are in a better position to establish strategies that provide long-term benefits (Kotler, 2002; Vargo and Lusch, 2004; Grönroos, 2011; Nickell, et al., 2013). Marketing is about identifying and satisfying needs in a cost-effective way and its primary objective is to foster exchange relationships in a way that generates value for the parties (Kotler and Armstrong, 2005). In a customer-centric era, delivering value to the customer must be the top priority for any business. However, given the characteristics of the current environment, the simple delivery of value is not enough. As Baker point out (2006, pp. 197-198), "… *the distinction between success and failure in competitive markets may be reduced to two basic issues, first, an understanding of customer needs, and second, the ability to deliver added value*…". In this sense, the development of strategies should be oriented at establishing long-term customer relationships. An appropriate customer relationship management has become one of the best ways to add value. Thus, a relational marketing strategy can be turned into a source of sustained competitive advantage (Roberts et al., 2003; Ndubisi, 2013; Öberg, 2014).

In this way, corporate marketing strategies have evolved from a purely transactional approach, where everything was directed towards the transaction between seller and buyer, to a relational one where the fundamental objective is to search for profitability through the establishment of long-term relationships with customers (Grönroos, 1994). This is how the concept of Relationship Marketing (RM) came to being. In other words, the focus is no longer on obtaining single transactions or exchanges, but rather creating a prolonged relationship beneficial to both parties.

Relationship Marketing is one of the great paradigms studied during the last decades, both in the academic and business fields (Palmatier et al., 2006; Sheth, 2017), since Berry introduced the term in 1983 linking it to long-term customer relationship management. In general terms, Relationship Marketing is defined as a process to attract, maintain and intensify customer relationships (Morgan and Hunt, 1994; Grönroos, 2000; Kanagal, 2009). Relationship Marketing involves the development of strategies aimed at creating, developing and maintaining long-term relationships with customers, and through this process, value is added. Therefore, one of the main objectives of Relationship Marketing is to achieve customer loyalty based on satisfaction (Berry and Parasuraman, 1991; Ndubisi and Nataraajan, 2016). Numerous authors have shown that loyalty positively influences the profitability of the company, since customer maintenance, on the one hand, entails fewer costs than new client attraction and, on the other, generates higher revenues during the lifetime of the relationship due to cross-selling activities and higher customer penetration rates (Bataineh et al., 2015).

In this context, the Resource Based View can be a tool for the development of customer relationship strategies. The resource theory (Barney, 1991; Grant, 1991; Peteraf, 1993) argues that the main objective of the strategy is to achieve a competitive advantage that lasts over time and provides the understanding of how companies may achieve them. This theory considers the firm as a heterogeneous set of resources and capabilities whose sustained competitive advantage derives from its control over resources and capabilities that are valuable, rare, imperfectly imitable and non-substitutable (Grant, 1991). However, the mere possession of these resources and capabilities does not guarantee the creation of value or the development of a competitive advantage. The ability of a company to create value for the customer will depend on the company's ability to recombine them (Martelo et al., 2013). Therefore, the achievement of competitive advantages involves formulating and implementing a strategy that exploits the unique characteristics of the resources and capabilities of the company (Grant, 2004). To this respect, Market Orientation (MO) (Narver and Slater, 1990; Lambin, 1995; Kaur and Gupta, 2010; Takata, 2016) and Knowledge Management (KM) (Gebert et al., 2003; Martelo et al., 2011; Cepeda-Carrion et al., 2017) are proposed as generating capacities of competitive advantages for their incidence in the process of value creation. Importantly, authors have claimed that, when properly combined, the interrelation of these two capacities can provide a higher level of value (Slater and Narver, 1995; Martelo et al., 2013).

Offering a higher value requires knowing not only what the customer wants, but also what their needs and expectations are as means to bring in better satisfaction than competing companies. Therefore, knowledge has become a crucial resource in a company (Alavi and Leidner, 2001; Salojärvi et al., 2010; Pinho et al., 2012; Krush et al., 2016), because the more information the company knows about the customer and market, the better conditions the firm will have in order to deliver a value which is much more superior to that offered by the competition. This justifies the importance of MO and KM in the generation of value.

From a cultural perspective, MO includes Customer Orientation, Competition Orientation and Inter-functional Coordination, with the aim to satisfy customer needs (Narver and Slater, 1990). MO also provides an attitude towards the systematic collection, interpretation and use of market knowledge. For its part, KM implies first, the acquisition of knowledge, its dissemination and use and responsiveness to such knowledge and second, the implementation of the operative knowledge management and the articulation of adequate processes in order to achieve the desired results (Martelo et al., 2013). The final result of the combination of both capacities is a higher value offered by the company.

1.2 Objectives

Over the last few years, Relationship Marketing literature has evolved towards other concepts such as Customer Relationship Marketing (CRM), Relationship Quality (RQ) and Customer Proneness Relationship (CPR). These concepts seek to understand this long-term orientation with customers and the implications that this orientation may have for both consumers (in terms of behavioral intentions) and the firm (in terms of performance and results). The purpose of this work is to gain an in-depth understanding of aspects that influence the main objective of the CRM within the context of RM. That is, to establish, develop and maintain lasting relationships with customers in a profitable way.

After a review of the literature, we have detected several gaps. First, it appears that there are no previous empirical studies which analyze, from the point of view of the consumer perception, the antecedents of RQ with a management approach. Second, we have found that RQ may be considered as an antecedent to the propensity of a client to maintain the relationship with the company. Third, we have also found a need to research on the appropriateness of adapting RM strategies in each country as studies today are limited (Ghemawat, 2011; Samaha et al., 2014), even when there is a growing interest in studying possible variations in the perception of consumers as a consequence of the cultural differences that may exist between countries (Wei et al., 2015).

Based on the aforementioned gaps, we set the following objectives:

- To study the relationship between MO and KM as antecedents of a set of organizational factors that can determine the success of CRM, from a standpoint of the company.
- To gain depth, from a standpoint of the customer perception, about the antecedents of RQ and its influence over the customer's proneness to maintain the relationship.
- To explore the possible implications of cultural differences affecting the propensity of customers to maintain such relationship.

Therefore, we assume the challenge of analyzing the aspects that influence the achievement of the CRM objective from a double perspective (consumers and company) incorporating, in addition, a cross-cultural component.

1.3 Structure of the Thesis

In order to achieve these objectives, five chapters structure this Thesis (See Table 1.1) This first chapter justifies the interest and opportunity of the research, and presents its structure. The common nexus is placed in the Relationship Marketing literature and its connection to the concepts of MO, KM, CRM, RQ and CRP. Next, Chapter 2 focuses on analyzing the antecedents of the success of a CRM strategy from the perspective of company managers. Chapter 3 examines how costumers in terms of the Relationship Quality and their willingness to maintain the relationship with the company perceive this strategy, defined by the combination of MO, KM and Perceived Relationship Investment (PRI). In Chapter 4, a cross-cultural analysis is performed to study the existence of possible cultural influences on the Customer Relationship Proneness studied in the previous chapter. Finally, Chapter 5 presents the main conclusions, implications and proposals for future research.

Specifically, Chapter 2 presents the concept of Customer Relationship Management (CRM) that represents the evolution of the relationship-marketing concept. CRM focuses on managing successful and profitable relationships with customers (Ambler, 2005). In other words, the company attempts to increase customer loyalty and value for the duration of that relationship (Verhoef and Lemon, 2013) by focusing on customer satisfaction from previous transactions. These transactions make them feel motivated to make new purchases, and hence, maximizing the profitability of customers over time (Zikmund et al., 2003). In this sense, Relationship Marketing and CRM are associated since they pursue very similar goals. Additionally, some authors consider these two concepts to be interchangeable (Parvatiyar and Sheth, 2001; Jain, 2005), while others point out that CRM implies the practical application of relational marketing values and strategies (Gummeson, 2004), and being closely linked to information technology (Ryals and Payne, 2001).

Since the concept emerged in the 1980s, CRM has been an issue that has aroused great academic and business interest. However, although studies in this field have increased in recent years, it is still necessary to continue to gain depth in several aspects. For example, CRM requires more consensus about the definition of the concept, the analysis of which factors and in what form they influence CRM success, and what aspects may prevent a successful implementation (Garrido-Moreno and Padilla-Meléndez, 2011). In this context, Chapter 1 examines the background of successful CRM strategies from the perspective of business managers. For this, an analysis of the different perspectives from which the CRM can be approached and serves as the basis for the establishment of the structural model. So, by adopting a comprehensive MO approach with the support of KM as a fundamental pillar of the CRM, we analyze the effect that a set of organizational factors can have on CRM success from the company's point of view.

In terms of the organizational factors, we considered to include the following resources needed to achieve the CRM objective: the abilities required to efficiently and effectively increase the acquisition and retention of profitable clients. In this sense, we have considered: technological resources that allow to capture the vast amount of customer data in an adequate and efficient way, the human component which is fundamental to interpret and use of data, economic resources, and specific CRM know-how. Also, CRM success is measured in terms of loyalty, satisfaction, customer interest in the company's products and the customer share of wallet, always from the perception of the company's managers.

To test the model, a study was conducted in the Spanish banking sector. In addition to its relevance to our country's economy and the fact that the use of CRM is widespread, this sector has undergone major structural changes that have further intensified competition. It is also a sector in which the emotional component, such as trust, has been shown to be directly related to customer loyalty. Therefore, we consider that this sector is suitable to investigate the management of the client-company relationships as a source of competitive advantage. This first empirical approach analyzes the managers' perception of the factors that influence the achievement of long-term relationships with clients. Specifically, a sample of 81 branch managers from the main Spanish banks was contacted to fill out a questionnaire based on previously validated measurement scales. Bank managers were chosen for their intermediate management role since, they have direct contact with clients and also, they know the organizational structure of the entity through their contact with higher levels of management.

Next, Chapter 3 focuses on knowing the customers' point of view. As discussed above, Relationship Marketing aims to attract, develop and maintain long-term and profitable relationships with customers (Berry and Parasuraman, 1991; Gummesson, 2008). In the literature, it has been widely shown that customer retention is more profitable than the attraction of new ones (Rosenberg and Czepiel, 1984; Ndubisi et al., 2009; Verma et al., 2016). On this basis, we intended to gain insights into the aspects that determine the propensity of the client to maintain such relationship. In so doing, companies may better orient their relationship strategies. Therefore, the objective we set out in this second research is to study the incidence that the application of a CRM strategy, within the context of Relationship Marketing, influences Customer Relationship Proneness from the consumer side, since maintaining long-term customer relationships is based on customer attitudes toward the company (Chang et al., 2016). Thus, we believe that MO, KM and the Perceived Relationship Investments (PRI) will positively influence Customer Relationship Proneness (CRP) via relationship quality (RQ).

Relationship Quality (RQ) is defined as the overall positive perception that a buyer has over the relationship with a service provider formed from several exchange episodes (Barry and Doney, 2011). Following a number of authors (De Wulf et al., 2001; Ulaga and Eggert, 2006; Athanasopoulou, 2009; Nguyen and Nguyen, 2014), we define RQ in this chapter as a first order construct measured in terms of satisfaction, trust and commitment. This variable allows to gain depth into the long-term relationship with customers. From the context of Relational Marketing, which this paradigm consists of identifying, establishing and maintaining relationships with customers, it has previously been acknowledged that the objectives of all the parties involved are reached through exchanges and fulfillment of mutual promises (Grönroos, 1994; Gummesson, 2008; Badi et al., 2017). In this context, Grönroos (1990) indicated that "*establishing a relationship involves giving promises, maintaining a relationship is based on fulfilment of promises; and, finally, enhancing a relationship means that a new set of promises is given with the fulfilment of earlier* *promises as a prerequisite*". Consequently, it is understood that from the consumers' perspective, the relationship is maintained not only by seeking the satisfaction of their needs, but also by confiding on an emotional component linked to aspects such as trust and commitment. Thus, through RQ it is possible to capture the extent to which the consumer is satisfied, by means of the trust confided upon the service provider and by the commitment to the relationship with the company (De Wulf et al., 2001).

To test the model, a study was carried out in the Spanish and Mexican banking sector. The interest of selecting this sector lies upon the great importance that the banks have in the economic system and where, in addition, the CRM is widely extended. In addition, various studies have shown that in this sector there is a strong emotional component linked to customer loyalty. The selection of these two countries is justified through the existence of certain cultural similarities between both countries and their different levels of development of their respective economies. Through a sample of 431 banking users, a questionnaire was developed based on previously validated measurement scales. In this way, we can analyze the effects of the relational management of the company on the quality perceived by the client and, through this construct, we can also look into the client's propensity to maintain the relationship in the future.

Current economic trends speak of the need to understand any phenomenon in an international and global context. In order to survive in today's competitive environment, company strategies should have not only an orientation towards offering a higher value, but also an adaptation to cross-cultural differences. This is the fundamental objective of Chapter 4. More and more companies are beginning to internationalize processes using new technologies, particularly the Internet, as they face cultural differences among countries (Belanche et al., 2015). Therefore, in this scenario it is important to consider the conceptual and technological changes that occur in the relational field, as well as the cross-cultural effects (Matusitz and Musambira, 2013). In this regard, the development of new technologies (Internet, social networks, app, etc.) has meant a revolution in traditional exchange processes. On the one hand, the role of consumers has changed since they are now more informed and active in the exchange process and, on the other, new technologies have allowed companies to access more markets and gain much more information from consumers. In addition, as a study by Forrester (2015) for the Consultant Accenture points out, companies require to connect emotionally with customers through digital experiences as a way to add value. In this sense, as companies have access to a greater number of markets, they are challenged by the cultural differences among countries. Culture refers to the pattern of values, norms, and beliefs that affect the way people evaluate information (Hofstede, 1991) and, therefore, culture will also influence how people interpret and respond to relational actions proposed by companies (Samaha et al., 2014).

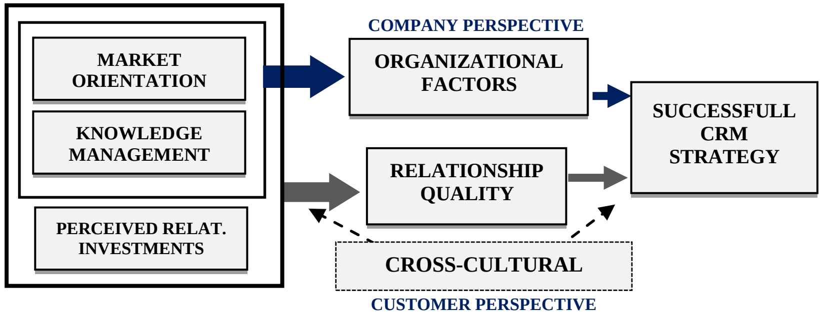
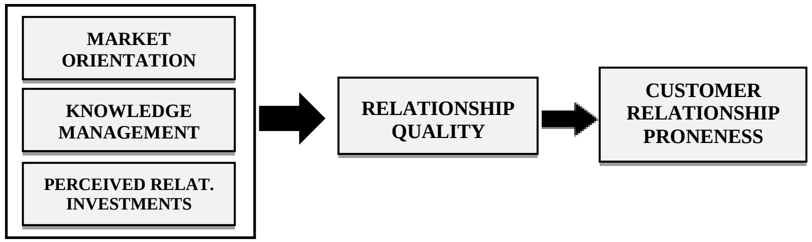
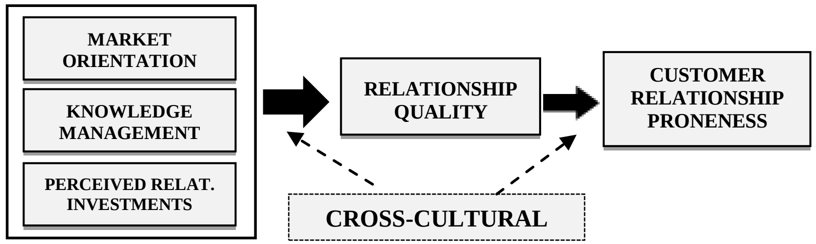
Thus, based on the proposed model from the previous chapter, the objective of this fourth chapter focuses on analyzing the possible implications that cultural differences may have on the propensity of clients to maintain the relationship with the company. Specifically, based on Hofstede’s model, a consumer intercultural analysis was carried out between Spain and Mexico. From a conceptual point of view, Hofstede´s model argues that cultures are comparable in a set of dimensions common to all countries (Hofstede, 1991; Minkov and Hofstede, 2011). For our research development, one of the five dimensions by Hofstede were selected since it was considered the most suitable to the constructs of our study: *Long-term Orientation.*

The dimension of *Long-term Orientation* (that measures the degree to which individuals in a society face changes in the environment) allows us to analyze the following possible moderating effect on culture. First, in terms of the MO and RQ relationship, as its premise suggests, the larger the long-term orientation in a country, the larger the extent to which individuals assume changes in the future. Second, in terms of the KM and RQ relationship, as its premise suggests, the larger the long-term relationship is, the better conditions the company has in order to manage knowledge in a proactive fashion and adapt to the evolution of consumer needs and demands.

A sample of individuals from Spain and Mexico was selected. Both countries have some significant differences. First, while Spain is a developed economy, Mexico is an emerging one. Second, and based on Hofstede model, important cultural differences are appreciated. Third and last, the crisis of 2008 drew different repercussions upon Spain and Mexico, mainly due to recent historical issues from both countries.

In order to develop the intercultural analysis, first, a multi-sample analysis is carried out following the recommendations by Chin and Frye (2003). Second, we carry out an analysis based on the T-test proposed by authors such as Chin and Frye (2003) and Keil et al. (2000). To conclude, Chapter 5 presents the main results, as well as the discussion of the literature associated to our research. It also assesses some relevant implications, recognizes the limitations of the research and presents some research proposals for the future.

Table 1.1. Doctoral dissertation research objectives

	RESEARCH OBJECTIVES	CONCEPTUAL FRAMEWORK
DOCTORAL THESIS	***Research objective:*** To analyze the aspects that influence in maintaining long-term relationships as a fundamental objective of a CRM strategy from a double perspective. On the one hand, we analyze the antecedents of the success of a CRM strategy from the perspective of the company and, on the other hand, what aspects influence on the perception of the quality that the client has of his relationship with the company and how this, in turn, influences on his propensity to remain in the relationship, as well as the possible differences due to a cultural component.	
STUDY 1: Success factors in a CRM strategy: technology is not all	***Research objective 1:*** To further current literature in Relationship Marketing context analyzing the antecedents of the success of CRM strategy from company managers point of view, adopting a comprehensive approach to Market Orientation.	
STUDY 2: Analysing Relationship Quality and its contribution to Consumer Relationship Proneness	***Research objective 2:*** To investigate how CRM strategy, defined by the combination of MO, KM and Perceived Relationship Investment, is perceived by customers in terms of the Relationship Quality and their willingness to maintain the relationship with the company from a standpoint of the customer.	
STUDY 3: RQ as an antecedent of Customer Relationship Proneness: a cross-cultural study between Spain and Mexico	***Research objective 3:*** To analyze the possible implications that cultural differences may have on the propensity of customers to maintain the relationship with the company.	

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CHAPTER 2

SUCCESS FACTORS IN A CRM STRATEGY: TECHNOLOGY IS NOT ALL

Abstract

Organisations today need to create, maintain and reinforce relationships with customers. CRM seems to have helped firms to better understand their relationships. However, past studies have looked at technology and customer orientations as key factors. This paper aims to analyse the simultaneous effect of Market Orientation (rather than Customer Orientation), Knowledge Management and other organisational factors in order to explain how to implement a successful CRM.

Findings suggest that Market Orientation and Knowledge Management may influence CRM success. Data also suggest that particular organisational factors such as employees, leadership and specific know-how may be key factors in determining the success of CRM.

For efficiency resource management, this paper recommends to focus not as much in technology, but on programmes for selection, training and motivation of employees which may enhance CRM objectives. Companies may also pursue a higher customer value by putting in place and reinforcing knowledge management schemes in specific know-hows about CRM.

Keywords: CRM, resources, banking sector

2.1 Introduction

Increasing economic globalisation and the development of new information technologies are changing the rules of the market and require tailored strategies and business practices. Consumers demand more individualised treatment; in many cases they want to be involved in the process of product creation and are increasingly prone to exchanging views via the Internet and social networks (Cambra et al., 2013). The effect of these new technologies, coupled with volatile consumer preferences, has meant that companies are obliged to collect information about consumer characteristics, tastes and previous purchases to predict future buying patterns and tailor their offers to each individual. Thus, companies can gain competitive advantages that not only allow them to maintain and strengthen relationships with their customers, but also increase their market share (Colgate and Danaher, 2000). Consequently, the marriage of the marketing philosophy with information technology has resulted in the concept of Customer Relationship Management (CRM) (Boulding et al., 2005; Jayachandran et al., 2005; Kervok and Vrechopoulos, 2009).

CRM first emerged in the 80s and since then has sparked a great of interest from both academics and business practitioners. As a case in point, the Journal of Marketing launched a special issue on CRM in 2005. From a business management perspective, CRM reflects the great interest in managing successful and profitable customer relationships (Ambler, 2005). Conceptually it is based on Relationship Marketing, whose primary purpose is the pursuit of profitability through customer satisfaction and loyalty whilst trying to maximise long-term customer profitability (Zikmund et al., 2003).

From a practical point of view, managing successful customer relationships begins with identifying and acquiring the right customers. Therefore, companies must strive to discover who are their best customers and gain their loyalty whilst simultaneously allocating fewer resources to manage relationships with unprofitable customers (Kimiloglu and Zarali, 2009; Saarijarvi et al., 2013). This requires analysing each customer individually, which is possible by managing customer databases. However, many other factors, such as organisational leadership, human resources management or the allocation of other resources influence the success of CRM.

CRM has been researched from different perspectives: as a process (Grönroos, 2000), as a strategy (Adenbajo, 2003), as a philosophy (Fairhurst, 2001), as a capacity (Peppers et al., 1999) and as a technological tool (Gefen and Ridings, 2002). This latter perspective, as a technology, seems to carry more weight in the generic field of business management, which is why technology often becomes more important than the strategy itself. Technology is important while managing CRM, but it is not all. It has been posed that companies manage unprofitable CRM systems or fail to reach expectations while implementing CRM systems (Johnson et al., 2012).

For this reason, authors such as Trainor et al. (2014) suggest the need to focus on technology in conjunction with other organisational resources. For example, Chang et al. (2010) suggest combining technology with marketing capabilities.

For instance, Garrido and Padilla (2011) show that by having the proper leadership management, human resources, technology or interfunctional coordination positively influence the successful management of CRM. This is because these factors facilitate a correct knowledge management, which in turn allows the company to meet the demands of consumers. The authors also conclude that customer orientation is the right marketing approach to use when implementing a CRM philosophy. However, from the point of view of marketing, Market Orientation (MO) has proven to be superior to the Customer Orientation (CO) approach, because it also considers Competitor Orientation (CMO) and Interfunctional Coordination (IC) (Slater and Narver, 1998).

To fill this gap identified in the literature our aim is to study the relationship between MO and Knowledge Management (KM), from a marketing standpoint, as antecedents of a set of organisational factors that can determine the success of CRM. Thus, the two main contributions to the literature are, first, the adoption of a comprehensive approach to MO and, second, to analyse the influence of each factor in the success of CRM.

With the aforementioned in mind, the next section presents the concept of CRM and its different perspectives. Possible interactions with the MO are also proposed. The third section presents the model and the hypotheses which form the basis of the empirical study. The results are discussed in the fourth section. Finally, the article concludes with a set of managerial and research implications, as well as its limitations and suggestions for further research.

2.2 Theoretical background of CRM

The specialised literature considers that the cornerstone of CRM is the Relationship Marketing paradigm (e.g. Ryals and Knox, 2001; Gummeson, 2004; Zablah et al., 2004; Payne and Frow, 2005). This paradigm is based, among others, on the pioneering work of Berry (1983) that links it to the management of long-term relationships with customers. This approach to marketing is defined as a process to attract, retain and strengthen customer relationships (Grönroos, 2000). The main objective is the pursuit of profitability through customer loyalty, leaving the transactional goal of attracting new customers as a secondary matter (Grönroos, 1994; Kimiloglu and Zarali, 2009; Saarijarvi et al., 2013). From the point of view of marketing, CRM has developed as a firm commitment to maintaining positive relationships with customers, building loyalty and increasing their Customer Lifetime Value (CLV), that is, the value of the life cycle of the customer (Verhoef and Lemon, 2013). However, there is no single definition of CRM as there are different perspectives from which this term can be addressed.

2.2.1. CRM Perspectives

As Zablah et al. (2004) and Kervok and Vrechopoulos (2009) indicate, the concept of CRM can be approached from several perspectives: as a philosophy, a process, a capacity, a technology tool and as a strategy. However, the common underlying basis is the pursuit of a competitive advantage based on managing profitable customer relationships (see Table 2.1).

The philosophical perspective requires that customers are the focal point for the entire company and the primary goal is creating value for them. So, the best way to achieve customer retention and profitability is ensuring that all members of the organisation are constantly focused on customer satisfaction (Zablah et al., 2004).

A second perspective views CRM as a process. This perspective considers that the customer-company relationship develops over time, can be characterised by a life cycle and must evolve to endure (Zablah et al., 2004). Issues such as information sharing, trust, compliance of mutual expectations or cooperation determine this evolution, success and profitability (Grönroos, 2000).

Both perspectives, philosophical and process, can be related to MO, which focuses on satisfying the needs of customers in a more superior way than the competitors. In order to manage successful relationships it is necessary to collect information about the real needs and expectations of customers, supply and competitive capabilities, internal resources and skills. Additionally, it is necessary to understand that the environment changes and that buying behaviour patterns are not stable. Two approaches have dominated the conceptualisation of MO: the perspective of culture and behaviour or operational perspective. On the one hand, the MO is described as a form of organisational culture with three key components: Customer Orientation, Competitor Orientation and Interfunctional Coordination (Narver and Slater, 1990). We can intuitively relate this to the perspective of CRM as a philosophy. On the other hand, Kohli and Jaworski (1990) define MO as the generation of market intelligence at all levels of the organisation, the dissemination of this information among all departments and the development of an appropriate organisational response, indicating which key tasks need to be performed. It is possible to relate this approach with the CRM perspective as a process. However, authors such as Cadogan and Diamontopoulos (1995), Avlonitis and Gounaris (1997), Homburg and Pflesser (2000), Helfert et al. (2002) and Gao and Bradley (2007) consider them as complementary approaches rather than rivals, which is why we propose that both philosophical and process CRM perspectives are also complementary.

In turn, the two previous perspectives are related to the CRM perspective as a capability. According to this perspective, maintaining lasting relationships with customers is only possible if the company has a set of adequate resources and is flexible enough to constantly adapt and readapt their behaviour towards their customers (Peppers et al., 1999; Zablah et al., 2004). In other words, the management of a long-term relationship with customers is based on the ability to know and understand their changing needs that may require new adaptations (Zablah et al., 2004; Mithas et al., 2005). This perspective is in line with the Resource View that defines a company as a set of productive resources that help determine their competitive position, depending on the way in which it makes use of them. Obtaining competitive advantages involves developing strategies that exploit the unique features of a set of resources and capabilities (Grant, 1991). Therefore, the key of profitability lies not in doing the same as competitors but in exploiting the differences.

CRM as a technology tool is a perspective that contemplates CRM as an important resource because it not only facilitates the collection and storing of customer data, but also builds knowledge from it and disseminates it through the organisation (Crosby and Johnson, 2001; Zablah et al., 2004). Thus, CRM tools enable the proper management of customer relationships which in turn means that these are lasting and profitable (Chen and Popovich, 2003; Zablah et al., 2004). Therefore, in a strict sense, we may consider this perspective as a particular case of the capability perspective.

Finally, the CRM approach as a strategy emphasises the idea of Customer Lifetime Value (CLV), that is, the value that customer represents over the lifetime of this relationship with the company. In this respect, if we consider all the perspectives it is possible to define strategies and actions that not only maintain positive relationships with customers and increase their loyalty, but also maximise the CLV through cross-selling or up-selling, amongst others (Venkatesan and Kumar, 2004).

Table 2.1 provides a summary of the general description of each of the CRM perspectives and highlights that the common theme is the importance of managing lasting and profitable relationships.

Table 2.1. CRM perspectives

PERSPECTIVES	DESCRIPTION
PHIILOSOPHY	CRM focuses on building and maintaining long-term relationships with customers. The entire organisation must have the customer as the main reference.
PROCESS	CRM focuses on the dynamic and evolving nature of customer relationships.
MARKET ORIENTATION	CRM, considering its philosophical and behavioural aspect, can additionally provide competitive advantage.
CAPACITY	The resources and capabilities of the organisation and their exploitation are essential to achieve competitive advantages.
TECHNOLOGY TOOL	CRM is an essential resource as it allows the collection and storing of data to build and disseminate knowledge throughout the organisation.
STRATEGY	It considers in an aggregate form of the other perspectives and additionally focuses on Customer Lifetime Value (CLV)

Source: Adaptation of Zablah et al. (2004).

2.2.2. Contributions of Market Orientation

As technology has developed and the market has become more competitive, companies have been forced to change their management approach. Currently, customers determine the commercial action, so companies need to adapt their offer to the specific customer requirements. As Levitt (1960) predicted, companies should focus on meeting the needs of customers instead of selling their products.

However, focusing only on the needs of customers may not be enough. Customers are an essential part of business success, but they form part of a larger picture. Companies interact with their environment, in which there are other companies competing to satisfy these same customers. Therefore, delivering superior value proves decisive (Slater and Narver, 1998; Boulding et al., 2005).

For this reason, it is necessary to differentiate between CO and MO as the two concepts that are often used interchangeably and have generated misunderstandings. In the work of Slater and Narver (1998) and Pérez and Cambra (2013) a clear distinction is made, noting that while CO has a more reactive and adaptive nature (focusing on understanding the wishes of customers and developing products and services to satisfy them), MO has a more proactive and long-term character (in addition to focusing on the expressed and latent needs and wishes of customers, it also focuses on the skills and strategies of the competitors through the process of acquiring and evaluating market information in a systematic and proactive way).

Therefore, companies should not only be oriented to customer or competition, but must also adopt an integrated management approach (Boulding et al., 2005). Customers, competitors and the organisation itself become the point of reference (Kohli and Jaworski, 1990). In addition, MO involves implementing the marketing concept throughout the organisation and not just the marketing department, acquiring a strategic dimension.

In this sense, there have been many authors who have analysed the role of MO in the firm (e.g. Jaworski and Kohli, 1993; Lings and Greenley, 2009). Indeed, these studies have shown positive effects, such as improvements in the short and long-term sales, profit growth, increased market share, successful launch of new products, higher customer satisfaction or better performance assets compared with other organisations that are less market-oriented (e.g. Deshpande et al., 1993; Jaworski and Kohli, 1993; Slater and Narver, 1994; Kirca et al., 2005; Grinstein, 2008; Kumar et al., 2011).

Based on these arguments we consider that the success of a CRM strategy must be considered under a MO approach as it is much more complete than the CO.

2.3 Conceptual framework and hypotheses development

Given the complementarity between the perspectives of CRM as a philosophy, process and capability, this study aims to analyse the specific factors that contribute to the success of CRM. The proposed model starts from a MO approach and relies on KM as a fundamental pillar of CRM. This model introduces a significant change by adopting the MO as reference, instead of CO, which was the reference used in previous studies, such as that of Garrido-Moreno and Padilla-Meléndez (2011). We propose that certain organisational factors, such as the leadership of senior management, the employees and the endowment of resources (economic, technological and know-how of CRM) may be key factors in determining the success of CRM, and that they also act as mediators of the other factors analysed (the MO and the KM).

Figure 2.1 shows the reference model that forms the basis for developing the hypotheses. We take as a base the idea proposed by Boulding et al. (2005) and Maklan and Knox (2009), who understand CRM as a strategic tool for managing the dual value creation, the intelligent use of data and technology, the customer knowledge acquisition and the dissemination of the relevant parties, the development of appropriate relationships (long-term) to specific customers and/or customer groups, and integration of processes across various business areas that collaborate to generate customer value. However, we additionally consider that in such a competitive environment, in which the same needs can be met in many ways and by many companies, companies need to not only create value, but create a higher value than the competitors. Therefore, it is necessary to adopt a holistic approach of MO.

2.3.1. Market Orientation, Knowledge Management and CRM Success

The Resource Based View considers the firm as a set of resources and capabilities (Barney, 1991; Grant, 1991). Competitive advantages of firms are achieved by controlling a range of resources and capabilities that are valuable, rare, difficult to imitate and non-substitutable. These resources may be tangible or intangible, including management capabilities of a company, its processes and organisational routines, and the information and knowledge it controls. In this sense, MO can become a valuable intangible resource that promotes a management based on meeting the needs of customers with greater excellence than the competition, that is, as a source of competitive advantage.

For the purposes of this research, we adopt the attitudinal approach of MO as reference, while we postulate that the behavioural approach is similar to the concept of Knowledge Management, proposed by authors such as Darroch (2003). These authors highlight the importance of acquiring knowledge, its dissemination and use, or the ability to respond to the acquired knowledge. Thus, from a commercial standpoint, we could use both terms interchangeably and defend the complementarity of the two main MOs.

Reviewing the literature, we found consensus on the relationship between MO and value creation (e.g. Narver and Slater, 1990; Kaur and Gupta, 2010). Also, investigations about the relationship between Knowledge Management and value creation confirmed positive results (e.g. Gebert et al., 2003; Martelo et al., 2011).

Thus, the study of Martelo et al. (2013) considers MO and KM as two organisational capabilities which, when combined properly, contribute to generate a higher level of value. While MO is considered a strategic capability that systematically gathers, interprets and uses information about the market, the customers, the competition, the environment and the same organisation; KM is an operational capability or tool which may assist in reaching satisfactory results by managing knowledge and articulating appropriate processes.

Therefore, based on all the above arguments we can establish the following hypotheses:

H1. Market Orientation positively influences Knowledge Management.

H2. Knowledge Management positively influences CRM success.

Similarly, there are numerous studies that directly relate MO with the outcomes. Authors such as Narver and Slater (1990) and Jaworski and Kohli (1993) were pioneers in demonstrating that the MO is relevant in any market environment. This idea is also highlighted in the work of Gray et al. (1998), who conclude that MO has a positive effect on the management of customer relationships. Therefore, if we consider CRM as a proper form of managing these customer relationships, we can establish that:

H3. Market Orientation positively influences CRM success.

2.3.2. Organisational factors, Market Orientation, Knowledge Management and CRM success

The purpose of CRM is to increase the efficient and effective acquisition and retention of profitable customers. This is achieved by building and maintaining appropriate relationships with selective customers. It is therefore necessary to have adequate sufficient allocation of resources such as employees, capital, technological tools and know-how.

The development of CRM has been made possible because of the technological evolution, which has enabled businesses to organise themselves around customer needs. Thus, information technologies play a fundamental role (Payne and Frow, 2005).

However, it is not enough to just obtain market information, but that information must become knowledge through human activity (Salojärvi et al., 2010). Though systems and technological processes are important for CRM activities without a proper human interaction, or sufficient investment in this area, CRM may be inefficiently and unsuccessfully managed (Boulding et al., 2005).

In this regard, Slater and Narver (1995) suggest that the value of MO is twofold: first, it forces companies to focus on gathering information about customer needs and competitor capabilities and; second, it uses that information to continuously create superior value. However, in order to spread this knowledge it is necessary to make the right changes in the organisational structure (Kohli and Jaworski, 1990; Becker et al., 2009). Often, these changes include the training, motivation and the appropriate rewards for employees who are involved in activities related with CRM (Reinartz et al., 2004; Becker et al., 2009). Specifically, Payne and Frow (2005) conclude that a successful CRM implementation requires processes, people, operations and marketing capabilities that are interfunctionally integrated and enabled through the use of information technology and its applications.

To Mendoza et al. (2007), when this transition takes place it is necessary to develop certain skills, acquire the right resources and tools, and the proper knowledge to meet customer needs with the right products and services, exceeding the performance of possible competitors. Senior management plays a very important role because, on the one hand, they should help employees assimilate and understand the changes and, on the other, they should ensure that employees have the skills needed to overcome new challenges. Thus, training becomes one of the most important aspects for both the organisation and employees themselves.

Furthermore, as Ryals and Knox (2001) indicate, the successful implementation of CRM requires a more effective management of functional interdependencies and a review of the ways in which the employee's performance is measured and how it is rewarded. Thus, to achieve a suitable change in expectations and behaviour towards the CRM the commitment and support of top management is vital (Fletcher and Wright, 1996).

Other authors, such as Reinartz et al. (2004), Sin et al. (2005), Greve and Albers (2006) or Keramati et al. (2010), among others, conclude that infrastructure resources (human and organisational resources) and technology allow the creation of value through CRM, as these infrastructures are the most influential. Finally, as noted by Rigby et al. (2002), the success of CRM also depends on the financial resources allocated, although the strategy is more relevant. The strategy refers to the proper allocation of resources to achieve superior performance.

Therefore, we consider that one of the main ways to achieve success in CRM is to align the organisational structure with business processes prior to implementing the specific technology. Second, it uses that information to continuously create superior value. In this regard, the role of senior management is crucial and will require a proper allocation of resources. Thus, based on the previous ideas and arguments we suggest the following hypotheses:

H4. Market Orientation influences the profile of organisational factors a) employees, b) leadership, c) economic resources, d) technological resources, e) specific know-how about CRM.

H5. Knowledge management influences the profile of organisational factors a) employees, b) leadership, c) economic resources, d) technological resources, e) specific know-how about CRM.

H6. Organisational factors employees, b) leadership, c) economic resources, d) technological resources, e) specific know-how about CRM positively influence CRM success.

Thus, from the point of view of the company, the success of CRM is measured in terms of customer satisfaction, customer loyalty and maximising the value of this relationship over time (interest in other goods offered by the company which are not yet consumed by them, their share-of-wallet, the cross-selling and up-selling, or the effect of word of mouth with other customers). This should improve the competitive position of the company, its profitability and its market value. Based on the aforementioned, we understand why many authors (e.g. Reinartz et al., 2004; Krasnikov et al., 2009) argue that firms with stronger relationships with the right customers enjoy greater profitability for longer periods of time. Companies try to identify the most valuable customers, build lasting relationships with them and maximise the profitability of their customer base. Managing CRM properly allows companies to maintain better communication with customers and enables them to better meet their needs through actions such as customising the products and services (Venkatesan and Kumar, 2004). Meanwhile, as customers see their needs met they tend to have a longer-lasting relationship with the company, buy more frequently and are less likely to maintain relations with the competition (Krasnikov et al., 2009). This is the dual creation of value of CRM, for both company and customers.

2.4 Research Methodology

To test the proposed hypotheses a pilot study was carried out in the Spanish banking sector. In general, the financial sector can be considered as one of the main economic drivers, as it enables the financing of economic growth of a country and plays a decisive role in the process of channelling savings into investment. In the Spanish economy, the banking sector is very important due to its structure – in 2007 Spain had 151 banks, 46 savings banks and 85 credit unions. However, the 2008 crisis has led to a remodelling of the sector resulting in numerous mergers and acquisitions. This has significantly reduced the total number of banks, particularly savings banks (now 72 and 20, respectively) (Bank of Spain, 2013).

This sector has been chosen for the empirical study because CRM is widely used. The complicated situation of the financial sector in recent years - characterised by increased competition, the development of technological innovations and customers with more financial knowledge - has forced financial institutions to use IT tools to collect and process customer information to achieve greater involvement and profitability of each of them. Also, emotional aspects such as trust, influence customer loyalty. According to a study of the Emo Insights Company, 62% of customers choose to break up with their bank because of a poor emotional relationship with the entity. Thus, the management of company-customer relationships is a valuable source of competitive advantage.

We interviewed the directors of bank branches because, as middle managers, they are responsible for contacting customers and manage commercial relationships. Also, they know the organisational structure of the entity and they are in contact with the highest levels of the company. So, we identified them as the key informants for this study. Table 2.2 shows the technical data of the study.

Table 2.2. Technical data of fieldwork

Universe	Directors of bank branches
Sample size	81 items
Geographical scope	National (Spain)
Sampling	Intentional non-probability
Type of questionnaire	Closed response
Fieldwork	April-July 2013
Analysis of information	PLS software

To measure each of the constructs we used a questionnaire which was completed by directors of banks, whose content and structure was adapted from previously validated and contrasted scales. Before finalising the questionnaire a focus group was held with three directors, followed by a pretest given to ten individuals. This process allowed us to adjust the length of the questionnaire and clarify possible interpretations of terms. The final scales used and their bibliographic reference sources are shown in Appendix.

In order to analyse the proposed model, a structural equation modelling technique was employed using Partial Least Squares (PLS) (SmartPLS v. 2.0). This methodology has recently been advocated and used in the marketing literature (Reinartz et al., 2009). Authors as Henseler et al. (2014) suggest that PLS allows to evaluate the measure model as well as to test the significance of the hypotheses. PLS is appropriate for both exploratory and early stage research.

Regarding the measurement model, we note that the MO construct is considered a second-order construct composed of three factors: CO, CMO and IC, taking as a reference the proposal of Narver and Slater (1990). KM is also considered a second-order construct formed by two factors: the acquisition and application of knowledge and the dissemination of knowledge, taking as base the scale of Sin et al. (2005). Each of the organisational variables and CRM success are first-order constructs. Sources used for reference are also included in Appendix.

With the objective to evaluate the quality of the data obtained, an individual reliability analysis of each item relative to its construct was carried out. The results show that all the values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same applies when assessing the reliability of the variables using Cronbach's Alpha and composite reliability. Appendix shows that all constructs are reliable as they exceed the reference value of 0.8 for each index (Nunnally, 1978).

In order to analyse the convergent validity we used the average variance extracted (AVE), which according to Fornell and Larcker (1981), must exceed 0.5. As such, over 50% of the variance of the construct is due to recommended indicators. Appendix shows these results and we may observe that in all cases the reference value is exceeded.

In order to assess the discriminant validity we have followed recommendations made by authors such as Anderson and Gerbing (1988) and Polo and Cambra (2008). We first calculated the confidence interval around the covariances between each pair of dimension. Because these intervals do not contain the value 1 we can consider that the scales possess discriminant validity.

2.5 Findings

In relation to the structural model, to assess the statistical significance of the loadings and of the path coefficients, a *Bootstrap* analysis was performed. We created 500 subsamples, employing t-Student distribution with 499 degrees of freedom (N-1, with N: number of subsamples), obtaining the values: $t_{(0.05;\ 499)}$ = 1.964726835; $t_{(0.01;\ 499)}$ = 2.585711627; $t_{(0.001;\ 499)}$ = 3.310124157. From these values, we determined the acceptance or rejection of our hypotheses (Table 2.3, Figure 2.1).

A measure of the predictive power of a model is the R^2 value for the endogenous constructs. The results indicate that our model has an adequate predictive power, since all of the endogenous constructs achieve an explained variance greater than 0.1, the reference value established by Falk and Miller (1992).

Table 2.3. Structural model results

Hypothesis		Standardized *path* coefficients (β)	T value *(Bootstrap)* note	Results of contrast
H1	MO - KM	0,851***	29,111	ACCEPTED
H2	KM- CRM Success	0,436*	2,547	ACCEPTED
H3	MO – CRM Success	0,068NS	0,577	NOT ACCEPTED
H4a	MO - Employ	0,424***	5,656	ACCEPTED
H4b	MO - Leader	0,539***	4,617	ACCEPTED
H4c	MO- Econ. R.	0,233*	2,359	ACCEPTED
H4d	MO - Techn. R.	0,074NS	0,698	NOT ACCEPTED
H4e	MO - Know How	0,242**	2,634	ACCEPTED
H5a	KM- Employ	0,499***	5,567	ACCEPTED
H5b	KM- Leader	0,329*	2,538	ACCEPTED
H5c	KM- Econ R.	0,637***	5,721	ACCEPTED
H5d	KM – Tech R.	0,771***	7,420	ACCEPTED
H5e	KM - Know How	0,658***	6,745	ACCEPTED
H6a	Employ – CRM Success	0,334**	3,143	ACCEPTED
H6b	Leader – CRM Success	0,219*	1,977	ACCEPTED
H6c	Econ. R. – CRM Success	0,030NS	0,042	NOT ACCEPTED
H6d	Techn. R. – CRM Success	0,106NS	0,587	NOT ACCEPTED
H6e	Know How – CRM Success	0,449***	3,432	ACCEPTED

* When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.05, 499) = 1.964726835, the hypothesis is accepted at 95% significance.

** When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.01, 499) = 2.585711627, the hypothesis is accepted at 99% significance.

*** When the t value obtained by the Bootstrap technique overcomes T Student value t(0.001, 499) = 3.310124157, the hypothesis is accepted with 99.9% significance.

NS: Not significant.

The data does not show a significant relationship between MO and success of CRM. Hence, we are not able to initially accept the hypothesis H3. However, we can confirm the first hypothesis (H1) that proposed a direct relationship between MO and KM. Furthermore, the results highlight that KM has a direct and significant relationship with the success of CRM (H2). Therefore, through this indirect path we are able to defend, at least partially, the influence of MO on the success of CRM.

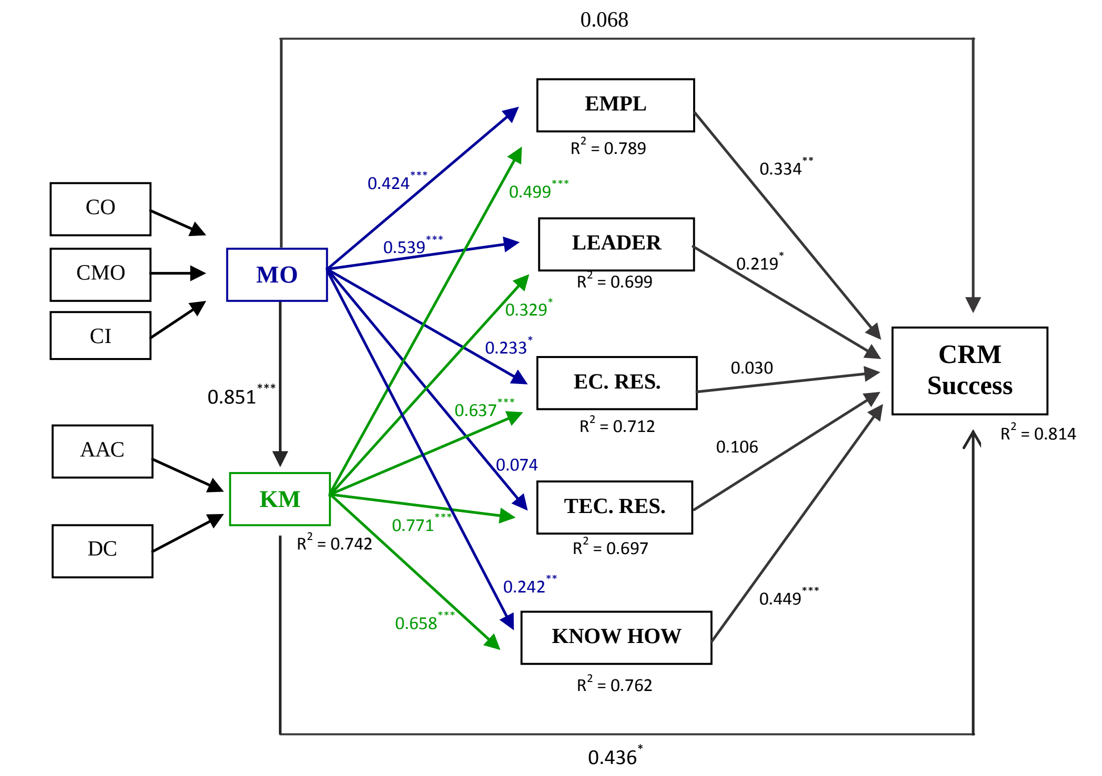
The hypotheses that establish a direct relationship between MO-Management of human resources (H4a) and KM-Management of human resources (H5a) are accepted with the highest level of significance (99.9%). The hypotheses directly relating leadership (H4b), economic resources (H4c) and the specific know-how of CRM (H4e) with MO are also accepted. However, the hypothesis that established a link between MO and technological resources (H4d) cannot be confirmed.

Furthermore, KM exerts a direct influence on all organisational factors which enables us to accept H5a, H5b, H5c, H5d and H5e.

We can also accept the proposed relationship between employees and CRM success, leadership-CRM success and know-how-success of CRM (H6a, H6b and H6e, respectively), whereas there is no significant relationship between economic resources (H6c) and technological resources (H6d) with the success of CRM.

Data for R^2 are included in Figure 2.1 and allow us to corroborate the explanatory power of the model.

Figure 2.1. Causal model and results



CO: Customer Orientation; CMO: Competitor Orientation; CI: Interfuntional Coordination; MO: Market Orientation; AAC: Knowledge Acquisition; DC: Knowledge Diffusion; KM: Knowledge Management; EMPL: Employees; LEADER: Leadership; EC. RES.: Economic Resources; TEC RES: Technological Resources.

The aim of this study was to further the analysis of factors that have been postulated as generators of a successful CRM strategy. Specifically, our objective was to study the simultaneous effect of MO, KM and a number of organisational variables that might explain this success. This is important because numerous extant studies have addressed this phenomenon from a purely technological perspective and have forgotten the true essence of the concept of CRM, or they have focused on very specific factors.

For instance, Gefen and Ridings (2002) analyse the success of CRM from a purely technological perspective, while others such as Fairhurst (2001) do so from a purely philosophical approach. Also, there are works that adopt a Customer Orientation approach in interaction with the management of human and technological resources (e.g. Garrido-Moreno and Padilla-Meléndez, 2011), but they forget that MO is a superior approach to the CO. Also, there are other factors such as economic issues, or the specific knowledge about CRM, that can also affect the success of a CRM strategy.

To fill these gaps, we considered the different approaches from which the CRM concept can be addressed, such as complementary proposals (philosophy, process, capacity, technology and strategy) and, thus, one of the main contributions of this work has been to consider their complementarity. Moreover, the adoption of the MO rather than the CO approach, which is more limited, also makes an important contribution.

From the point of view of business management, the importance of CRM lies in the ability to exploit competitive advantages, starting with the management of profitable relationships with customers, as Saarijarvi et al. (2013) recently recognize. Moreover, in order to increase efficiency in the management of limited resources it is important to identify the most important factors. In this sense, our study suggests that the first step is to adopt a philosophy based on MO. This is a comprehensive approach that considers not only the customer but also the competition and the structure of the company. This approach, as suggested by authors such as Boulding et al. (2005), allows the company to monitor the complete environment, both internally and externally, not only to create customer value, but to ensure that this value is higher than that of competitors (Boulding et al., 2005). This approach allows companies to develop the right mindset to manage positively and profitably relationships with customers.

However, the survey data also indicate that simply adopting this approach does not guarantee success in a CRM strategy. For this to happen we must consider MO as precursor of KM. This last factor allows the attitudinal component to be translated into suitable behaviour (process perspective). KM enables the generation of market intelligence about the needs and expectations of customers, how they are being met and how they might be met, and to disseminate this information among the organisation. Thus, understanding CRM as a philosophy combined with a proper KM, guarantees success in managing business relationships.

Regarding organisational factors (employees, leadership, economic resources, technology and know-how) we see that, in some cases, their inclusion intensifies the relationship between MO, KM and CRM success. We can assert that MO positively influences all factors analysed, except the technological resources. This may be due to the fact that developing the correct attitude to maintain appropriate relationships with customers is primarily related to people management. These people are the link between the company and its top management and the customers, and are those that actually develop the daily work of contacting and interacting with customers. Moreover, the role of leadership is key as employees tend to imitate the behaviour of their superiors. It is noteworthy that, from an attitudinal point of view, technological resources are not relevant. This may be owing to the human factor, in so much as without the willingness of employees to provide feedback and use the information properly, technology is not very useful.

However, from the point of view of CRM as a process, KM affects all organisational factors (hypotheses H5a, H5b, H5c, H5d and H5e were confirmed). In order to generate intelligence and disseminate it throughout the organisation, a company must have the right staff, economic resources and specific know-how, as well as the appropriate technological tools. It is clear that in relatively large organisations, as it happens in the sector, the technological tools provide the ability to capture, process and use the information obtained from customers. Without these tools this would be virtually impossible due the sheer volume of customers and the different situations of each one of them. It may be posit that due to information technology, firms may deepen the relationship with some customers who notice favourably when the firm knows their name, purchase history, the last visit or any other circumstance. This information may help improve not only their frequency of purchase, but also their loyalty.

Finally, when analysing which organisational factors contributed to the success of CRM, we observed that only employees, leadership and the specific know-how were the key determinants (the hypotheses H6a, H6b and H6e are true, but not the H6c and H6d). Given that CRM is based on the paradigm of Relationship Marketing, which is concerned with maintaining long-term relationships with customers, it is not surprising that we have obtained these results. In the analysed sector, the employees are the visible face of the company as they deal directly with customers. If the success of CRM is measured, among others, in terms of satisfaction, it is logical that the way employees are treated, their level of motivation and their know-how in terms of CRM will directly affect the satisfaction of customers, their loyalty, interest in other products of the bank and its share of wallet. Therefore, the organisational factors that are directly linked to people have a significant impact on the success of CRM. Our data suggest that technology can be a useful tool to efficiently manage business relationships but the impact is not decisive. Above all, the business model and the employees are the real engine of the companies.

Therefore, from the point of view of the efficient management of resources, companies must focus on programmes for selection, training and motivation of employees that are appropriate to achieve the objectives of CRM. These objectives must stem from the business model of the organisation and managers must take a leading role. Furthermore, for the CRM system to function properly, an adequate KM must be in place and investment in specific knowledge about CRM should be undertaken. Economic and technological resources are therefore of secondary importance, since they have not been shown to be critical factors.

The ideas and suggestions outlined above are in line with the opinion of experts in business practice. As noted by Liz Shahnam (2003), analyst at META Group: "*CRM is a term that is not really new. What is new is all the technology that allows to do what used to be done in the corner shops. The owner had few customers and enough memory to keep track of the preferences of every single customer. Technology allows us to return to that kind of business models*".

2.6 Conclusions

This work shows a review of the different perspectives from which the concept of CRM can be addressed and defends the superiority of adopting an approach based on MO rather than a CO approach. In addition, we have simultaneously analysed several organisational factors as possible antecedents of a successful CRM strategy.

The results for the analysed sector allow us to defend the relevance of a business model based on MO that also promotes KM. Employees, leadership and know-how about CRM are also specific factors that are relevant to the success of CRM. The economic and technological resources are not significant factors, although they weakly exert influence in the expected direction.

Despite the important contributions of this study there are a number of limitations. First, it is a cross-sectional study focused on the Spanish banking sector. However, it is noteworthy that, as justified in the methodology section, the sector is appropriate to study the phenomenon in question. However, from our point of view, before extrapolating the results to other sectors it would be necessary to do both a structural and conjunctural comparative study. Also, given that this study is based on opinions, there is a chance that the results are biased as respondents sometimes answer without absolute sincerity. However, to try to eliminate or minimize this limitation, we have taken a number of actions a priori as recommended by Podsakoff et al. (2003) and Baumgartner and Steenkamp (2006). These measures, called process measures, suggest i) ensure the anonymity of participants, ii) clarify that there are no right or wrong answers, iii) use scales previously validated in the literature and adapted to the situation under study, and iv) eliminate possible ambiguities through pre-tests by checking the wording of each item, ensuring its simplicity, specificity and conciseness.

To conclude, as possible lines of future research it would be interesting to include other sectors which may expand the size of the study to i) establish intersectorial patterns and ii) increase the robustness of the conclusions. Another interesting aspect would be to replicate the study as a longitudinal investigation to assess prior and post important structural adjustment processes of the industry. Finally, it would also be interesting to study the possible relationships that may exist between each of the organisational factors considered.

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Appendix Chapter 2. Measurement scales

Market Orientation (MO) (Narver y Slater, 1990) (0,858; 0,914; 0,779)
Customer Orientation (CO)
CO1 The business objectives of the company are focused on customer satisfaction.
CO2 The Company continually monitors its level of commitment to meeting the needs of customers.
CO3 The strategy of the company to gain a competitive advantage is based on understanding the needs of customers.
CO4 Business strategies of the company are aimed at creating value for customers.
CO5 The company frequently measured customer satisfaction.
CO6 The company pays great attention to after-sales service.
CO7 The company offers customized products and services to key customers.
Competitor Orientation (CMO)
CMO1 The sales team of the company regularly shares information about the strategy of competitors.
CMO2 The corporation regularly discusses the strengths and weaknesses of competition
CMO3 The company responds quickly to competitor actions.
OCMO4 The company sets objectives to capture customers in the markets where it has competitive advantages.
Interfuntional Coordination (IC)
IC1 Employers in all functional areas contact regularly with current and potential customers.
IC2 The information regarding customers is fluidly communicated through the company.
IC3 All functional areas are integrated and coordinated to serve the needs of the target markets.
IC4 All managers understand how each functional area of the company can contribute to creating customer value.
IC5 The various functional areas share resources with each other.
Employees (EMP) (Sin et al., 2005; Greve y Albers, 2006) (0,937; 0,950; 0,760)
EMP1 The company has qualified staff for the success of the CRM strategy .
EMP2 Training programs are designed to help employees develop the skills necessary to properly manage customer relationships.
EMP3 The employee performance is measured based on the detection of customer needs and customer satisfaction with the service received.
EMP4 The company encourages employees to meet the objectives of CRM.
EMP5 The company offers compensation systems in case of meeting the objectives of CRM.
EMP6 I think the employees are committed to the CRM strategy.
Leadership (LID) (Sin et al., 2005; Greve y Albers, 2006) (0,869; 0,921; 0,795)
LID1 The company has established clear business goals with respect to the acquisition and retention of customers, and communicated these
LID2 Managers consider a priority the CRM strategy.
LID3 Managers are highly involved in implementing CRM strategy
Resourcing (RES) (New proposal)
Endowment of economic resources (ECR)
ECR1 The Company devotes sufficient economic resources to carry out CRM strategy.
Endowment of technological resources (TECH)
TECH1 The company has sufficient technological resources to implement CRM strategy.
Endowment of *Know-How* (KH)
KH1 The company has enough know-how to carry out CRM strategy
Knowledge Management (KM) (Sin et al., 2005) (0,875; 0,941; 0,889)
Knowledge Adquisition (KA)
KA1 The company provides channels to allow a continuous two-way communication with key customers.
KA2 The company has established processes for acquiring knowledge about customers.
KA3 The company has established processes for acquiring knowledge for the development of new products and services.
KA4 The company has established processes to acquire knowledge about their competitors.
KA5 The company understands the needs of its core customers through its orientation of the knowledge.
KA6 The company can make decisions quickly thanks to the availability of knowledge about customers.
KA7 The company can provide real information about customers that enable rapid and accurate interaction with them.
KA8 The company has established processes to apply knowledge to solve new problems.
Knowledge Diffusion (KD)
KD1 The company encourages employees to share knowledge.
KD2 The organizational culture of the company encourages the acquisition of knowledge and its transmission among employees.
KD3 The company has developed processes to facilitate the knowledge transfer between different functional areas.
CRM Success (CRMS) (Sin et al., 2005) (0,895; 0,927; 0,760)
CRMS1 In your opinion, the customer satisfaction is high.
CRMS2 In your opinion, the loyalty of its customers regarding the same product is high.
CRMS3 Customers are interested in other products offered by your organization.
CRMS4 In your opinion, your organization has a high proportion of the total financial consumption of customers.

CHAPTER 3

ANALYSING RELATIONSHIP QUALITY AND ITS CONTRIBUTION TO CONSUMER RELATIONSHIP PRONENESS

Abstract

Relationship Marketing has been the dominant paradigm in the sphere of marketing in the last decades. However, aspects such as globalisation, development of information technologies, or the growing competitiveness pressure have caused the way of approaching relationship management with consumers to change. A consumer feels as the lead character and demands personalised treatment customised to his/her needs and specific characteristics. In this context, Relationship Quality (RQ) allows to understand the proneness of consumers to keep their commercial relations alive. Several are the studies that analyse RQ antecedents, but none has used a comprehensive management approach that includes resources and capabilities that a company has available for management in order to enhance said RQ.

Thus, this research intends to analyse the effect of a series of elements inherent to business management (Market Orientation, Knowledge Management and resources directed to the relationship) on the quality of relationships as perceived by the consumer. Furthermore, we analyse the effect of said perceived quality on the consumer's proneness to maintaining the relationship. Up until now, this relationship has not been tested in literature; however, it represents a required starting point in order to be able to consider aspects such as purchase repetition.

For that, taking as reference a sample of consumers from the banking sector, and through the PLS technique, reference hypotheses are analysed as established in the conceptual model. Lastly, the main theoretical and business management implications are discussed.

Keywords: Relationship Quality, Consumer Relationship Proneness, Market Orientation, Knowledge Management, Perceived Relationship Investment.

3.1 Introduction

In recent years, Relationship Marketing has been the dominant paradigm in the marketing sphere, both at academic and business levels. It has focused on the creation and maintenance of lasting relationships with consumers, and on attempts, in the long-term, to maximise profitability (Eiriz and Wilson, 2006; Palmatier et al., 2006; Verhoef and Lemon, 2013).

In an environment characterised by strong competition and growing globalisation, firms have granted the costumer a leading role in exchange relationships (Wang et al., 2004; Cambra-Fierro et al., 2017) and a clear influence on their behavioural intentions (Wang et al., 2004). Under this scenario, firms struggle to deliver greater customer value as it is a source of current and future competitive advantage and, hence, business success. Additionally, interest also lies in maintaining and strengthening a profitable customer relationship in order to ensure the survival of the firm (Colgate and Danaher, 2000). Indeed, both objectives are interrelated because value is construed as an important component of Relationship Marketing to the extent in which offering superior customer value is essential for creating and maintaining long-term customer-firm relationships (Eggert et al., 2006; Cambra-Fierro et al., 2013).

In this sense, Relationship Quality (RQ) becomes a key factor for understanding continuity in a customer-firm relationship. As pointed out by Vesel and Zabkar (2010), RQ is a multidimensional metaconstruct reflecting the overall nature of customer-firm relationships and a condition for long-term relationships and customer retention. Importantly, RQ has a dynamic character given that customer quality perception keeps evolving as the relationship itself unfolds (Storbacka et al., 1994; Vesel and Zabkar, 2010)**.** Therefore, it is necessary that firms adapt themselves to the demands of customers in order to keep satisfactory levels of RQ, which will lead to greater profitability for the firm (Hoppner et al., 2015).

A salient literature review shows that first, most studies on RQ are focused on business-to-business (Athanasopoulou, 2009). Second, even when academics recognise the importance of RQ, several works consider the effect of satisfaction and trust as its antecedents. Fewer studies from the business management standpoint have focused on determining RQ antecedents. For instance, De Wulf et al. (2001) analyse the impact of different relationship marketing tactics via Perceived Relationship Investments on RQ; Al-alak and Alnawas (2010) show that client-orientation, relational orientation and service providers' attributes (e.g. expertise and know-how) may be antecedents of RQ. However, there are no previous studies analysing possible RQ antecedents from a comprehensive management perspective. That is, studies that include the set of resources and capabilities that a firm needs to have in order to attain continuous adaptability to customer demands of value. Thus, improving RQ.

Furthermore, there is no research evidence indicating that customer proneness is an element likely to maintain a relationship and, therefore, a consequence of RQ. Whereas there are works focused on studying direct and positive influence of RQ on customer loyalty (e.g. De Wulf et al., 2001; Roberts et al., 2003) or on repurchase intention (e.g. Hewett et al., 2002), our proposal intends to study the influence that RQ exerts on customer proneness on maintaining the relationship. This proclivity is the starting point to considering repurchase and loyalty.

Thus, the objective of our research is twofold. First, from a management perspective, our study intends to gain depth in RQ antecedents from the customers' perception by positing that Market Orientation (MO), Knowledge Management (KM) and Perceived Relationship Investment (PRI) provide firms with the tools needed to improve RQ. Second, our analysis of the influence of RQ over customer proneness to maintaining the relationship. For that, we have considered within the banking sector that the management of personal and lasting relationships are key to understand firm profitability. Additionally, strong competition and difficulties to differentiate bank products and services from those of the competition have taken these entities to try and turn their customers into loyal ones by attempting to improve their satisfaction and trust levels –particularly when market shifts through economic periods.

As banks and financial markets move through periods of stability and crisis, consumers change their behaviour and attitudes and financial institutions restructure themselves through mergers, acquisitions and closures. Therefore, banking stakeholders require to value their institutions (Aznar et al., 2011b; Topolko et al., 2012). Specifically, many traditional valuation models have focused only on objective variables such as cash flows, residual values, building and urban lands and other assets and capital variables. Many researchers have concluded the undeniable serious limitations of not including subjective variables (Aznar et al., 2011b; Itani and Inyang, 2015). The search of alternative methods to include subjective variables may diminish the current deficiencies of traditional valuation methods. Thus, state of the art models are being proposed (Hunjak and Jakovcevic, 2001; Aznar et al., 2011a). For example, Aznar et al. (2011a) and Monferrer-Tirado et al. (2016) include aside from objective, other subjective variables such as Relationship Quality, commitment and trust of customers and employee professionalism and training, amongst others. Our research aims to complement this line of literature to assist bank stakeholders to better value their institutions (Monferrer-Tirado et al., 2016).

This paper is organised as follows: first, we review relevant literature and present the model and the hypotheses which form the basis of the empirical study. Next, we present our data collection methods, the results of our hypothesis testing, and our interpretation of the findings. Finally, the article concludes with implications for practice and directions for future research.

3.2 Literature review

The concept of Relationship Marketing was created in the 1980s and represents a marketing paradigm shift (Palmatier, 2008; Verhoef and Lemon, 2013). From its previous transactional focus, Morgan and Hunt (1994) define Relationship Marketing as "*all marketing activities directed towards establishing, developing, and maintaining successful relationship exchanges*". The Relationship Marketing literature has evolved towards the concept of Customer Relationship Management (CRM), whose objective is to increase efficacy and efficiency in the acquisition and retention of profitable customers starting from the development of proper relationships (Yong et al., 2003; Cambra-Fierro et al., 2017). The purpose is to maximise the value of a relationship portfolio (Reinartz et al., 2004). It is clear that isolated transactions are no longer sought after through loyalty of current customers

(Grönroos, 1994; Seiders et al., 2005) and the growth of customer life cycle known as Customer Lifetime Value (CLV) (Verhoef and Lemon, 2013). As the discipline has evolved, concepts have been created such as Relationship Quality and Customer Relationship Proneness (CRP), which help understand this long-term orientation of customer relationship.

RQ between a firm and its customers can be defined as the degree of appropriateness of a relationship to fulfill the needs of the customer associated with the relationship (Henning-Thurau and Klee, 1997). Numerous authors agree that the conceptualisation of RQ is a construct explained by three interrelated dimensions: trust, satisfaction and commitment (De Wulf et al., 2001; Ulaga and Eggert, 2006). Therefore, as Cambra-Fierro et al. (2015) points out, the nature of the relationship matters.

Specifically, in the area of Relationship Marketing, Morgan and Hunt (1994) state that trust exists when one party has confidence in the exchange partner's reliability and integrity. In addition, other authors like Ganesan (1994) acknowledge the importance of credibility (i.e. trust placed on the other party based on its knowledge and expertise to be able to deliver a given task) and benevolence (trust by assuming that one party will act in the benefit of both parties, avoiding opportunistic situations). Even when there are authors that have merged both concepts of credibility and benevolence into trust (Moorman et al., 1993), we will be following the line of other works such as De Wulf et al. (2001). These authors consider credibility alone, as a necessary and sufficient condition for trust to exist (Anderson and Narus, 1984).

From the customer’s perspective, satisfaction is defined as the degree to which prior expectations are met or exceeded with the acquisition of the asset or service. It is about a positive emotional state based on the evaluation of all aspects derived from the analysis (Anderson and Narus, 1984). In this study, we consider satisfaction as the number of experiences accumulated during the life of the relationship (Crosby et al., 1990; Storbacka et al., 1994; Anderson et al., 1997). Lastly, it should be stated that the literature considers commitment as a key component of Relationship Marketing (Dwyer et al., 1987; Morgan and Hunt, 1994;

De Wulf et al., 2001; Bansal et al., 2004). From an emotional, regulatory or exchange cost analysis standpoint, commitment represents a desire to maintain a valued relationship (Moorman et al., 1992). Our study considers the affective component because we understand that customers feel no obligation to commit in a relationship with a firm if it is not voluntary given the affective attachment.

The other relevant concept in our research is Customer Relationship Proneness (CRP), introduced by De Wulf et al. (2001). This concept describes a customer's conscious tendency to engage in relationships with sellers. We consider CRP as a relatively novel concept given the limited number of research papers (Turner and Holloway, 2010). Notwithstanding, we believe that it holds conceptual importance because, in order to maintain lasting relationships, customers must necessarily be prone to maintain said relationships. Several studies positively relate CRP influence on different customer behavioural intentions (Turner and Holloway, 2010; Ahn and Rho, 2016). For instance, CRP has been found to influence customer's intention to remain in a business relationship (Vázquez-Carrasco and Foxall, 2006) and costumer buying behaviour (Odekerken-Schröder et al., 2003).

From a management standpoint, firms are aware of the customers' wish to receive greater value, and so, the creation of value is a key factor when seeking new forms of attaining and maintaining competitive advantage (Woodruff, 1997; Martelo et al., 2013). It is then essential to have not only a series of resources and capabilities, but also the ability to manage them effectively as means to satisfy customer demands through value (Martelo et al., 2013). The concept of value relates to interactive processes that characterise business relationships (Salomonson et al., 2012). However, in a context with strong competition, globalisation, dynamism and uncertainty (Cambra et al., 2017), these interactive processes are complicated to keep through time (Tuominen et al., 2004). Moreover, firms need not only to maintain prior values, but also to continuously create new ones (Morrow et al., 2007; Sirmon et al., 2007). For this reason, concepts like Market Orientation (MO), Knowledge Management (KM) and Perceived Relationship Investment (PRI) become important to environmental change adaptation. Therefore, we propose that they will have a positive influence on RQ. Additionally, salient literature positively relates both MO

(Narver and Slater, 1990; Kaur and Gupta, 2010; Polo et al., 2017) and KM (Gebert et al., 2003; Kaplan and Norton, 2004; Rezgui, 2007; Martelo et al., 2013; Al-Hakim and Hassan, 2016) with value creation. Similarly, De Wulf et al. (2001) confirm the influence of Perceived Relationship Investment (PRI) over RQ.

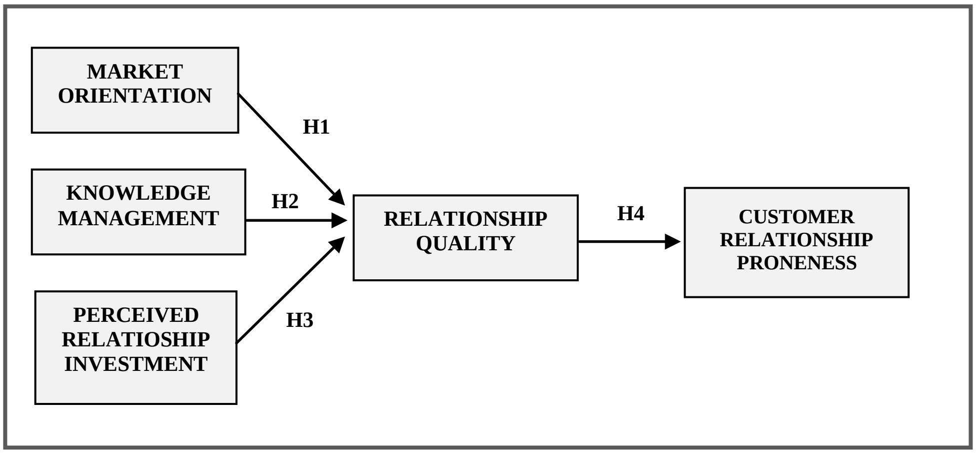
The concept of MO centres on the creation of greater customer value (Pérez and Cambra, 2013). On one hand, from a cultural approach, MO includes Customer Orientation, Competition Orientation and Inter-functional Coordination, which all provide patterns and values to all members in the organisation (Narver and Slater, 1990). On the other, from a behavioural approach, MO is defined as the generation of market intelligence at all organisational levels, the dissemination of that intelligence throughout the organisation and the capability to give proper response (Kohli and Jaworski, 1990). This approach is related to KM. This concept is defined as the acquisition of knowledge, its dissemination and the use of capability to respond to such knowledge (Darroch, 2003). Finally, the concept of PRI can be defined as a customer's perception of the extent to which a seller devotes resources, effort, and attention to maintain or enhance relationships with regular customers that do not have outside value and cannot be recovered if these relationships end (De Wulf et al., 2001; Palmatier et al., 2006). It has been recognized as a factor playing a critical role in forming customer loyalty (Balaji, 2015).

3.3 Hypotheses development

In RM context, several authors point out the importance of the principle of reciprocity (Houston and Gassenheimer, 1987; Bagozzi, 1995; Palmatier et al., 2009; Wetzel et al., 2014). This concept of reciprocity refers to a feeling of obligation when a person purposely gives back that which was received (Gouldner, 1960; Bagozzi, 1995; Liang and Wang, 2007). This concept contributes to our understanding of consumer behaviour in general and how they may behave in relationships in particular (Huppertz et al., 1978; De Wulf et al., 2001). The emotional core of reciprocity lies in the feeling of gratitude, which motivates the desire to reciprocate (Mishra, 2016). In this sense, we refer to the work of De Wulf et al. (2001) that considers that the set of efforts invested by the exchange parties creates emotional ties, which in turn helps to maintain said relationship. Such efforts also generate expected reciprocities for each party. Therefore, all the efforts executed by the firm to maintain customer relationships will influence the future behaviour of their consumers. In so doing, consumers will feel obliged to reciprocate through actions that may increase their relational intentions with the firm (Liang and Wang, 2007) and in consequence, sustain their long-term relationship.

The obtainment of competitive advantages, including the creation of value, is derived from the firm's control over resources and capabilities, both tangible and intangible. To the extent to which these resources and capabilities are valuable, rare, imperfectly imitable, and non-replaceable, these competitive advantages will become more important and sustainable with time (Barney, 1991). However, the simple possession of these resources and capabilities does not guarantee the development of competitive advantages (Priem and Butler, 2001). In order to create value, the firm needs to accumulate, combine and exploit their resources (Martelo et al., 2013). Thus, we consider Market Orientation (MO), Knowledge Management (KM) and Perceived Relationship Investment (PRI) as relational efforts of the firm. We propose, then, that these are antecedent factors to RQ, which allow for the creation and maintenance of likely competitive advantages. From the consumer side, the propensity by the client to maintain this relationship (CPR) represents the effort to remain in the relationship. Consequently, as a consequence of RQ, we can expect a positive proclivity in maintaining the relationship. Figure 3.1 shows the model that forms the basis for developing the hypotheses.

Figure 3.1. Conceptual model



3.3.1 Market Orientation (MO) and Relationship Quality (RQ)

A market-oriented firm has the purpose of finding and meeting customer needs (Narver and Slater, 1990; Jaworski and Kohli, 1993; Zhao and Cavusgil, 2006; Jaworski and Kohli, 2017) through three behavioural components that involve the activities of: market information acquisition and dissemination, and the coordinated creation of customer value (Narver and Slater, 1990). Consequently, the firm requires not only adopting a customer approach, but also considering and analysing the competitors' actions and strategies (Pérez and Cambra, 2013). At the same time, the firm needs to guarantee proper inter-functional coordination. Once these activities take place, the firm will be able to develop customer strategies that will allow RQ improvement. The firm will also be in a position of offering a product or service that will not only have value for the customer, but also hold greater value than that of the competition; thus, increasing satisfaction (Hoppner et al., 2015). Thus, the firm will also foster their client's feeling of reciprocity. This idea supports other works that establish positive effects of MO on the Relationship Quality construct (Lash, 1990; Gray et al., 1998; Huang et al., 2014) as well as MO and reciprocity (Park and Campbell, 2017). So, we postulate the following hypothesis:

H1: Market Orientation positively influences Relationship Quality

3.3.2 Knowledge Management (KM) and Relationship Quality (RQ)

Recently, knowledge has become a critical resource in an organisation (Alavi and Leidner, 2001; Al-Hakim and Hassan, 2016). KM implies knowledge acquisition, knowledge sharing and knowledge application for business improvement (Chu et al., 2014). It is about a continuous process since, as knowledge is generated, it must be stored, shared and applied; allowing the firm for better communication, improved customer service, faster response times, enhanced innovativeness, greater efficiency in processes and procedures, and reduced risk of critical loss capabilities (Edvardsson and Durst, 2013). In this line, firms may reinforce their competitive advantage (Wang and Yang, 2016). Also, the impact of a better RQ is based on the extent to which a firm gathers customer information. Such action offers two key advantages: first, it enables the firm to offer a better value proposition as it is based on such knowledge, and second, it also raises the desire of consumers to reciprocate the firm's effort to offer a superior value by learning more about them (Hasan et al., 2017). In turn, the firm will develop a competitive advantage, which will be difficult to surpass. Several studies show the impact of knowledge management practices while building strong customer relationship and the enhancement of both positive customer outcomes and organisational performance (Pathirage et al., 2007). Consequently, we propose the following hypothesis:

H2: Knowledge Management positively influences Relationship Quality

3.3.3 Perceived Relationship Investment (PRI) and Relationship Quality (RQ)

PRI refers to the customer perception of various efforts by the firm to maintain and promote customer relationships. In this sense, we assume that firms focus their efforts on finding resource funding in relation to human factor, technology, economic resources and specific CRM know-how. These resources will allow the organisation to reach its objective. In particular, today's technology development allows for greater access to market information and improvements of management processes linked to customer relationships (Chalmeta, 2006; Verhoef and Lemon, 2013). Even when technology is a necessary resource, it is not enough to understand its link to the success of relationship management (Garrido-Moreno and Padilla-Meléndez, 2011). It becomes necessary for information to be transformed into knowledge through human activity (Salojärvi et al., 2010; Cambra-Fierro et al., 2017). In this regard, the availability of human resources and their practice (Chong and Oly, 2014), the commitment of senior management to the success of customer relationships (Martiny, 1998; Ryals and Knox, 2001), and the experience in CRM (Hart et al., 2004) are key elements for understanding relationship management performance. In this way, when a firm decides to invest time and effort, it is expected that customers may tend to maintain the relationship as a consequence of the relations created (Smith and Barclay, 1997) and the expectation of reciprocity (De Wulf et al., 2001; Blau, 2002). Indeed, several works indicate the positive effects of PRI on the perceived quality of the relationship (Ganesan, 1994; Baker et al., 1999; De Wulf et al., 2001). Therefore, we propose the following hypothesis:

H3: Perceived Relationship Investment positively influences Relationship Quality

3.3.4 Relationship Quality (RQ) and Customer Relationship Proneness (CRP)

Research suggests that some customers are more psychologically predisposed to cultivating relationships than others (Christy et al., 1996; Turner and Holloway, 2010). Certain customers may continue to maintain the relationship even after a service failure, due to their higher levels of trust and commitment (Hedrick et al., 2007). Numerous customer behaviour models framed in learning theories have focused on investigating customer choices through time. Sheth and Parvatiyar (1995) propose that the fundamental axiom of Relationship Marketing is that customers like to reduce choices by engaging in an ongoing loyalty relationship and driven by the customer's aspiration: to make more efficient decisions, to reduce the task of information processing, to achieve more cognitive consistency and to reduce perceived risk associated to future decisions. Moreover, and in line with the principle of reciprocity, customers tend to support a firm through repeated purchases and resistance to the stimulus and incentives of the firm's competitors (Gustafsson et al., 2005). Consumers may also feel guilt when they attempt to reinstall reciprocity through future purchase intentions after a lack of patronage (Dahl et al., 2005; Tangpong et al., 2016). Further, fidelity can be defined as the personal identification felt by the client in regard to the performance of a product or service. It also means how this feeling drives the client's behaviour (Barnes, 2001; Mendoza et al., 2007). For example, fidelity is shown by expressing a preference for a firm over others, or by continuing it, or by increasing its business in the long-term (Zeithalm et al., 1996). These definitions are in line with the concept of CRP as proposed by De Wulf et al. (2001), defined as the customer's conscious tendency to become involved in a relationship with a vendor. Prior studies show positive customer outcomes linked to the predisposition of maintaining a long-term relationship (De Wulf et al., 2001; Hewett et al., 2002; Roberts et al., 2003). These behaviours are linked to CRP. Consequently, and intuitively, we believe that the more satisfied, engaged and trusting customers feel, the greater their tendency to maintain the relationship with the firm. Therefore, we suggest the following hypothesis:

H4: Relationship Quality positively influences Customer Relationship Proneness

3.4 Research Methodology

To test the proposed hypotheses, a study was carried out in the banking sector. This sector was selected due to its significant weight in many economic systems. Additionally, during recent years, it has been characterised by: several reorganisational processes due to numerous mergers and takeovers, a clear reduction on the number of offices and a considerable technological innovation platform. In consequence, these entities are adapting their strategies by prioritising the improvement of their customer relationship quality. The objective is the loyalty of their customer portfolios and their increased profitability. According to the IV Study of Emotions in Banking conducted by EMO Insights (2016), which analyses the experience of banking customers, one out of four customers is a “fan” of its main bank seemingly willing to maintain the relationship. Recently, this figure moved from 10.8% in 2013, to 25.3% in 2016. Table 3.1 shows the technical data of our study.

Table 3.1. Technical data of the fieldwork

Universe	Retail banking users
Sample size	431
Geographical scope	Western Economy
Sampling method	Random sample
Type of questionnaire	Online survey
Fieldwork	November 2015-March 2016
Analysis of information	PLS software

To measure each of the constructs, a questionnaire was adapted from previously validated and contrasted scales. Also, a focus group was held, followed by a questionnaire pre-test to adjust its length, to clarify possible term interpretation, and to assure its quality and content validity. Banking users completed the final scales as shown in Appendix.

Regarding the measurement model, as proposed by Narver and Slater (1990), MO is considered a second-order construct composed of three factors: Customer Orientation (CO), Competitor Orientation (CMO) and Inter-functional Coordination (IC). KM is also considered a second-order construct formed by two factors: acquisition and application of knowledge and dissemination of knowledge. We took as base the scale of Sin et al. (2005). PRI is also considered as a second-order construct based on the proposal set by De Wulf et al. (2001). Both scales of RQ and CRP use De Wulf et al. (2001). In order to analyse the proposed model, a structural equation modelling technique was employed using Partial Least Squares (PLS) (SmartPLS v. 2.0). This methodology has recently been advocated and used in the marketing literature (Reinartz et al., 2009; Roldán and Sánchez-Franco, 2012). Authors such as Henseler et al. (2014) suggest that PLS allows to evaluate the measure model as well as to test the significance of the hypotheses.

With the objective to evaluate the quality of the data, we carried out an individual reliability analysis of each item relative to its construct. All resulting values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same happens when assessing the reliability of the variables using Cronbach's Alpha and composite reliability. Appendix shows that all constructs are reliable, as they exceed the reference value of 0.8 for each index (Nunnally, 1978). The convergent validity is assessed by using the average variance extracted (AVE), which according to Fornell and Larcker (1981), must exceed 0.5. As such, over 50% of the variance of the construct is due to recommended indicators. Appendix shows that in all cases, the reference value is exceeded. Finally, the existence of discriminant validity was validated as shown in Table 3.2 (Barclay et al., 1995).

Table 3.2. Discriminant Validity of Variables for the Structural Model

VARIABLES	MO	KM	PRI	RQ	CRP
MARKET ORIENTATION (MO)	**0.867**				
KNOWLEDGE MANAGEMENT (KM)	0.652	**0.924**			
PERCEIVED RELATIONSHIP INVESTMENT (PRI)	0.607	0.669	**0.938**		
RELATIONSHIP QUALITY (RQ)	0.604	0.661	0.748	**0.934**	
CUSTOMER RELATIONSHIP PRONENESS (CRP)	0.465	0.436	0.535	0.616	**0.912**

Numbers along the diagonal axis in bold are the square roots of the AVE (Average Variance Extracted) for the variables; the rest of the numbers represent construct correlations. All correlations are significant <0.01 (Fornell and Larcker, 1981).

3.5 Results

In relation to the structural model, a *Bootstrap* analysis was performed to assess the statistical significance of the loadings and of the path coefficients. We created 5,000 subsamples, employing t-Student distribution with 4,999 degrees of freedom (N-1, with N: number of subsamples), obtaining the values: $t_{(0.05;\ 4999)} = 1.64$; $t_{(0.01;\ 4999)} = 2.32$; $t_{(0.001;\ 4999)} = 3.09$. From these values, we determined the acceptance or rejection of our hypotheses (Table 3.3). With respect to the explained variance of the endogenous variables (R^2), the model shows an adequate predictive power, since all of the endogenous constructs achieve an explained variance greater than 0.1, the reference value established by Falk and Miller (1992).

The data of Table 3.3 highlight that MO and PRI have a direct and significant link to RQ. Hence, we are able to confirm both H1 and H3. However, the results do not show a significant link between KM and RQ, so we are not able to accept hypothesis H2. Finally, H4 established a direct link between RQ and CRP. Our data suggest that it can be accepted with the highest level of significance (99.9%).

Table 3.3. Structural model results

Hypothesis	β	t-value	R^2
H1: Market Orientation (MO) → Relationship Quality (RQ)	0.148^{**}	2.564	
H2: Knowledge Management (KM) → Relationship Quality (RQ)	0.093^{NS}	1.553	
H3: Perceived Relationship Investment (PRI) → Relationship Quality (RQ)	0.682^{***}	14.816	R^2(RQ) = 0.744
H4: Relationship Quality (RQ) → Customer Relationship Proneness (CRP)	0.617^{***}	14.168	R^2(CRP) = 0.381

*** When the t value obtained by the Bootstrap technique overcomes T Student value t(0.001, 4999) = 3.09, the hypothesis is accepted with 99.9% significance.
** When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.01, 4999) = 2.32, the hypothesis is accepted at 99% significance.
NS: Not significant.

3.6 Discussion

The objective of this study was to increase our understanding of the relevance and importance of RQ to Relationship Marketing and Customer Relationship Management. Specifically, the intention was to determine the influence of RQ on the level of CRP, assuming that there are series of factors that may act as antecedents to RQ. In Relational Marketing, the primary organisational objective is to focus on attracting, maintaining and intensifying long-term customer relationships (Morgan and Hunt, 1994; Cambra-Fierro et al., 2017). In order to achieve such objective, firms must pay close attention to RQ, measured by customer trust, commitment and satisfaction. Both academic literature and business evidence suggest that with high RQ, customers are willing to continue a relationship (Hedrick et al., 2007; Hoppner et al., 2015). As we highlighted in the Introduction section, following the comments of authors such as Aznar et al. (2011b) or Itani and Inyang (2015) among others, our paper aimed to complement the specialized literature by offering a model based on qualitative and perceptual variables to assist bank stakeholders to better value their institutions.

In this regard, previous studies have analysed the influence of certain factors on RQ. For example, De Wulf et al. (2001) analysed the impact that certain relationship marketing tactics have on PRI, and how this perception can positively influence RQ. Unlike these previous studies, our work assumes a management view by which we propose that a series of managerial aspects, along with PRI, influence the improvement of RQ. We propose that, even when it is important that customers perceive the efforts of the firm in maintaining the relationship, it is necessary to ensure that those efforts are directed to meet customer demands while offering greater value. We have also considered within these efforts the core principle of reciprocity, which helps to create emotional ties and in turn to maintain said relationships. For that, it is necessary that the firm adopts a MO approach and conducts proper KM. This would entail, on the one hand, adopting the philosophy and behaviours oriented to achieving competitive advantages and promoting management processes with focus on customer needs, while exceeding those offered by the competition; and on the other hand, knowing how to conveniently use all acquired knowledge in order to strengthen the competitive advantage (Wang and Yang, 2016).

Thus, our study is pioneering in the joint consideration of factors that determine management style along with the efforts made towards the relationship (investment) and in the measuring of the impact of RQ on the proneness to maintaining said relationship. While authors such as De Wulf et al. (2001) have considered CRP as a booster of PRI influence over RQ, Bloemer et al. (2003) and Odekerken-Schröder et al. (2003), have analysed interactions between CRP and trust. However, none have evaluated the direct link of RQ in CRP. Consequently, as far as we are aware of, this work is the first in proposing that a better RQ will positively influence customer proneness in maintaining the relationship. Further understanding that this proneness will lead to the adoption of certain behaviours related to greater loyalty towards the firm, repurchase and greater customer lifetime value (CLV).

Our results allow to accept that both MO and PRI have a positive influence over RQ. However, in the case of KM, even when its influence on RQ was found to the direction we expected, it turns out to be insignificant. Lastly, in analysing the influence of RQ on CRP, we observe that the link carries a very high intensity level. Considering that RQ is measured through trust, commitment and satisfaction, all factors contribute to what customers hold valuable of the relationship. It is not unexpected that the greater the level of RQ, the greater the customer’s proneness will be in maintaining said relationship. In a competitive environment such as today’s, where customers meet their needs through multiple choices, customers tend to reduce the number of options by trying to reaffirm the relationships they maintain with their usual providers (Sheth and Parvatiyar, 1995; Cambra-Fierro et al., 2017).

From a practical standpoint, the following recommendations are suitable for good business practices. First, our results show evidence of the importance of implementing actions that show concern in maintaining a lasting client relationship. In particular, and in the context of the analysis, if customers perceive that the bank invests time in looking after its clients, in showing care for their needs and in offering the best financial product adapted to their profile, a fundamental step should promote Relationship Quality and, therefore, the involvement of Customer

Relationship Proneness. Similarly, the investment in new technologies that facilitate financial customer operations may contribute to a positive perception. For example, today we can find financial entities that are pioneering in the development of mobile applications. From the customer perspective, this type of innovation is perceived as efforts by the bank to improving its offer and facilitate certain financial transactions, which used to be complex and time consuming. Second, customer orientation becomes a necessary condition, providing a value that may contribute to meeting their needs and desires. From a customer perspective, this offer should be differentiated from that of the competition. In addition, it may help build a relationship both rational and emotionally based. Third, in light of our results, it is crucial for a banking entity to invest in employee training. Some internal marketing studies have shown that those employees with client interaction when they are well qualified, motivated and empathic, may also contribute to creating ties that lead to better client proneness. Fourth, the firm needs to secure that the processes set for RQ are being communicated during particular *"moments of truth"* with customers. This communication may assist customers to become aware and conscious about the value offered in the relationship. Fifth, if this Relationship Quality is dynamic and evolving, the firm needs to monitor on a regular basis how these customer demands and expectations are evolving, so that the value is continually being updated. It may be also recommended to set particular parameters and criteria based on customer trust, commitment and satisfaction. If this is not the case, then the firm may want to update and modify particular elements of the value, so that it may be brought to the current appropriateness of the relationship in terms of its fulfilment of customers' needs. Sixth, as some customers are more or less psychologically predisposed to cultivating relationships than others, it may be important to determine the level of proneness for the customers being served by the firm and those by the competition. This measurement may offer an important evaluation of the Relationship Quality that stands for each one of the firms in the same sector and may offer an indication of the appropriateness of the relationship for each one. This measurement may derive in important modifications to processes and superior value offered by the firm. Lastly, it is also recommended to make regular revisions of management practices in order to determine whether these processes do in fact satisfy customers' needs and exceed those offered by the competition and their corresponding profitability.

3.7 Conclusions

This research analyses the effect of a set of managerial elements such as MO, KM and PRI on the Relationship Quality. Moreover, Relationship Quality influences Customer Relationship Proneness. Under the Relationship Marketing framework, this study is pioneering in adopting, with a long-term orientation, a set of managerial issues which help understand the effect of Relationship Quality of customer-firm relationships. We take as reference the customers' perceptions about these issues. We provide very strong arguments to defend the importance of classic concepts such as MO and KM to better understand the relationship approach. Moreover, we adopt a new conceptualisation which considers the links between customers and firms, such as Customer Relationship Proneness. Under the current market conditions, the customer disposition or inclination towards maintaining durable relationships with firms may be considered a good indicator of commitment. The results are extremely relevant to both the academic and business world. As expected, the relationship between MO, and PRI with RQ are fulfilled. Also, the link between RQ and CRP is positive and significant.

Despite the significance of our findings, the present study is not without limitations. First, we have worked with data from respondents' views. In this regard, we must recognise the possible influence of common method bias. This bias refers to the proportion of the variance of the variables related to the measuring method (Podsakoff et al., 2003). To address this potential bias, Podsakoff et al. (2003) recommend using procedural strategies and/or statistics. Regarding the procedure, acting on the basis of the study and attempt to remove or—where appropriate—minimise the impact of this bias, we designed the study so as to (1) guarantee the anonymity of participants, (2) clarify there were no right or wrong answers, (3) use previously validated scales and (4) through various pre-test with different reference groups, eliminate possible ambiguities in the wording of each item scales, also ensuring its simplicity, specificity and conciseness. Regarding statistical strategies, we chose the Harman single factor test. In the factorial analysis carried out any single factor explaining the variance of all items is identified, suggesting that it is unlikely that there is a bias for having used a unique method. The main factor explains 41.56% of the variance. Thus, when no single factor explains more than 50% of the variance, study data can be accepted as valid (Podsakoff and Organ, 1986).

Finally, the data come from a sample of customers of a Western Economy banking industry. It would be desirable to introduce an international and cross-cultural profile study for a more robust framework for generalisation of the findings. This limitation represents, therefore, one of the first proposals for future research. Furthermore, as additional proposals, it would be interesting to study the possible influence of other factors related to demographics of customers such as age, gender, educational level, as well as potential moderating effects related to loyalty, involvement or perceived risk.

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Appendix Chapter 3. Measurement Scales (Sources) (Alpha C., FC, AVE)

Market Orientation (MO) (Narver and Slater, 1990) (0,8379; 0,9009; 0,7530)
Customer Orientation (CO)
CO1 The business objectives of the firm are focused on customer satisfaction.
CO2 The firm continually monitors its level of commitment to meeting the needs of customers.
CO3 The strategy of the firm to gain a competitive advantage is based on understanding the needs of customers.
CO4 Business strategies of the firm are aimed at creating value for customers.
CO5 The firm frequently measured customer satisfaction.
CO6 The firm pays great attention to after-sales service.
CO7 The firm offers customised products and services to key customers.
Competitor Orientation (CMO)
CMO1 The sales team of the firm regularly shares information about the strategy of competitors.
CMO2 The corporation regularly discusses the strengths and weaknesses of competition.
CMO3 The firm responds quickly to competitor actions.
CMO4 The firm sets objectives to capture customers in the markets where it has competitive advantages.
Interfunctional Coordination (IC)
IC1 Employers in all functional areas contact regularly with current and potential customers.
IC2 The information regarding customers is fluidly communicated through the firm.
IC3 All functional areas are integrated and coordinated to serve the needs of the target markets.
IC4 All managers understand how each functional area of the firm can contribute to creating customer value.
IC5 The various functional areas share resources with each other.
Knowledge Management (KM) (Sin et al., 2005) (0,8290; 0,9211; 0,8538)
Knowledge Acquisition (KA)
KA1 The firm provides channels to allow a continuous two-way communication with key customers.
KA2 The firm has established processes for acquiring knowledge about customers.
KA3 The firm has established processes for acquiring knowledge for the development of new products and services.
KA4 The firm has established processes to acquire knowledge about their competitors.
KA5 The firm understands the needs of its core customers through its orientation of the knowledge.
KA6 The firm can make decisions quickly thanks to the availability of knowledge about customers.
KA7 The firm can provide real information about customers that enable rapid and accurate interaction with them.
KA8 The firm has established processes to apply knowledge to solve new problems.
Knowledge Diffusion (KD)
KD1 The firm encourages employees to share knowledge.
KD2 The organisational culture of the encourages the acquisition of knowledge and its transmission among employees.
KD3 The firm has developed processes to facilitate the knowledge transfer between different functional areas.
Relationship Quality (RQ) (De Wulf et al., 2001) (0,9277; 0,9540; 0,8737)
Trust
TR1 I have trust in the firm for hiring a financial service.
TR2 This firm is frank in dealing with us.
TR3 I can trust this firm because it is honest.
Affective Commitment
AC1 I feel this firm close to me
AC2 I like feeling a link to this entity
AC3 I feel a sense of belonging to the firm
Satisfaction
SAT1 I am satisfied with this firm
SAT2 I am happy with the service received by the firm
SAT3 This entity meets my needs and covers my expectations
Perceived Relationship Investment (PRI) (De Wulf et al., 2001) (0,9324; 0,9568; 0,8808)
PRI1 I perceive that this bank makes an effort to improve our relationship
PRI2 I think this entity makes investments to improve my loyalty
PRI3 In my opinion, this firm really cares about keeping me as a customer
Customer Relationship Proneness (CRP) (De Wulf et al., 2001) (0,8988; 0,9373; 0,8332)
CRP1 Generally I like to be a regular customer of a financial entity.
CRP2 Generally I want to be a regular customer of my financial entity.
CRP3 I am usually a person who is willing to make an extra effort to hire financial services always of the same entity.
CRP4 In your opinion, your organisation has a high proportion of the total financial consumption of customers.

CHAPTER 4

RELATIONSHIP QUALITY AS ANTECEDENT OF CUSTOMER RELATIONSHIP PRONENESS: A CROSS-CULTURAL STUDY BETWEEN SPAIN AND MEXICO

Abstract

Some factors such as the globalization and the development of information technologies are changing the dynamics of the Relationship Marketing bases. The new competitive framework defined by the relevance of online channels have caused the way of approaching relationship management with consumers to change. In this context, Relationship Quality (RQ) allows to understand the proneness of consumers to keep their commercial relations alive. Several are the studies that analyze RQ antecedents, but none has used a comprehensive management approach that includes resources and capabilities (such as Market Orientation or Knowledge Management), as perceived by customers, that a company has available for management in order to enhance said RQ in an online context. This research aims to analyze the effect of said perceived quality on the consumer's proneness to maintain the relationship in a cross-cultural context, considering the perceptions of Spanish and Mexican users of online banking services.

Keywords: Relationship Quality, Customer Relationship Proneness, online channel, cross-cultural effects.

4.1 Introduction

Researchers agree that Relationship Marketing (RM) is a form of customer-centric marketing, which emphasizes understanding and satisfaction of needs and wants of individual consumers rather than those of mass markets (Khan, 2014; Kasiri, 2017). However, it is not sufficient to offer better goods and services to satisfy customers' needs in order to maintain such long-term relationships. In order to survive in today's competitive market, firms must attempt to connect with customers by offering permanent contact and better experiences as a differentiating strategy (Berry and Carbone, 2007; Bolton et al., 2014; Thakur, 2016).

To this respect, the development of new technologies, the Internet, in particular, seems a huge opportunity for those firms which are capable of creating those emotional connections and safeguard the level of consumer loyalty. At the same time, firms are also capable to compare and contrast competing products and services with minimal expenditure of personal time and effort (Liang et al., 2008). A study by Forrester (2015) for the Consultant Accenture suggests that the best corporate investments are those in relation to a digital customer experience. Another important aspect to consider is that due to the increasing globalization and market saturation, firms have developed e-commerce internalization processes that deal with cultural differences among countries (Belanche et al., 2015). Culture is the widest influence in many aspects of human behavior (Soares et al., 2007; Etgar and Rachman-Moore, 2011) and its impact on consumer behavior is preeminent in international marketing (De Mooij and Hofstede, 2002). Culture, as such, refers to the pattern of values, norms and beliefs that affect the way people assess information; it leads to differential processes and evaluations of environmental information (Hofstede, 1991). Hence, it should also influence how people interpret and respond to RM activities (Samaha et al., 2014).

A salient literature identifies an important limitation about whether and how RM strategies should be adapted in different countries (Steenkamp, 2005; Ghemawat, 2011; Samaha et al., 2014) and how perception of relationship benefits – those benefits which consumers receive beyond the basic product/service, may foster relationships (Wei et al., 2015). However, in today's global market, research into the potential variations in consumer perceptions due to culture is becoming increasingly important (Morgeson et al., 2015) as the differentiating expressions of both values and behaviors linked to culture continue to intensify (De Mooij, 2001; Hsieh and Tsai, 2009).

Although the consumption of Internet and e-commerce has experienced unprecedented growth in recent years, most RM studies focusing on an offline context barely discuss the integration of Internet technology with the concept of customer loyalty (Wirtz and Lihotzky, 2003; Liang et al., 2008). Moreover, there is yet no evidence from previous studies to suggest the cross-cultural effects in online relational frameworks. To fill this gap, this research attempts to explore the possible implications that cultural differences may affect customer predisposition to maintain the relationship in an online context, carrying out a cross-cultural study between Spain and Mexico.

This paper is organized as follows: we first review relevant literature and present the model and the hypotheses which form the basis of the empirical study. Next, we present the fieldwork and summarize a set of potential contributions.

4.2 Conceptual framework

4.2.1 Relationship Marketing, Customer Relationship Proneness and Culture

Relationship marketing (RM) is a process to attract, retain and strengthen customer relationships (Grönroos, 2000) and has the potential to increase customer retention by building long-term customer relationships (Wang and Head, 2005). Through a strong customer-firm relationship, firms may gain invaluable information on how to best serve and prevent customers from being diverted to competing companies (Ndubisi, 2004; Nyadzayo, 2016). Thus, by creating customer relationships, firms create mutual rewards (Rapp and Collins, 1990; Dewani et al., 2016). Numerous studies have empirically demonstrated that these firms enhance profits (Morgan and Hunt, 1994; Palmatier et al., 2006; Liang et al., 2008; Samaha et al., 2014; Thakur, 2016).

The RM concept has been useful in developing new definitions of concepts such as ***Relationship Quality*** (RQ) -the degree of appropriateness of a relationship to fulfill the needs of the customer associated with the relationship (Henning-Thurau and Klee, 1997)- and ***Customer Relationship Proneness*** (CRP) -conscious tendency to engage in relationships with retailers of a particular product category (De Wulf et al., 2001)-.

Some authors such as Nakhleh (2012) consider that RM is a strategy designed to foster customer loyalty, interaction and long-term engagement. In this sense, long-term and close customer relationships allow the company to obtain useful information from consumers and, with the adequate management, enable them to deliver superior value as a source of competitive advantage (Ndubisi, 2004). Thus, improving the Relationship Quality, which in turn, will lead to a greater willingness of the client to maintain such relationship (Al-alak, 2014).

Under a RM approach, with today's rapid globalizing processes, it is essential to study technological changes and cultural developments (Matusitz and Musambira, 2013). In this sense, new technologies play an essential role, as they facilitate not only customer interactions but also the possibility to offer experiences in different channels. Thus, the development of Internet, App's, and social networks have become contact points with consumers - complementary to traditional channels. This is the case, for example, of the banking sector, where the trend is to provide customers with better experiences through an all-around service (Cambra-Fierro et al., 2017).

The existence of cultural differences between countries has been widely documented (Hofstede, 1980, 1991 and 2001; Leaptrott, 1996; Hampden-Turner and Trompenaars, 2004). Culture has been defined as the "*collective programming of the mind which distinguishes the members of one group or category from those of another*" and it has been argued that the culture of each national group affects the behavior of individuals of such society as well as the behavior of those companies which serve them (Hofstede, 1980, 1991 and 2001). In other words, the culture of a country is a key environmental force that shapes the perceptions, dispositions and behaviors of its people (Samaha et al., 2014).

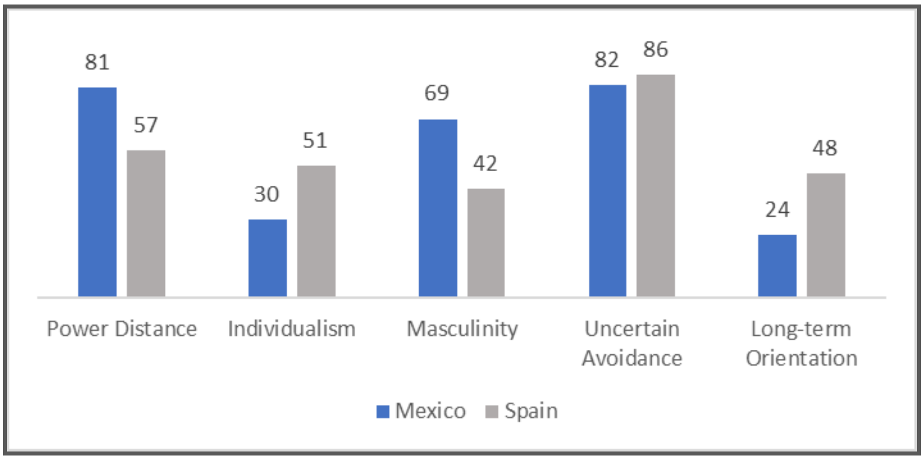
According to some authors, the usefulness of the concept of culture to explain cultural differences lies in the ability to decompress and identify its components (Soares et al., 2007). In this sense, although many authors have investigated the most appropriate way to conceptualize and operationalize culture (Schwartz, 1994; Smith et al., 1996; Keillor and Hult, 1999; Steenkamp, 2001) the proposal by Hofstede (2001) is the most commonly used in international marketing studies (Dawar et al., 1996; Sivakumar and Nakata, 2001; Kirkman et al., 2006; Soares et al., 2007; Taras et al., 2010; Engellen and Bretell, 2011) and it will be used in our research.

The dimensions are measured in general by index scales from 0 to 100. The five dimensions are labelled as follows:

1. *Power Distance Index (PDI).* This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally.

2. *Individualism versus Collectivism (IDV).* Individualism–collectivism describes the relationships individuals have in each culture ("I" vs "we)".
3. *Masculinity versus Femininity (MAS).* The Masculinity side of this dimension involves a society in which the dominant values are achievement, competition, heroism, assertiveness and success, whereas in feminine countries the dominant values are caring for others and quality of life.
4. *Uncertainty Avoidance Index (UAI).* The Uncertainty Avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity.
5. *Long-Term Orientation versus Short-Term Normative Orientation (LTO).* This dimension describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future.

Figure 4.1. Cultural dimensions scores for Spain and Mexico

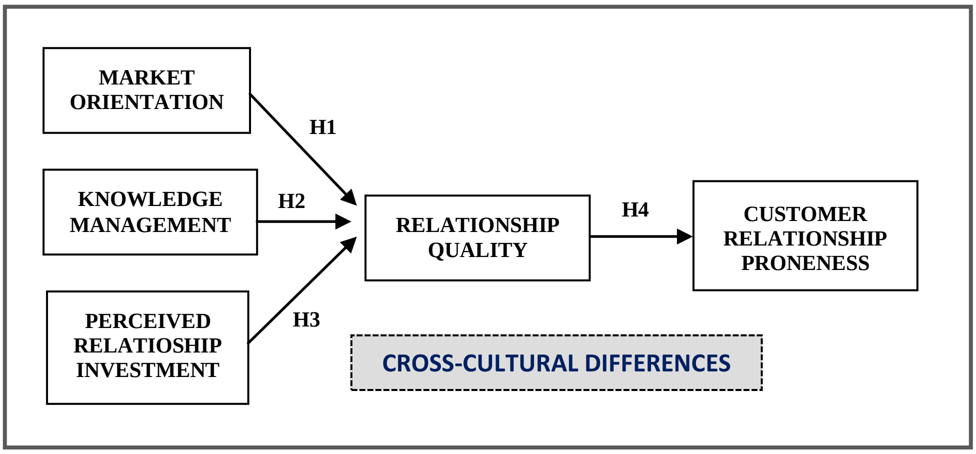


The figure above shows that, despite the fact that we would expect cultural similarities between Spain and Mexico due to their historical past, in fact, both contexts differ in general terms. Given that the objective of the study is focused on assessing the likely influence that culture may have over the customer's proneness to maintain the relationship with a company through time, we believe that the most relevant dimension for this analysis is the *Long-Term Orientation*. This concept measures the degree to which members of a society are facing social changes. High scores reflect pragmatic societies, with a long-term focus and with an open mind to the necessary changes in order to face the future, whereas low scores reflect societies that prefer to keep traditions and norms with a more conventional historical or short-term perspective.

4.3 Hypotheses development

As we discussed above, in an environment characterized by the continuous development of new technologies and growing globalization, we focus our research on analyzing the impact that cultural differences may have on the customer's predisposition to maintain the relationship with the firm in an online context. To this respect, we propose a model that considers Market Orientation (MO), Knowledge Management (KM) and Perceived Relationship Investment (PRI) as a set of factors that if accumulated, combined and exploited, may influence the quality of the relation perceived by the customer and this, in turn, may affect the predisposition of the customer to maintain such relationship. Figure 4.2 shows the reference model that forms the basis for the development of our hypotheses.

Figure 4.2. Conceptual model



4.3.1 Structural multi-sample: Spain and Mexico

4.3.1.1 Market Orientation and Relationship Quality

From the cultural standpoint, MO is a concept that implies the company's orientation towards its clients and competitors, and it is an inter-functional coordination intended to offer superior value to customers (Kohli and Jaworski, 1990; Narver and Slater, 1990). A market-oriented company manages to understand better the needs of the consumer, which allows coordinating all its assets in a manner which allows it to increase the value for the customer, hence to increase the level of output quality received by the customer (Camarero, 2007). Therefore, we assume that Market Orientation exerts a positive influence over the customer's perception regarding Relationship Quality.

Deshpande and Webster (1989) define organizational culture as "*the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provides them with norms for behavior in the organization*". In this sense, the MO cultural approach requires the company to have certain basic values such as innovation and flexibility (Homburg and Pflesser, 2000), which are necessary to be able to adapt to changes and challenges as they arise in such a competitive environment that is constantly evolving. *Long-Term Orientation* measures the degree to which members of a society face changes that arise in the environment. Therefore, based on Hofstede's model, we expect that MO influence over RQ in Spain is greater than in Mexico given that greater levels of long-term orientation -48 points in Spain, 24 points in Mexico- denote a more open mind to accept future changes.

H1: The association between Market Orientation and Relationship Quality will be stronger in Spain than in Mexico

4.3.1.2 Knowledge Management and Relationship Quality

Knowledge Management comprises the acquisition of knowledge, its dissemination and the use or responsiveness to such knowledge (Darroch, 2003). Nowadays, companies have thousands of customers from whom they may obtain large amounts of relevant knowledge which, properly managed, can be construed as a source of competitive advantage that is hard to surpass (Dans, 2001). In this regard, new technologies can play an important role in successful Knowledge Management initiatives (Wong and Aspinwall, 2005; Nasiri et al., 2013). Companies that use these technologies at inter-functional level may obtain critical knowledge for coordinating sales, marketing and customer service departments in order to better and faster satisfy the customers' needs (Nguyen et al., 2007; Garrido-Moreno et al., 2015) by offering superior value, which will have bearing on a better Relationship Quality.

Hofstede (2011) contests that some of the main values that characterize long-term oriented cultures are perseverance, the capacity to adapt traditions to the circumstances, and the strong belief that better things are yet to come. Therefore, based on Hofstede's model, we expect that Knowledge Management influence on Relationship Quality in Spain will be greater than in Mexico given that higher long-term orientation leads to the perception that the company is going to manage knowledge proactively, using it to offer products and/or services that are more appropriate to the evolving needs of consumers, which will, in turn, improve the Relationship Quality. Consequently, we propose the following hypothesis:

H2: The association between Knowledge Management and Relationship Quality will be stronger in Spain than in Mexico

4.3.1.3 Perceived Relationship Investments and Relationship Quality

In order to improve the Relationship Quality with its customers, it is necessary that the company invests time and resources of varied nature. These efforts are known as Perceived Relationship Investment, and De Wulf et al. (2001) have defined as a buyer's perception of the extent to which a buyer invests time and effort aimed at maintaining or enhancing relationships. In our study, we have considered that Perceived Relationship Investments refer to the group of efforts, both human and economic and technological, that the company uses in order to maintain and foster the relationship with its customers. There is a large number of studies in literature that positively links Perceived Relationship Investments and Relationship Quality (Barry and Doney, 2011), because as much as the customers perceive the company's efforts to maintain and improve the relationship with them, their satisfaction (Baker et. al, 1999; Barry and Doney, 2011; Fazal e Hasan et al., 2014), trust (Ganesan, 1994; De Wulf and Odekerken-Schröder, 2003; Barry and Doney, 2011) and commitment (Gundlach et al., 1995; Barry and Doney, 2011) will increase.

From a standpoint of corporate logic, we assume that the greater allocation of resources and efforts, the better will be the perceived quality of the relationship. Furthermore, as established by the premises of Relational Marketing, the greater the long-term orientation of a relationship, the more time there will be to attempt to turn those invested resources into profitable results, for which we can expect that in cultures that are more oriented towards the long-term, the effect of the perceived investment in Relationship Quality will be greater. Therefore, we suggest the following hypothesis:

*H*3**:** *The association between Perceived Relationship Investment and Relationship Quality will be stronger in Spain than in Mexico*

4.3.1.4 Relationship Quality and Customer Relationship Proneness

Relationship Quality is understood as a buyer's overall favorable perception of the relationship with a service provider formed over several exchange episodes (Barry and Doney, 2011; Al-alak, 2014) and there is consensus to deem it as a first order construct integrated by three dimensions -satisfaction, trust and commitment- interrelated and highly correlated (Morgan and Hunt, 1994; Caceres and Paparoidamis, 2007; Dagger and O'Brien, 2010; De Canniere et al., 2010). Therefore, a good Relationship Quality implies high customer satisfaction, trust in the service provider and commitment to the relationship with the service firm (De Wulf et al., 2001). Numerous studies have proven the influence that RQ exerts over repurchase intentions or expectations of continuity (Hennig-Thurau et al., 2001; Hewett et al., 2002; Vázquez-Carrasco and Foxall, 2006; Lai et al., 2008) which we understand as different forms of stating greater proneness of the customer to maintain the relationship with the company. Furthermore, it seems evident that this link will be more intense in societies oriented towards the long-term, for which we propose that:

H4: The association between Relationship Quality and Customer Relationship Proneness will be stronger in Spain than in Mexico

4.4 Methodology

To test the proposed hypotheses, we carried out a study in the banking sector. In general, the financial sector is considered one of the main economic drivers, as it enables the financing of economic growth of a country and plays a decisive role in the process of channeling savings into investment. Besides, this sector is very active in the use of online multichannel strategies as means to interact with customers. The research focuses on data collected in Spain and Mexico. The two countries chosen for this work hold some significant differences. In the first place, Mexico is a new emerging economy compared to Spain, which is a mature one. At the same time, Mexico's environment in terms of Internet home access penetration, consumer digital competencies, and financial offline and online inclusion are lower when compared to those of developed countries including those of Spain (Alonso et al., 2013; Adame et al., 2016). Secondly, unlike Spain, Mexico did not suffer the crisis of 2008, since, after a strong crisis in 1995, the banking sector underwent a deep restructuring and the adoption of new sectorial measures which a decade later, served to avoid the consequences of the greatest crisis that affected most first economies of the world.

On the other hand, financial entities around the world are becoming ever more aware of the role that the relationship management with customers plays in the process of value creation and proneness to maintain such relationship in the future. A study conducted at global level by Forrester (2015) for the Consultant Accenture highlighted a decrease in customer confidence in the banking sector and indicated, with regard to the specific case of Mexico, that 57% of users are unsatisfied with the service offered by their banks and, furthermore, the attribute that is most valued by Mexicans in connection with their banks is customer service (48%), followed by the variety of products and services (47%). Regarding Spain, the study points out that 69% of customers have switched providers due to poor customer service and that 42% of customers say that they are willing to pay a higher price for goods and services if it ensures a better level of service. Finally, as we pointed earlier, there are some cultural differences between the two countries.

This study takes customer bank opinions as the reference. Respondents were contacted by an online survey. The sample size is 431 (225, 52.2% from Mexico; 206, 47.8% from Spain). In order to analyze the proposed model, a structural equation modelling technique will be employed using Partial Least Squares (PLS) (SmartPLS v. 2.0). This methodology has been advocated and used in the marketing literature (Reinartz et al., 2009). Authors such as Henseler et al. (2014) suggest that PLS allows to evaluate the measurement model as well as to test the significance of the hypotheses. PLS is appropriate for both exploratory and early stage research.

Regarding the measurement model, we note that all the constructs are measured with a battery of multi-item reflective scales. MO is considered a second-order construct composed of three factors: CO, CMO and IC, taking as a reference the proposal by Narver and Slater (1990). KM and PRI are also considered second-order constructs. KM is formed by two factors: the acquisition and application of knowledge and the dissemination of knowledge, based on the scale by Sin et al. (2005). PRI is based on the work by De Wulf et al. (2001). Relationship Quality and Customer Relationship Proneness are first-order constructs, and their scales are also based on De Wulf et al. (2001) research.

To make the cross-cultural analysis between Spain and Mexico, we include a dichotomous demographic variable. As we have already commented, this research relies on the model proposed by Hofstede (Hofstede, 1991; Hofstede, 2001).

With the objective of evaluating the quality of the data obtained, an individual reliability analysis of each item relative to its construct was carried out. The results show that all the values exceed the threshold of 0.707 required by Carmines and Zeller (1979). The same applies when assessing the reliability of the variables using Cronbach's Alpha and composite reliability. Appendix shows that all constructs are reliable, as they exceed the reference value of 0.8 for each index (Nunnally, 1978).

A convergent validity analysis was carried out using the average variance extracted (AVE), which according to Fornell and Larcker (1981) must exceed 0.5. As such, over 50% of the variance of the construct is due to recommended indicators. Appendix shows these results, and we may observe that in all cases the reference value is exceeded. In order to assess the discriminant validity, we have followed recommendations made by authors such as Barclay et al. (1995) comparing the square roots of AVE values with the correlation between variables (Table 4.1). This information confirms the existence of discriminant validity between the constructs.

Table 4.1. Discriminant Validity of Variables for the Structural Model

VARIABLES	MO	KM	PRI	RQ	CRP
MARKET ORIENTATION	**0.867**				
KNOWLEDGE MANAGEMENT	0.652	**0.924**			
PERCEIVED RELATIONSHIP INVESTMENT	0.607	0.669	**0.938**		
RELATIONSHIP QUALITY	0.604	0.661	0.748	**0.934**	
CUSTOMER RELATIONSHIP PRONENESS	0.465	0.436	0.535	0.616	**0.912**

Numbers along the diagonal axis in bold are the square roots of the AVE (Average Variance Extracted) for the variables; the rest of the numbers represent construct correlations.
All correlations are significant <0.01 (Fornell and Larcker, 1981).

4.5 Findings

4.5.1 Assessment of the moderating role of culture

As we outlined in previous sections, this study aims to assess whether the cultural characteristics could affect the links between Customer Relationship Proneness and a set of antecedents. To this end, we firstly produced a multi-sample analysis, following the guidelines of Chin and Frye (2003), which consist of comparing the β coefficients for each of the sub-samples. The first analysis provides an overall vision which should be subsequently corroborated with the specific analysis of the moderator effect. The results of this analysis are shown in Tables 4.2a and 4.2b.

Table 4.2a. Results of the structural multi-sample: Spain

Hypothesis		Standardized *path* coefficients (β)	T value *(Bootstrap)*	Results of contrast
H1	MO - RQ	0.246 ***	3.545	ACCEPTED
H2	KM- RQ	0.228**	2.434	ACCEPTED
H3	PRI - RQ	0.693***	9.880	ACCEPTED
H4	RQ - CRP	0.785***	22.292	ACCEPTED

** When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.01, 4999) = 2.327, the hypothesis is accepted at 99% significance.
*** When the t value obtained by the Bootstrap technique overcomes T Student value t(0.001, 4999) = 3.091, the hypothesis is accepted with 99.9% significance.

Table 4.2b. Results of the structural multi-sample: Mexico

Hypothesis		Standardized *path* coefficients (β)	T value *(Bootstrap)*	Results of contrast
H1	MO - RQ	0.006 NS	0.076	NOT ACCEPTED
H2	KM- RQ	0.054NS	0.791	NOT ACCEPTED
H3	PRI - RQ	0.640***	10.510	ACCEPTED
H4	RQ - CRP	0.521***	8.811	ACCEPTED

** When the t value obtained by the Bootstrap technique overcomes the T Student value t(0.01, 4999) = 2.327, the hypothesis is accepted at 99% significance.
*** When the t value obtained by the Bootstrap technique overcomes T Student value t(0.001, 4999) = 3.091, the hypothesis is accepted with 99.9% significance.
NS: Not significant.

The results show differences between both countries and the values of standardized coefficients suggest the fulfillment of the proposed hypotheses. While in Spain the relationship between MO-RQ (H1) and KM-RQ (H2) is accepted, our data suggest that in Mexico these relationships seem to be non-significant. As for the rest of the relationships (H3 and H4), data indicate that they are fulfilled in both countries with the highest level of significance.

However, to assess whether these differences are significant, it is necessary to perform an analysis based on the *T-test* proposed by authors such as Chin and Frye

(2003) or Keil et al. (2000). The results of this test are included in Table 4.3. This second step is not necessary for H1 and H2 as they are significant only for the Spanish subsample. Data indicate that culture also exerts influence on the relationship between PRI-RQ (H3) and RQ-CRP (H4), with both hypotheses being susceptible of acceptance with a higher level of significance (99.9%). Therefore, as shown in Table 4.3, the results of the study suggest that culture is indeed a factor to be taken into account in management models that include possible links between Relationship Quality –and its antecedents– and the proneness to maintain the relationship in the future on the part of customers.

Table 4.3. Results of the analysis of the moderator effect

T-TEST		SE		SP	T-value	Sig	
		Spain	Mexico				
H1	MO – RQ	---	---	---	---	---	✓
H2	KM- RQ	---	---	---	---	---	✓
H3	PRI – RQ	0.070	0.060	0.064	7,336	***	✓
H4	RQ – CRP	0.0352	0.0598	0.052	45,516	***	✓

***99.9% significance. SE: Error estándar. SP: Separate Variance Estimate.

4.6 Discussion

The effect of globalization and the development of new information technologies have modified the commercial dynamics. Currently, we observe the consolidation of online channels and attest to the expansion of omnichannel strategies (Neslin et al., 2006; Verhoef et al., 2015; Cambra-Fierro et al., 2016), which allow users to access offers coming from all parts of the world through multiple channels. We also attend that companies can increase their business figures by gaining access to customers from around the world. Thus, an important decision that must be faced by companies is the consideration of a global strategy or the need to conduct local adaptations in function of the culture of the country of reference. Authors like Etgar and Rachman-Moore (2011) or Morgeson et al. (2015) recently pointed out the need to consider changes in the perception and behavior of consumers due to cultural differences, whereas others like Ghemawat (2011) or Samaha et al. (2014) focused on this need from the standpoint of understanding and adapting relational strategies with dependence on the country of reference.

In either case, the consolidation of Internet as a commercial channel, along with the development of new information technologies, allow maintaining permanent and customized contact with customers. Now, from a strategic standpoint, it is necessary to know how do companies organize their relationships in a competitive environment, how do they manage this knowledge and all information collected, and what is the actual effort made by the companies to satisfy their customers. Our research took on these challenges from the perspective of the users of electronic banking with regard to the strategic performance of their entities of reference. Further, both literature (e.g. Venkatesan and Kumar, 2004) and the corporate reality prove that as the temporal duration of the company-customer relationship grows, the probability of maximizing the profitability of each customer increases. For this reason, we have deemed it relevant to incorporate the relationship between RQ and the Customer Relationship Proneness into the study.

From a cross-cultural standpoint, our data reflect that, in some cases and for some sectors like electronic banking, it becomes necessary to know how users perceive the practices followed by the companies, despite the tendencies inherent to globalization that could minimize any difference in the behavior of consumers. For instance, banks may require considering particular country characteristics such as financial inclusion, digital competencies and Internet accessibility.

Firstly, our data indicate that in Mexico neither MO nor KM seem to have any impact on RQ, whereas there is in Spain. Aspects such as the level of orientation towards the customer and competition do seem to be appreciated by Spanish consumers, as is also the case of aspects relating to coordination and internal operation of banking entities. Moreover, the Spanish consumer also values the way in which the entities manage the knowledge acquired and the degree of adjustment in the offers they receive. These data suggest greater maturity in the Spanish banking market, a higher level of competition, and perhaps even greater penetration of the online service, so that users value to the greater extent certain intangible aspects of the commercial management of banks. We may also infer that banks in Mexico need to consider raising the level of banking service penetration through innovative products and services derived from mobile banking. These services may be geared towards particular geographic and socio-demographic segments of the population still being unattended by traditional channels. So, there is still greater market opportunities to attend. These findings reinforce some of the ideas proposed by authors like Nasiri et al. (2013), Al-alak (2014) or Garrido-Moreno et al. (2015), who suggest that technology helps to improve the level of knowledge of the competitive environment, to coordinate the performance of all departments involved, to develop new products and services, and to offer an adequate response to users.

Secondly, we observe that PRI becomes an antecedent of RQ for both markets. Now, as proposed by De Wulf et al. (2001), we have the consumers' appraisal of the time and effort invested by the companies to maintain the relationship active. It would be a more tangible element than the previous ones. Data show that being this construct relevant in both countries, its impact is greater in Spain than in Mexico. This result may be defended, again, for the greater level of maturity and competition found in the Spanish banking market as compared with the Mexican, and makes it clear that the entities need to make an effort to show their involvement with each client, to show them explicitly that they are important, not mere anonymous customers.

Thirdly, we analyze the impact of RQ on the Customer Relationship Proneness. Data show that RQ is relevant in both countries but, once more, it seems that the effect is greater in the case of Spain. As literature suggests (De Wulf et al., 2001; Barry and Doney, 2011), this construct takes into account the joint effect of satisfaction, trust and commitment, and significantly determines the predisposition to maintain the active relationship in the future and orient it towards the long-term. Our data are in line with the ideas proposed by authors like Lai et al. (2008) or Barry and Doney (2011), who defend the importance of perceived Relationship Quality in order to understand the customers' predisposition to maintain commercial relationships in the future.

As suggested by the framework of Hofstede (2001), the Spanish culture seems to be more long-term oriented than the Mexican. In epigraph 4.2, we indicated that a higher score in this dimension suggested more pragmatic societies with minds more open to the changes necessary to face the future, whereas lower values indicate more traditional societies that prefer to keep the norm and the status-quo. This helps to explain and to assert the results obtained. We verified empirically that there are differences in perception and, by extension, on the behavior of users of electronic banking in Spain and Mexico.

Thus, from the standpoint of recommendations for the corporate practice, we must state in the first place the need to adapt the commercial strategy to the cultural reality of each country-market. Our research answers to parameters from authors like Steenkamp (2005), Ghemawat (2011) or Samaha et al. (2014), who underscore the need to conduct in-depth studies on the need of adapting RM strategies to the reality of each country. Moreover, although many companies tend to work in global markets, authors like Morgeson et al. (2015) comment on the need of learning about potential variations in the consumers' perceptions due to cultural differences. In all cases, it seems that tangible aspects such as perceived effort are relevant, as is the perceived relationship quality, whereas other of a more intangible nature, such as the level of MO or KM, seem to be relevant in more mature, competitive markets whose customers show a higher level of *Long-Term Orientation.* Despite the fact that some electronic commerce tendencies speak of the possibility of implementing global strategies, our data indicate that, at least in the case of electronic banking, it continues to be necessary to make adaptations to the culture of the market-country. Characteristics such as Internet accessibility, financial offline and online inclusion and digital competencies among others need to be considered. It is true that, as suggested by Forrester (2015), advancements in information technologies allow adapting the dynamics of interaction and offering a better digital experience. However, it is necessary to know the degree of maturity of the market, the penetration of these technologies from the company's perspective as well as of the consumer's, and the attitude of the market. Only in this way will it be possible for the commercial activities to be efficient for the company and satisfactory for the customer. It is possible that these results derive from the characteristics inherent to the sector subject matter of analysis -online banking- as defined by a high level of risk associated with decision making and involvement of the client (Cambra-Fierro et al., 2015).

4.7 Conclusions

Taking as reference the context of the banking industry, this study demonstrates the contribution of Relationship Quality to Customer Relationship Proneness in online channels. Also, it shows that culture matters in some ways. For example, while in the Mexican context both MO and KM have no influence over RQ, in the Spanish case they do, and significantly. Furthermore, while the impact of Perceived Relationship Investment influences both cases, its intensity also differs depending on the country of reference. Finally, our data suggest that we may consider RQ as an antecedent for the Customer Relationship Proneness in both countries, even though its impact is stronger in Spain than in Mexico. The different scores that the framework of Hofstede (2001) ascribe to each of the cultures with regard to the *Long-Term Orientation* dimension, justify these results and reinforces the interest of considering the need to make adaptations to local cultures, even in globalized business contexts.

This research is of interest because Relationship Marketing is still in a process of development and Customer Relationship Proneness arose as a construct of reference. More, the online context requires still more researches to fill evident gaps as, for instance, those related to potential cross-cultural influences. This paper has presented, both conceptually and empirically, the interrelation between a set of antecedents of RQ, as well as the link between RQ and Customer Relationship Proneness. We have also shown that national culture affects relational frameworks in online channels. Therefore, although this research is the first attempt to analyze these interrelationships, it represents an interesting starting point for future researches. Replicating our framework considering additional countries would be of great interest for managers, as they could identify similarities and differences between countries in order to determine optimal strategies to interact with customers through online channels.

However, our study is not without its limitations. Firstly, results are based on one specific sector so we must be cautious when extrapolating our findings across industries. Secondly, we have employed questionnaires to survey consumer opinions and perceptions at a given point in time. In this regard, we must recognize the possible influence of common method bias. This bias refers to the proportion of the variance of the variables related to the measuring method (Podsakoff et al., 2003). To address this potential bias, Podsakoff et al. (2003) recommend using procedural strategies and/or statistics. Regarding the procedure, acting on the basis of the study and attempt to remove or -where appropriate- minimize the impact of this bias, we designed the study so as to (1) guarantee the anonymity of participants, (2) clarify there were no right or wrong answers, (3) use previously validated scales and (4) through various pre-test with different reference groups, eliminate possible ambiguities in the wording of each item scales, ensuring its simplicity, specificity and conciseness. Regarding statistical strategies, we chose the Harman single factor test. In the factorial analysis carried out any single factor explaining the variance of all items is identified, suggesting that it is unlikely that there is a bias for having used a unique method. The main factor explains 41.56% of the variance. Thus, when no single factor explains more than 50% of the variance, study data can be accepted as valid (Podsakoff and Organ, 1986). Following the recommendations of Armstrong and Overton (1977), we also compared early and late respondents, and we did not find any significant difference.

With regard to additional potential lines for future research, a study which considered other consumer profile variables -e.g. age, gender, income, education bracket, employment status, among others- as moderating the structural model would be especially relevant. Authors such as Verhoef and Lemon (2013) note that demographic factors could have a lot to contribute to the study of customer management. Lastly, a study replicating our research in different industries would be valuable in terms of extrapolation of results.

4.8 References

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Appendix Chapter 4. Measurement Scales (Sources) (Alpha C., FC, AVE)

Market Orientation (MO) (Narver and Slater, 1990) (0,8379; 0,9009; 0,7530)
Customer Orientation (CO)
CO1 The business objectives of the company are focused on customer satisfaction.
CO2 The Company continually monitors its level of commitment to meeting the needs of customers.
CO3 The strategy of the company to gain a competitive advantage is based on understanding the needs of customers.
CO4 Business strategies of the company are aimed at creating value for customers.
CO5 The company frequently measured customer satisfaction.
CO6 The company pays great attention to after-sales service.
CO7 The company offers customized products and services to key customers.
Competitor Orientation (CMO)
CMO1 The sales team of the company regularly shares information about the strategy of competitors.
CMO2 The corporation regularly discusses the strengths and weaknesses of competition.
CMO3 The company responds quickly to competitor actions.
CMO4 The company sets objectives to capture customers in the markets where it has competitive advantages.
Interfunctional Coordination (IC)
IC1 Employers in all functional areas regularly contact with current and potential customers.
IC2 The information regarding customers is fluidly communicated through the company.
IC3 All functional areas are integrated and coordinated to serve the needs of the target markets.
IC4 All managers understand how each functional area of the company can contribute to creating customer value.
IC5 The various functional areas share resources with each other.
Knowledge Management (KM) (Sin et al., 2005) (0,8290; 0,9211; 0,8538)
Knowledge Acquisition (KA)
KA1 The company provides channels to allow a continuous two-way communication with key customers.
KA2 The company has established processes for acquiring knowledge about customers.
KA3 The company has established processes for acquiring knowledge for the development of new products and services.
KA4 The company has established processes to acquire knowledge about their competitors.
KA5 The company understands the needs of its core customers through its orientation of the knowledge.
KA6 The company can make decisions quickly thanks to the availability of knowledge about customers.
KA7 The company can provide real information about customers that enable rapid and accurate interaction with them.
KA8 The company has established processes to apply knowledge to solve new problems.
Knowledge Diffusion (KD)
KD1 The company encourages employees to share knowledge.
KD2 The organizational culture of the company encourages the acquisition of knowledge and its transmission among employees.
KD3 The company has developed processes to facilitate the knowledge transfer between different functional areas.
Relationship Quality (RQ) (De Wulf et al., 2001) (0,9277; 0,9540; 0,8737)
Trust
TR1 I have trust in the company for hiring a financial service.
TR2 This company is frank in dealing with us.
TR3 I can trust this company because it is honest.
Affective Commitment
AC1 I feel this company close to me
AC2 I like feeling a link to this entity
AC3 I feel a sense of belonging to the company
Satisfaction
SAT1 I am satisfied with this company
SAT2 I am happy with the service received by the company
SAT3 This entity meets my needs and covers my expectations
Perceived Relationship Investment (PRI) (De Wulf et al., 2001) (0,9324; 0,9568; 0,8808)
PRI1 I perceive that this bank makes an effort to improve our relationship
PRI2 I think this entity makes investments to improve my loyalty
PRI3 In my opinion, this company really cares about keeping me as a customer
Customer Relationship Proneness (CRP) (De Wulf et al., 2001) (0,8988; 0,9373; 0,8332)
CRP1 Generally I like to be a regular customer of a financial entity.
CRP2 Generally I want to be a regular customer for my financial entity.
CRP3 I am usually a person who is willing to make an extra effort to hire financial services always of the same entity.
CRP4 In your opinion, your organization has a high proportion of the total financial consumption of customers.

CHAPTER 5

DISCUSSION AND CONCLUSIONS

5.1 Introduction

The strategic and commercial objective of many companies are focused on achieving the establishment, development, and lasting relations with customers in a profitable way. In this sense, even though the foundations of relationship management go back to the 80s and beginning of the 90s in the last century (e.g. Gummenson, 1987; Gronröos, 1990; Morgan and Hunt, 1994), and the subject being a reference in academic research in the last decades, today the study of relationship management keeps on catching interest both at the academic and corporate level (Samaha et al., 2014; Hasanian et al., 2015; Lemon and Verhoef, 2016; Bhat and Darzi, 2016). For these authors, the changes we see in the environment, such as advances in information technologies, the effect of globalisation, and cross-cultural views make it necessary still to adapt relational principles and deepen into several matters that allow successfully achieving of their implementation.

In this context, the purpose stated in this study was to delve into the aspects that bear on attaining success in relational strategy. The initial reference has been the CRM concept, understood as a strategic tool focused on establishing, maintaining and enhancing profitable long-term relationship with core customers of the organisation (Wang and Feng, 2012; Bhat and Darzi, 2016). The study has been conducted by a two-sided view, company and consumer so that a global perspective is available based on the perceptions of both parties involved in the relationship. The purpose is to understand how to achieve customer satisfaction as well as to maintain a long-term relationship that is profitable for the company. On the one hand, an analysis has been made of the factors that, from the standpoint of company managers, contribute to achieve success of the CRM regarding loyalty, satisfaction, and interest from the customer towards the company, as well as the ratio of total consumption of company products. On the other hand, an analysis has been carried out, from the standpoint of the consumer, of the influence that the implementation of a relational strategy has over the proneness to maintain the relationship with the company using the perception of quality in that relationship.

From the standpoint of corporate management, the importance of CRM resides in the possibility of exploiting all competitive advantages, starting with the management of profitable relationships with customers. In this sense, under the perspective of resources, the formulation and implementation of a strategy that explores the unique characteristics of the set of resources and capabilities of the company constitute the basis for obtaining competitive advantages (Grant, 2004). Thus, we have considered that Market Orientation and Knowledge Management are value-generating capabilities and, therefore, sources of competitive advantages.

As stated in preceding paragraphs, to fulfil the proposed objective, this work has been structured into three independent, but closely related, chapters (See Table 5.1). The main conclusions obtained for each are commented from now on.

5.1.1 Conclusions Chapter 2

One of the most popular concepts in the relationship marketing sphere is Customer Relationship Management (CRM). The study of this concept has been approached from varied perspectives: commercial and information technologies, among others. Notwithstanding, despite its popularity, as shown in the work of Cambra-Fierro et al. (2017), there is still some confusion regarding the purely technological consideration. CRM, as stated in Chapter 2, is considered as a strategy focused on managing successful and profitable relationships with customers (Ambler, 2005).

Thus, this chapter includes a profound revision of literature about the different angles from which CRM may be approached. Specifically, given the purposes of our research, we adopted an integrating approach that includes the complementarity of all and constitutes the base for suggesting that both Market Orientation (MO) (attitude component) and Knowledge Management (KM), as well as a series of organisational factors, can simultaneously exert influence over the success of a CRM strategy. For this study, we adopted the perspective of company managers.

Results obtained indicate that KM influences the success of a CRM strategy. However, the same is not true for MO. In this regard, attitude happens to be necessary, but only if it is adopted as a prelude to KM, for it allows for the transformation of the entire attitude component into an adequate behaviour.

Conversely, we verified that this relation between MO, KM, and CRM success is intensified, in some cases, with the inclusion of organisational factors (employees, leadership, economic and technological resources, and know-how). Accordingly, despite the fact that the technological perspective of CRM is the most common, our results indicate that technology is a necessary, but not critical, resource. The same is observed with economic resources. It is then demonstrated that it is the factors that are directly related to people which have a critical influence on the success of commercial relationship management. This person direct factor may be due to the fact that employees are in direct contact with customers, and that it is their way of managing relationships with them which has the greatest incidence of a successful development. In this context, given the large volume of customers that companies handle nowadays, technology and economic resources have become useful factors towards effective follow-up and management of customer relationships, but they are not the most important; our research suggests that they are used as a support, but philosophy and interaction are the determining factors.

Consequently, the results obtained allow us to defend that, from a corporate management standpoint, companies must adopt an MO approach that promotes proper KM, favouring employee selection, training and motivation programs that are adequate for attaining specific CRM objectives, not focusing exclusively on technology.

5.1.2 Conclusions Chapter 3

As explained earlier, and given that the purpose of a relational strategy is to create and maintain profitable relationships with customers, we believe it is important to delve into their study also from the side of the consumer. Specifically, we focus on the antecedents that influence the proneness to maintain the relationship with a company. That is to say, the way in which the implementation of a relational strategy effectively influences the customer's proneness to maintain the relationship in time, and the company's availability of time to turn its commercial efforts into profitable results. Literature has suggested that the perception of quality of said relationship on the part of customers is a relevant factor.

Thus, in the second project, which integrates Chapter 3, we propose that MO, KM, and the customer's perception of the efforts made by the company to maintain the relationship simultaneously influence their perception of quality in the relationship. In turn, this positive perception increases their proneness to maintain a said relationship.

Results obtained show proof that both MO and the customer's perception of efforts made by the company to maintain the relationship influence the quality of the relationship. However, even though KM influences as expected, it is not a critical factor. A possible explanation can be found in the fact that KM is an internal aspect whose measurement is based on scales developed from the standpoint of the company and, therefore, is not perceptible by the customers.

On the other hand, and as expected, the quality of the relationship measured by satisfaction, trust, and commitment becomes critical for the customer to be willing to maintain the relationship with the company. Given the intense competition that defines current markets where customers have multiple choices for meeting their needs, consumers tend to reduce the number of options from which to choose. Customers try to consolidate the relationships they usually keep to minimise uncertainties and strengthen their assuredness of selection (Sheth and Parvatiyar, 1995; Yen and Gwinner, 2003; Harrison and Stelami, 2014; Lee et al., 2014). To understand the long-term orientation of a relationship, we may find necessary to take into consideration not only the effect of satisfaction, but others like trust or commitment also matters (Morgan and Hunt, 1994; Cambra-Fierro et al., 2015).

Consequently, results suggest that companies must lead their resources and capabilities to not only gain the consumer's satisfaction, but also to improve trust and commitment towards the company, that is, to improve the quality of the relationship. It is also necessary to make it constantly, given the dynamic and evolving nature of relationships. Thus, the customer's proneness to maintain the relationship with the company can be attained.

From the standpoint of corporate management, from the results obtained we can establish some recommendations for implementing good practices for the companies to improve the quality of the relationship, and so the customer's proneness to keep involved in it. Firstly, it is necessary for the companies to have a clear market orientation, which implies knowing not only the needs of their customers, but the way in which those needs can (or are being) be met by competitors. In this way, value can be offered that meets the consumer's expectations at a superior level of excellence, consequently contributing to improve satisfaction.

Secondly, post-sale service from the company constitutes another fundamental factor to improve the quality of the relationship, due to the positive incidence that proper restitution of service exerts on the levels of trust, commitment and satisfaction of the customer after any incident or fault. In consequence, and taking into account that the perception the customer about the quality of the relationship with the company is built from previous experience, the companies should focus on offering products with superior value, such as post-sale service, once it is acquired.

Thirdly, based on the fact that relationships established by a company with its customers are developed through its employees, the company must ensure that the employees receive proper training in different aspects given their influence on the quality that the consumer perceives in connection with the relationship with the company. In this regard, training on the product is critical due to its repercussions on the trust of the customer, who expects complete and accurate information of products to make a choice. On the other hand, training on customer service techniques directed to the company's personnel is a crucial factor so that employees learn how to establish emotional bonds with clients, aiming at promoting affective commitment by the consumer.

Fourthly, in addition to developing full training programs, companies should adequately work their employees' motivation. This is because, despite the amount of training a worker receives, if he does not feel like an active part of the company, he will not feel involved in the relationship established with the client and he will hardly be able to create the emotional bonds. These ties are essential for the perception that customers have of their relationship with the company.

Lastly, given the evolving nature of relationships, it is essential that companies implement processes that allow frequent monitoring of Relationship Quality to foster the customer's proneness to maintain the relationship.

5.1.3 Conclusions Chapter 4

We have commented earlier that the current dynamics of the environment and the continuous changes force the companies to modify the way of managing exchange relationships. The development of new technologies is to be highlighted (Matusitz and Musambira, 2013; Hasanian et al., 2015). On the one hand, companies try to add value through the offering of better experiences to their customers, who may access value proposals from any part of the world. Furthermore, companies can also access new markets in any part of the world, which implies facing cultural differences between countries. In this context, it has been demonstrated that culture influences several aspects of human behaviour (Soares et al., 2007; Samaha et al., 2014) and, therefore, it may be expected to have a bearing on the behaviour of consumers.

For these reasons, we deemed it interesting to analyse the possible moderating effect of cultural differences on the antecedents of the customer's proneness to maintain the relationship with the company, which was described in the preceding chapter. Thus, the third project that gives rise to this fourth chapter shows the results of a cross-cultural analysis between Spain and Mexico. According to the Hofstede model, we see that, despite the similitudes that we might intuitively expect, both countries show differences of significance. Specifically, and given that we are analysing relational aspects, we have deemed it opportune to take the *Long-Term Orientation* dimension as reference and basis for our inter-cultural analysis. In this respect, Spain shows a higher level of *Long-Term Orientation* than Mexico which suggests that Spain is a pragmatic society, with a long-term focus and open-minded to the necessary changes to face the future, whereas Mexico is a society that prefers keeping traditions and norms with a more conventional historical or short-term perspective.

From these assumptions, results indicate that both the relationship between MO and Relationship Quality and the relationship between KM and Relationship Quality, are significantly different in Spain and Mexico. On the other hand, it is also confirmed that both the relationship between the customer's perception of the company's efforts to maintain the relationship, and the relationship between this perception and the proneness to maintain that relationship are more intense in Spain than in Mexico. These relationship dynamics may be due to the fact that Spanish consumers show more of a long-term orientation that takes them to value more the tangible and intangible aspects of commercial management from banks at the time of choosing to maintain a lasting relationship with their banking institution.

Therefore, the results obtained indicate that to increase efficacy and efficiency in the management of commercial relationships, inter-cultural factors should be taken into account. As a specific example, we see that the consumer's perception of the company's efforts to maintain the relationship, as well as the quality of the said relationship, have different levels of influence depending on the country of reference. Thus, along with *Long-Term Orientation,* aspects such as the Internet penetration rate as a commercial channel that allows the companies to offer their clients more personalised products and better digital experiences, or the degree of maturity and competition in the banking sector, may help the better understanding of these cultural differences.

Consequently, considering strategies that allow the successful internationalisation and globalisation of corporate activities, it is necessary to take into account the impact of cultural differences between countries. It will be difficult that highly standardised strategies work when it is far more advisable to consider the need of making adaptations, being of greater or lesser scope.

5.2 General conclusions

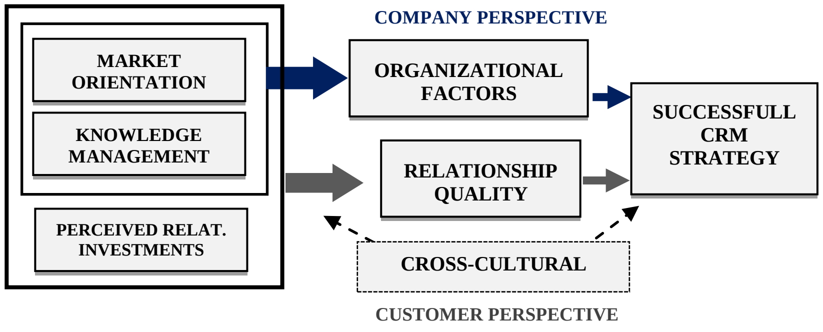
The turbulence in the environment demands, on the one hand, flexibility and fast responses from the companies to face change, and on the other, that they offer superior value as a means to survive such a competitive environment. In this sense, the development of strategies directed to establish and maintain lasting relationships with customers has become a source of competitive advantage. Thus, the sound implementation of a CRM strategy will contribute to develop and maintain profitable relationships with customers.

We have indicated that a CRM strategy is much more than the mere development and application of technology. Technological advances have modified and simplified the way of managing relationships. However, it is the people who, with their attitude and know-how, can make a customer willing to keep maintaining the relationship, even despite any failure in the service. Conversely, the quality of the relationship happens to be a factor of great influence on the customer's proneness to maintain the relationship.

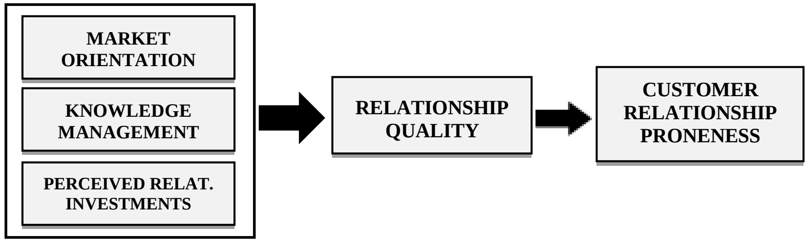
Notwithstanding the significant contributions, this work also contains limitations. Firstly, the study is based on a single sector that, even when it is suitable, does not allow extrapolation of results to all other activity sectors. For this reason, it would be convenient to perform structural and circumstantial comparisons with other sectors. Furthermore, being a study based on opinions, the obtained results might be biased. In order to minimize to the extent possible any effect of this bias, we have used processing measures such as anonymity of the participants, promotion of free answers, use of validated and adapted scales, and the execution of a pre-test, as recommended by authors like Podsakoff et al. (2003) or Baumgartner and Steenkamp (2006). Also, the Harman Test (Podsakoff et al., 2003) has been conducted in all cases, and the results obtained support the validity of our data.

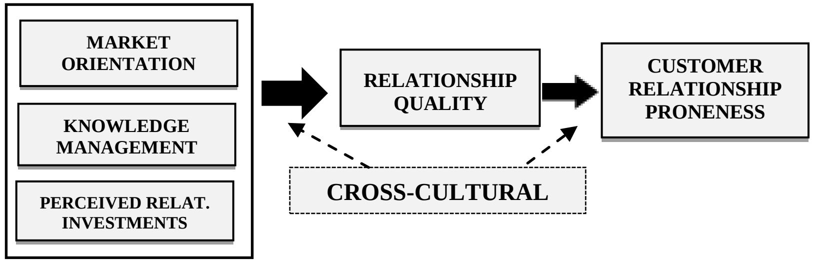
Lastly, we believe that it would be interesting, as possible lines of future research, to expand the scop of the study by including other sectors to establish inter-sector patterns and to improve the solidity of our conclusions. Also, we wish to propound the inclusion in the future of other countries to look into possible intercultural influences.

Table 5.1. Implications for theory and practice of this doctoral dissertation

<table>
<tr><th></th><th>CONCEPTUAL FRAMEWORK</th><th>IMPLICATIONS FOR THEORY AND PRACTICE</th></tr>
<tr><td>DOCTORAL THESIS</td><td>


</td><td>- In business management CRM is important because it offers the possibility to exploit competitive advantages from the management of profitable relationships with customers.
- The study carried out from the perspective of both company managers and customers indicates that the key points to achieve successfull long-term relationships lie in adopting a MO approach and investing in the human resource in order to improve the quality of the relationship and, therefore, to increase the proneness of the customer to keep the relationship.
- From the customer perspective, there are significant differences in the influence of RQ on the client's proneness to remain in the relationship based on cultural aspects.</td></tr>
<tr><td>STUDY 1:
Success factors in a CRM strategy: technology is not all</td><td>


</td><td>From a company managers point of view:
- MO (attitude) positively affects CRM success via KM (behaviour).
- Regarding organizational factors, technology and economic resources are necessary but not determinant factors. However, factors related with human resources intensify the relationship between MO, KM and CRM success.
- It is important to adopt a MO approach as first step, as well as to invest in programmes for selection, training and motivation of employees in order to achieve the CRM objectives.</td></tr>
<tr><td>STUDY 2:
Analysing Relationship Quality and its contribution to Consumer Relationship Proneness</td><td>


</td><td>From a customer point of view:
- MO and Perceived Relationship Investments positively influences RQ. However the influence of KM in RQ is not significant.
- The perception of customers about RQ, measured in terms of commitment, trust and satisfaction, positively influences Customer Relationship Proneness.
- The evolutionary nature of relationships makes necessary frequent monitoring of RQ to keep the customer's propensity to maintain the relationship.</td></tr>
<tr><td>STUDY 3:
Relationship quality as an antecedent of Customer Relationship Proneness: a cross-cultural study between Spain and Mexico</td><td>


</td><td>- Spain and Mexico present some cross-cultural differences based on Hofstede´s model
-Spain and Mexico show differences in MO-RQ and KM-RQ relationships.
- As expected, the relationships Perceived Relationship Investments-RQ and RQ-CPR is stronger in Spain than in Mexico.
- In order to achieve effective internalisation processes, companies must take into account the impact of cultural differences.</td></tr>
</table>

5.3 References

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