Gordon Institute of Business Science
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Article title

Effects of employees' personal social media behaviour on corporate reputation and behavioural intention – the moderating role of ethical position

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Article submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration

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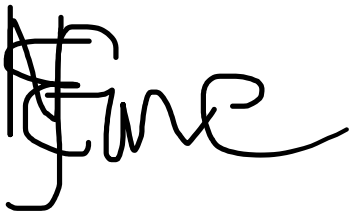
DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.



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MOTIVATION FOR JOURNAL ARTICLE

Gordon Institute of Business Science
University of Pretoria

Date 11 November 2019

To whom it may concern

The journal chosen for this research article is the Service Industries Journal which is SSCI indexed and has an Academic Journal Guide quality rating of 2. Articles published within this journal was found to aid in the development and sustainability of the service industry. The topic of research "Effects of employee personal social media on corporate reputation and behavioural intention – the moderating role of ethical position" is a suitable fit for this journal. This is due to the understanding that a corporate reputation is a key element in the growth and sustainability of the service industry. Therefore any risk related to employees on social media, damaging the reputation will be pertinent to understand. The origin of the referenced articles, as well as the type of research was all taken into consideration in selection of this journal.

The article was written in accordance with the required journal criteria and reference style. In terms of sequence of author, the researcher to be first author and second author the researcher' supervisor. The article has not been published before, and is not under current consideration in any journal. Two example articles included, the first was used for layout, and the second was used for table format.

Yours sincerely,

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LITERATURE REVIEW CHAPTER

1. Introduction

This chapter contains the literature review for the study and outlines the key constructs and explains their interrelationships as well as definitions. The review introduces the theoretical grounding for this study and provides an exposition of the application of the theory within the context of this study. This is followed by an overview of each of the study's constructs – namely, employees' personal social media behaviour, corporate reputation, and behavioural intention. Additionally, this chapter will provide an overview of the final construct, ethical position, and how it moderates the relationship between the first two constructs employees' personal social media behaviour and corporate reputation. Thereafter the hypotheses are formulated and the conceptual model for the study is provided.

2. S-O-R framework

The study is grounded in the stimulus-organism-response (S-O-R) model developed by Mehrabian and Russell (1974). According to the S-O-R model, the environment encompasses stimuli (S) that alter an individual's internal disposition organism (O), with the resultant effect being a conscious outward response (R). The stimulus in the S-O-R framework, can be defined as the factors that affect the internal state of an individual, influencing his/her state of mind; while the organism refers to the individual's affective and cognitive condition, including the entire process that intervenes between both stimuli and response (Famiyeh, Asante-Darko, & Kwarteng, 2018; Kamboj, Sarmah, Gupta, & Dwivedi, 2018). Cognitive state is described as a mental processing involving the gaining, processing and retrieval of information (Kühn & Petzer, 2018). The affective position is the emotions and feelings experienced by the individuals following the stimuli received, thus the individual's processing mechanism reacts with the stimuli, turning these into meaningful information (Kamboj et al., 2018). The third and final component, response, can be defined as the consequence of the individual's behaviour due to the cognitive and affective position from stimuli received, as well as the final outcome in the decision-making process (Famiyeh et al., 2018). Reponses can be in the form of approach or avoidance behaviour, with approach behaviour being a favourable response and avoidance being an unfavourable response (Kühn & Petzer, 2018; Mehrabian & Russell, 1974).

In consumer behaviour studies, the stimulus (S) considers the consumers' external environment. With the emergence of social media, many researchers (see Kamboj et al., 2018; Kim & Lennon, 2013; Wakefield & Wakefield, 2018) have extended the S-O-R framework to understand how stimuli induced by social media platforms provide brand messages that lead to purchase intention. In the above research, it was found that whilst people browse social media, the brand messages perceived to be the stimuli induce various emotions towards an organisation's brand and reputation (organismic reaction), leading to a response in the form of behavioural intention. For example, a social media post that markets a product gets perceived, interpreted and processed by the consumer, thus altering his/her organismic state and generating emotions – i.e., the level of arousal (O) (Wakefield & Wakefield, 2018). The responsive behavioural outcome of these emotions leads to the formulation of behavioural intention (R) (Anisimova, Weiss, & Mavondo, 2019).

Kamboj et al. (2018) indicated that social media is a stimulus component providing consumers with the necessary information to satisfy their cognitive and affective needs. Based on the authors' research, employees' personal social media behaviour is conceptualised as the stimulus in this study, providing the environmental cues that will lead to the consumers' cognitive and affected state. Kim and Lennon (2013) found that consumers rely on social media sites to evaluate the retailer's reputation, which significantly influences the consumers' organismic response. The aim of this study is to show that the stimuli received in the form of employees' personal social media will alter the consumers' cognitive and affective state by impacting the perception of the corporate reputation. The cognitive state is the processing of information about the corporate reputation, and the affective state is the feelings and emotions of the corporate reputation based on the stimuli received. Therefore, the perception of the corporate reputation is conceptualised as the organism in the S-O-R framework. The response to this altering perception of the corporate reputation (O) will lead to a change in the consumers' behavioural intention (R).

3. Employees and social media

Miles and Mangold (2014) professed that the employee voice in the public space has grown significantly since the rise of social media. Blevins and Ragozzino (2019) defined social media as highly interactive platforms from which communities and individuals share, co-create and discuss user-generated content, which is further shared with friends and followers. The authors found that social media creates a space for users to connect and publicly exchange experiences, opinions

and views. However, because these views are in the public domain, they become open to all stakeholders of the organisation who the employees are associated with (Blevins & Ragozzino, 2019). With all this sharing of information by various users, Aula, (2010) found that the social media phenomenon has provided consumers with significant empowerment due to organisations losing control of communication flow, which transpires daily on social media platforms. Miles and Mangold (2014) stated that the power generated by the employee voice can be seen as a source of competitive advantage or reputational risk. Rokka, Karlsson, and Tienari (2014) indicated that social media is an enabler of electronic word of mouth (EWOM), which can be positive or negative, thus creating an opportunity or a risk. From the above, it is clear that organisations have lost significant power due to social media – not only to the consumers, but also to the employee voice in the public space. According to McDonald and Thompson (2016), this is creating tension around the dynamics of social media within the boundaries of the employment relationship that needs to be understood.

There have been numerous studies regarding how employees can be tapped into as a source of competitive advantage in building brand images online (see Hamidizadeh & Fard, 2016; Morokane, Chiba, & Kleyn, 2016; Rokka et al., 2014). Morokane et al. (2016) found examples in companies like Zappos.com and Virgin that have successfully utilised employees as online brand ambassadors. According to the authors, employee word of mouth is an important way of shaping consumers' beliefs and actions, as employees end up building a positive brand image not only by influencing consumers' behaviour through education, but also in championing the brand for the organisations they represent. Hamidizadeh and Fard (2016) stated that there are two main factors that need to be considered regarding employee assets – first, employees are seen as brand ambassadors in an online environment; and second, human resources are a live tool that needs to be accessed and developed.

Rokka et al. (2014) indicated that employees play out effectuating images of the company externally portraying the company culture and in doing so aid in the creation of the corporate reputation. Research found that employees play a vital role in creating synergy within the reputation, which is achieved through the above-mentioned effectuating images the employees reflect of the company (see Horn et al., 2015; Ivens & Schaarschmidt, 2015; Miles & Mangold, 2014; Rokka et al., 2014). As much as employees can be seen as a competitive advantage in brand building, the opposite is true in the risks that exist to the corporate reputation pertaining to employees and social media. A pertinent risk that comes with social media is anyone being able

to share, publish and search for information, making the conversation online impossible to control (Aula, 2010). Employees being online brand ambassadors is seen as a double-edged sword, as the success can be linked to how well employees have internalised the brand and company values, as well as how their actions are actively aligned with the brand promise (Rokka et al., 2014). Therefore, when this alignment is off, it can be detrimental to the corporate reputation. Miles and Mangold (2014) suggested that a natural way of building a strong reputation could be recruiting employees with similar values to those of the organisation.

Horn et al. (2015) highlighted some of the above-mentioned risks that exist with employees and their social media behaviour, identifying two areas of risk – employees who post unsanctioned information about the organisation on social media in the form of grievances towards the organisation, and employees who manage the social media accounts in a negligible manner. These areas of risk could impose disastrous reputational damage for a firm (Horn et al., 2015). In the past, the employee voice of satisfaction and/or dissatisfaction and employees' experiences with their organisation were limited to internal communication, but social media has provided employees with a platform to air their grievances, whether it be sanctioned or not (Miles & Mangold, 2014). The power exists with employees being able to spread their dissent as private individuals, which makes it hard for the organisation to control. Horn et al. (2015) discovered that these grievances aired against the organisation on a public platform, as well as the mismanagement of the social media accounts, have a negative impact on consumers' trust, which could lead to an unfavourable reaction to the corporate reputation. With the power to influence consumer behaviour, employees' power have grown significantly and this can result in serious negative effects, on the corporate reputation if not managed correctly (Miles & Mangold, 2014; Rokka et al., 2014)

3. Corporate reputation

Corporate reputation can be defined as a consumer's collective judgement and evaluation of a corporate financial, social and environmental impact over time (Beheshtifar & Korouki, 2013; Wepener & Boshoff, 2015). This is not the universal definition and numerous literature can be found with different definitions (see Fombrun, 1996; Lang et al., 2011; Money, Saraeva, Garnelo-Gomez, Pain, & Hillenbrand, 2017). Wepener and Boshoff (2015) established that even though various definitions of corporate reputation exist, all of them agree on the following aspects: it is a collective term, it is intangible, it is based on direct and indirect past actions and experiences, it

is a perception, and it is multidimensional. According to their research the corporate reputation is made up of the following five dimensions: emotional appeal, social engagement, corporate performance, good employer, and service points (Horn et al., 2015, p166).

The five dimensions of a corporate reputation are rooted in the historical organisational behaviour that can be changed with new information received (Lang et al., 2011). Kim and Lennon (2013) found that consumers rely on various social media sites to obtain information that enables them to evaluate the retailer's reputation. Feldman, Bahamonde, and Velasquez (2014) found there has been a rise in consumers focusing on the social and environmental impact of the organisation, and Brunk (2012) professed that consumers use moral evaluation when determining a corporate reputation. With the rise of so-called "ethical consumers" and their evaluation that centres on seeking organisations that are emotionally appealing and socially engaged (Kim & Lennon, 2013), the danger arises when the organisational behaviour on social media contradicts these "ethical consumers" moral standards. (Brunk, 2012).

Due to the subjective elements in a corporate reputation emotional appeal and social engagement, the perception of an organisation's reputation might vary substantially amongst different stakeholder groups (Lang et al., 2011). Nestlé noted how spreading negative word of mouth on social media can impact the corporate reputation, with decreased customer loyalty and declining profits (Horn et al., 2015). The reason for this is because a corporate reputation is firmly rooted in the identity and culture of the organisation, which are closely related to the employee experience of the organisation (Rokka et al., 2014). This highlights the risk of employees being able to share their views and sentiments on social media, which may contradict the beliefs of various stakeholders utilising social media to evaluate the corporate reputation online.

With the consumer evaluation of the corporate reputation include seeking an organisation that emotionally appeals to them and an organisation that is socially engaged (Kim & Lennon, 2013). The above evaluation will include, the employee social media behaviour, and when the employee behaviour is in contradiction to the consumer' moral standards, the results will be detrimental to the corporate reputation (Brunk, 2012). As per Horn et al. (2015), a decline in corporate reputation will lead to a decrease in profits, which could lead to a reduction in service points, resulting in the downsizing of the organisation. Therefore, the author infers that measuring the first dimensions of the corporate reputation, emotional appeal and social engagement, which are more subjective in nature in comparison to the last three dimensions – corporate performance; service points and

good employee – where the perception will be crafted on evidence and perceived facts, will provide a strong indication of the total perceived reputation of the organisation by the consumer

Beheshtifar and Korouki (2013) as well as and Zavyalova, Pfarrer, Reger, and Hubbard (2016) established that there is a benefit for high reputation companies due to the stock of capital and goodwill generated from a high reputation. This high reputation serves as an intangible asset for the stakeholder to differentiate between organisations. A high reputation provides an organisation with certain benefits, such as better access to resources, employment of higher-quality employees, and better chances of financial success, competitive advantage and maintenance of solid financial performance over time (Zavyalova et al., 2016). It has also been found that high reputation assists organisations following an adverse event, such as downsizing or negative earning, due to the social capital raised from the high reputation awarded to the organisation (Beheshtifar & Korouki, 2013). Keh and Xie (2009) stated that a good reputation delays rival mobility in the industry, attracting higher-quality and larger investors, as well as cost advantages due to less contracting and monitoring costs.

According to Wepener and Boshoff (2015), due to the favourability aspect of a corporate reputation, it is indicated that a corporate reputation will serve a higher function in a service organisation, such as the banking industry, than it will for firms that rely on product quality. However, with all the benefits from a high reputation, Ivens and Schaarschmidt (2015) and Zavyalova et al. (2016) found that a high reputation can be a burden due to greater stakeholder attention and higher violation of expectations associated with an adverse event, in comparison with an organisation with lower social capital. Zavyalova et al. (2016) acknowledged that the amount of negative word of mouth spread during an adverse event of an organisation with a high reputation is greater in comparison with an organisation with less of a reputation. This indicates that reputational damage can lead to detrimental effects for growth and prosperity of the organisation, which is of great concern to the service industry that relies heavily on their corporate reputation (Wepener & Boshoff, 2015).

4. Behavioural intention

Behavioural intention is established by the personal evaluation and normative construct, that results in a consumer conscious plan to carry out a specific behaviour (Eagley & Chaiken, 1993; Goode & Harris 2007). The behavioural intention can be perceived as favourable or unfavourable.

Behavioural intention that are deemed favourable, will lead to forging a connection with the organisation and therefore maintaining a high quality relationship with the organisation (Keh & Xie, 2009), driving growth of business through increased sales volumes, expressing positive praise towards the organisation in the form of word of mouth, and willingness to pay higher prices. Where behavioural intention that are deemed unfavourable leads to probability of brand switching, reduction of sales volumes, engaging in negative word of mouth, and unwillingness to pay higher prices (Goode & Harris, 2007). According to Caruana, Cohen, and Krentler (2006), behavioural intention is the consumers' tendency to act or react in a certain way, which is determined by the perception of the corporate reputation. Keh and Xie (2009) stated that consumer behavioural intention can be measured by looking at purchase intention and willingness to pay price premiums, as well as willingness to spread positive word of mouth. Bitter and Grabner-Kräuter (2016) established that negative word of mouth has a strong effect on consumers' behavioural intention and pinpointed the importance of user ties in a social media environment and the effect brand-related comments have on users' decision-making process – i.e., behavioural intention. The authors profess that the engagement of firms on social media leads to an increase in positive consumers' behavioural intention, and that user-generated (employee or consumer) content has a stronger impact on behavioural intention than market-generated content (Bitter & Grabner-Kräuter, 2016).

5. Ethical position

Forsyth (1980) developed the ethical position theory and found that the difference in individuals' judgement is due to their different ethical ideology. With ethical positioning, a person's moral equity will be determined by one's own moral philosophy, which will stem from the individual being either idealistic or relativistic (Forsyth, 1980). The study of ethics is concerned with what is right and wrong in decision-making process, as well as the assessment and evaluation of values (Poór et al., 2015). According to Poór et al. (2015), ethics is crucial in preventing society from falling apart as well as in managing a flourishing society. Ethical position theory was developed by Forsyth (1980) to understand the difference in ethical ideologies. This will determine the reasons for differences in individuals' moral judgement (Barnett et al., 1994). Moral judgement refers to the judgement of another's morality being formulated based on the individual's system of ethics (Forsyth, 1980). Ethical position theory explains that individuals will react in a predetermined manner depending on their personal moral philosophy (Park, 2005). According to ethical position theory, personal moral philosophy is a two-dimensional model, and the differences lie within the

individual's moral thought (Forsyth, 1980). The first dimension is idealism, and the second is relativism (Forsyth, Nye, & Kelley, 1988).

Poór et al. (2015) defined idealism as an individual's belief in moral absolutes that focus on the specific needs of a person. Therefore, idealists believe that the goodness and/or badness of an action will determine their ethical course, providing them with a sense that all ethical judgement is based on ethical principles, with highly idealistic individuals expecting very specific results when actions are deemed right (Poór et al., 2015). Park (2015) stated that idealistic individuals' ethical standards comprise absolute values and are based on unselfish concerns for others; while relativism is the belief that moral standards are relative to the society and culture and depend on the nature of the situation, with the circumstances thus determining an individual's moral actions. Barnett et al. (1994) described relativism as the extent to which individuals reject the universal moral rules and principles. Relativistic individuals base their evaluation on ethical scepticism, and consider each situation in isolation before applying any judgement. Therefore, according to Poór et al. (2015), relativistic people do not impose their own values and standards on others, due to their belief that there is no single right way.

Forsyth & O'Boyle (2011) stated that idealism and relativism are individual concepts not direct opposites of each other. However, according to Park (2005) prior research found a contrasting relationship between the two concepts, with idealism focusing on the unselfish concerns for others and relativisms focusing on the best alternative in each situation. Idealism positively and relativism negatively influences the perceived importance of social responsibility (Park, 2005). Barnett et al. (1994) indicated that, depending on how individuals are ranked in terms of idealism and relativism, will determine how individuals evaluate a situation. A term "situationist" is given to individuals that ranked high on the ethical position scale, having both high idealistic and relativistic views. It was found that these individuals believe that people should strive for the best consequence, but moral rule cannot be applied (Barnett et al., 1994). In contrast with individuals that ranked low on the scale of ethical position that was given the term "exceptionist". These individuals believe moral rule should guide their behaviour, however are willing to make exceptions to their moral principles (Barnett et al., 1994).

6. Conceptual model development

6.1 Employees' personal social media behaviour and corporate reputation

Rokka et al. (2014) established that consumers are looking at employees as a representation of the organisation, and thus the employees form part of the consumers' evaluation of the corporate reputation. A study by Horn et al. (2015) indicates that social media has created an interconnection between companies, stakeholders, shareholders and employees. Furthermore, this interconnection raises a risk that is twofold – firstly, there is a risk of employees airing negative comments about the organisation on social media; and secondly there is a risk that comes with the mismanagement of an employee's social media account (Horn et al., 2015). Moreover, it was found that employee voice can cause substantial damage to the corporate reputation, leading to a public relations nightmare (Miles & Mangold, 2014). Ivens and Schaarschmidt (2015) did an experimental study on how consumers react to employees' social media posts promoting a competitor's brand on Facebook, and found that a positive relationship exists between employees' social media behaviour and the corporate reputation.

Within the framework of the S-O-R model by Mehrabian and Russell (1974), the first link of the S-O-R model connects the environmental stimuli with the organismic element. Within this study, employees' social media behaviour is seen as the stimulus received by the consumer in evaluation of the organism (corporate reputation), leading to a reaction. This study extends the research by Horn et al. (2015) and Rokka et al. (2014), that found social media to have created an interconnection between employees and the organisations they represent, with consumers perceiving the employees to be an extension of the corporate reputation. The aim of this study is therefore, to show that employees' social media posts, even in their personal capacity unrelated to the organisation, will influence consumers' perception of the corporate reputation. Therefore, it is hypothesised that:

H_1: *An employees' personal social media behaviour affects a consumer's perception of the corporate reputation of the company of which the employee is a representative of.*

6.2 Corporate reputation and behavioural intention

A corporate reputation is not limited to customer services and includes various factors, such as financial performance, innovation, treatment of employees, handling of ethical issues, and commitment to the environment (Chang, 2013). Kim and Lennon (2013) stated that a corporate reputation can be an important risk-reducing mechanism, with reputation acting as an antecedent for consumer response and future behaviour. In their research, they highlighted that reputation was found to be a strong predictor of attitude and behaviour, with reputation affecting consumers' buying decisions, as consumers are more likely to purchase from highly reputable companies, rather than unknown organisations. Keh and Xie (2009) found that due to a high reputation strengthening consumer' confidence and reducing negative perception when a judgement is made towards organisational performance and quality of services. A good reputation will lead to consumer trust, consumer identification and consumer commitment, resulting in behavioural intention (Keh & Xie 2009). Thus, behavioural intention is seen as a signal from the consumer of actual purchasing intention as well as intention to recommend the product or service (Keh & Xie, 2009). Bitter and Grabner-Kräuter (2016) established that electronic word of mouth and online reviews show that negative comments about the organisation's product or services have a strong effect on consumers' behavioural intention. In their research, it is suggested that unfavourable information about the organisation leads to a reduction of the corporate reputation, with the unfavourable information signifying a higher rate of influence on a consumer decision-making process.

The second aspect of the S-O-R model by Mehrabian and Russell (1974) relates to the cognitive and affective state of the consumer, where a change in the organism (corporate reputation) due to environmental cues (employees' personal social media behaviour) results in a change in response (behavioural intention). Caruana et al. (2006) professed that consumers' behavioural beliefs about the corporate reputation directly influence consumers' behavioural intention, therefore a positive relationship exists between corporate reputation and behavioural intention. Based on the above the researcher within this study infers the stimulus received in the form of employees' personal social media behaviour will change the perception of the corporate reputation, resulting in a change in the consumers' behaviour intention. Hence, it is hypothesised that:

H_2: *The consumers' perception of the corporate reputation of the company of which the employee is a representative of will predict the consumer's behavioural intention.*

6.3 Ethical position as moderator

Numerous research studies have been conducted to determine the different reactions by individuals to the same stimulus received – i.e., the mediators and moderators between the organism (emotional response) and the stimulus received (see Anisimova et al., 2019; Chiu, Hsieh, Li, & Lee, 2005; Esteky, 2017; Famiyeh et al., 2018). Esteky (2017) found that the inherent structure of the mind determines the environmental perceptions, suggesting that the mental representation and environmental stimuli are inherently coupled. This research was based on the physical state of the environment and found that the consumers' mental states mediated the role of how the designed space was perceived and how the consumers behaved (Esteky, 2017). Poór et al. (2015) indicated that the principle of ethics revolves around how people make decisions and act based on the belief of what is right and wrong. This ties in with the study by Chiu et al. (2005), which states that individuals' evaluation of marketing stimulus is dependent on consumers' values being utilitarian or hedonic. Ellemers, Van der Toorn, Paunov, and Van Leeuwen (2019) indicated that people's moral judgements are informed by their personal beliefs about religion, political stance and cultural views.

Park (2005) indicated that idealism and relativism are dispositional individual characteristics that influence the reaction to organisational environmental cues. Barnett, Bass, and Brown (1994) proposed that there is a link between moral judgement and behavioural intention. This was confirmed by Nguyen and Biderman (2008), who established that an individual's moral equity has the largest influence on behavioural intention. With ethical position at the core of consumers' reflection and measurement practices (Brunk, 2012), it remains within the framework of this study to understand how consumers are formulating their perception of the corporate reputation, based on the employees' personal social media behaviour. The above literature indicates that various moderators can affect the different reactions to stimuli. This paper argues that the consumers' cognitive and affective state will be determined by their own personal moral philosophy, which will moderate how the stimuli (employees' personal social media behaviour) are received by the consumers, and affecting their perception of the corporate reputation.

In keeping to the S-O-R model, one of the aims of this study is to understand whether the affected organism (perception of corporate reputation) is moderated by the consumers' ethical position in the evaluation of the employee's personal social media content (stimulus). Poór et al. (2015) identified that idealism and relativism as a significant influence of people's behaviour. Idealists are generally less tolerant of ethical violations, as opposed to relativists who have a more sceptical perception and refuse to formalise a judgement of others before evaluating the event in question. Forsyth and O'Boyle (2011) found that relativism suggests ethical leniency, whereas idealism predicts higher levels of moral judgement. An inference can be made that individuals with high idealistic views will be more judgmental of the employees' personal social media behaviour than people with high relativistic views. Therefore, the personal moral philosophy – i.e., ethical position of the consumer – will determine the effect on the perception of the corporate reputation, leading to the final hypothesis:

H_3*: The consumer's ethical position moderates the relationship between the employee's personal social media behaviour and the consumers' perception of the corporate reputation of the organisation.*

Figure 1 represents the conceptual model developed for this study. This model examines the effect of employee personal social media behaviour on corporate reputation, and subsequent behavioural intention – moderated by consumers' ethical position.

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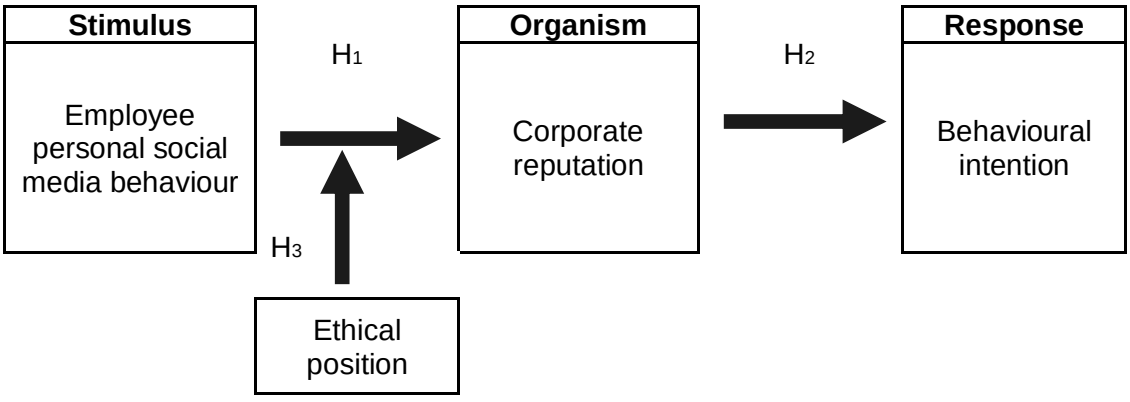
Figure 1: Conceptual model



Source: Adapted from the S-O-R model by Mehrabian & Russell (1974).

7. Conclusion

This chapter reviewed and outlined the S-O-R model within which the research is grounded. The constructs were then integrated into the S-O-R model within each of its components; stimulus, organism and response. The chapter then provided an overview of each of the key constructs, namely employee personal social media behaviour, corporate reputation, behavioural intention and ethical position, as well as their key definitions. This was then followed by presenting literature to support the interrelationship between constructs as well as the moderating effect of ethical position leading to hypothesis formulated and concluding with conceptual model for this study.

RESEARCH AND METHODOLGY CHAPTER

1. Research design

The study aimed to determine whether the perceived employee personal social media behaviour resulted in a change in the consumer perception of the corporate reputation, leading to change in behavioural intention, as well as the moderating role of the consumers' ethical position, within the banking industry of South Africa. Due to the nature of the research, this was a quantitative study following a positivism philosophy. Positivism philosophy was applied due to the focus of the study being on the discovery of observable and measurable facts and regularities, as well as the ability to predict outcomes through cause and effect cycles (Saunders & Lewis, 2017). The methodological approach used was mono-method; the researcher used a single data collection technique to answer the research question. Furthermore, due to the time constraints of this research, the methodological approach was cross-sectional. According to Saunders and Lewis (2017). this approach takes an overview of the particular research setting in a particular time. The purpose of the research design was explanatory, discovering the causal relationship between key variables by including the question "why is this happening?" (De Vaus, 2001).

The empirical component of the study was a single factor between-subjects experiment, randomly exposing the respondents in the study to different treatment conditions. First, the study provided scenarios in the form of social media posts, mapping how bank consumer perception of a bank employee's personal social media behaviour affected the consumer's perception of the corporate reputation, leading to a change in the behavioural intention. The study then measured the moderating effect of consumers' ethical positions between the relationship of employees' personal social media behaviour and the perception of the corporate reputation. This was accomplished by following a research design similar to the social media study done by Bitter and Grabner-Kräuter (2016), which contained an experimental study that randomly allocated respondents to various scenarios.

This study contained two scenarios in the form of a bank employee's personal social media postings. The two scenarios were divided between a control group (scenario one) and a treatment group (scenario two). The control group within the study looked at responses to a *tweet* from an environmentally conscious bank manager versus the treatment group which looked at responses

to a *tweet* of an environmentally ignorant bank manager. All groups were advised that the person making the social media post is a client relations manager of the bank that they use. The only difference between the scenarios was therefore the wording of the *tweets*, in order to generate different stimuli to test for changes in the dependent variables. Employee personal social media behaviour is the independent variable, and by changing the independent variable, the researcher went about to measure whether this resulted in a change in the dependent variable (corporate reputation and behavioural intention) (Berry, Burton, & Howlett, 2018).

2. Population

The population in this study included consumers aged 18 years and older who hold a South African bank account. In terms of geography within the study, the author focused solely on South Africa, with the South African banks capable of servicing the whole nation no region was excluded from this study.

3. Unit of analysis

According to Zikmund, Barry, Carr, and Griffin (2013), the unit of analysis indicates what or who should provide the data and at what level of aggregation. Within this research the unit of analysis was therefore people aged 18 years and older who hold South African bank accounts.

4. Sampling method and size

In this study a purposive non-probability sampling method was applied for data collection. A purposive sampling method, also known as judgmental sampling, is the deliberate choice of participants due to the qualities the participants possess (Etikan, Musa, & Alkassim, 2016). In this process, the researcher thus decides what needs to be known and sets out to find people who are willing to provide the information (Etikan et al., 2016). Purposive non-probability sampling was selected as data was collected from the entire population or representative of the entire population (Etikan et al., 2016). With this method the author targeted respondents who were purposefully identified via the author's own personal social networks.

In order to obtain a representative sample size, Zikmund et al. (2013) confirmed that it is acceptable to use the sample size of prior research with similar methodology. A study was done

by Handi, Hendratono, Purwanto, and Ihalauw (2018) to understand the effects of E-WOM and perceived value on the purchase decision of food. With a sample size of 175, they managed to test all hypotheses, make inferences and conclude. In an experimental research article completed on consumer retail related responses, Berry et al. (2018) found that an average of 165 respondents across three studies was sufficient. Bitter and Grabner-Kräuter's (2016) social media study, which included two experimental studies, was able to obtain sufficient results with 82 respondents in the first study, and 65 respondents in the second study. For the purpose of this research, the author attempted to obtain 120 valid responses in total, with 60 respondents in the control group, and 60 respondents in the treatment group.

Power analyses are used to determine the appropriate sample size for a study (Hsu, 1993). With 30 respondents within each group it translated into 80% power, which is deemed a sufficient sample size in performing statistical analysis (Hsu, 1993). The author infers that in this research, which contains an experimental study with two scenarios, 60 respondents per scenario, the sample size was sufficient for testing of all hypotheses set out. The researcher used regression analysis to determine the hypothesized relationship between the constructs. With only one independent variable in this research and a sample size of 60 respondents per scenario, the study was aligned with previous studies performed, as per Hsu (1993).

5. Measurement instrument

The measurement tool utilised in this research was an online survey using a self-administered questionnaire in order to expose participants to different scenarios. This provided the researcher with easily comparable data that aided in the measurement of the key constructs of this study. By following the link provided, the respondents arrived on the landing page of the survey which included a short introduction with the purpose of the research. The introductory page advised all respondents of the reason for the study as well as the fact that the survey is voluntary, confidential in nature, and that the respondents could exit at any time without penalty (Appendix A). It provided respondents with an indication of the duration of time to be expected in completion of the survey, as well as contact details for the researcher and supervisor. All questions in the online survey were closed ended, except for year of birth. The measurement instrument for this research was structured as per below.

Section A: The first section consisted of the two screening questions to determine suitability to the study. The minimum criteria making up the screening questions were to determine whether respondents were aged 18 years and older and had a South African bank account.

Section B: A second set of questions required demographic information. In this section the respondents were required to provide their year of birth, level of education and employment status.

Section C: This section required the respondents to complete questions relating to their ethical position in order to determine whether respondents were either highly idealistic or highly relativistic. The ethical position questionnaire (EPQ), developed by Forsyth (1980) and used in this questionnaire, measured both idealism and relativism. This measurement was done to determine whether the respondents' ethical position – being either idealistic or relativistic, would moderate the relationship between the employee personal social media behaviour and the corporate reputation. The EPQ scale used was a 20 item five-point Likert-type scale, by Forsyth (1980).

Section D: This section included the scenario depicting the employee's personal social media behaviour. The experimental studies had two scenarios, one per questionnaire, with the remainder of the survey being identical. The first scenario was a social media post of an environmentally responsible employee; the second scenario depicted a social media post of an environmentally ignorant employee. Participants were randomly assigned to either the control group (scenario one), which was designed to create a perception of an acceptable social media post by an employee in their personal capacity; or to the treatment group (scenario two), which was designed to create the opposite perception of an unacceptable social media post by an employee in their personal capacity. Once the scenario was read the participants were prompted to move on to the next section which measured corporate reputation and behavioural intention, as well as a question to determine the manipulation check.

Table 1 provides the scenarios used in the study as per the questionnaire the respondents completed. Table 2 provides insights into the cues included in each scenario and whether they were changed or remained constant across the two scenarios.

Table 1: Scenarios of environmentally responsible versus environmentally ignorant employee's personal social media post

Scenario one (Social media post of an environmentally responsible employee)	Scenario two (Social media post of an environmentally ignorant employee)
You see the following tweet doing the rounds, from the client relations manager from the bank you bank with. *We have to do something about the plastic in the oceans.* *The world is changing. Business has no longer only one purpose to make money for their shareholders. All this talk about social responsibility and going green, it is not a waste of time or energy.*	You see the following tweet doing the rounds, from the client relations manager from the bank you bank with. *We cannot do anything about the plastic in the oceans.* *The world will never change. Business has one purpose and one purpose only, to make money for their shareholders. All this talk about social responsibility and going green, is all a waste of time and energy.*

Table 2: Elements included in the scenarios

Element	Scenario one	Scenario two
The bank	Personal bank	Personal bank
First observation	Social media post (Twitter)	Social media post (Twitter)
Second observation	Employee of the same bank	Employee of the same bank
Environmentally beliefs	Supportive of change	Not supportive of change
World views	Changing	Never change
Business purpose	More than just making money	Only about making money
Committed to social responsibility	Highly committed	Noncommittal
Energy and time	Not a waste of time	Waste of time

Section E: This section included a manipulation check based on the scenario presented to the respondents. The environmental responsibility of the employee on social media was manipulated. This was followed by a five-point Likert-type scaled question on whether consumers found the personal social media behaviour of the employee acceptable, to determine if manipulation was deemed successful. The reason for including a manipulation check is due to the research by Allen (2017), which found a manipulation check is required within an experimental designed study to understand whether the independent variable has been effectively manipulated.

Section F: This section required respondents to complete questions relating to the corporate reputation after reading one of the two different scenarios. The scale used was an eleven-item, five-point, Likert-type scale and measured two of the five dimensions in a corporate reputation: emotional appeal and social engagement, which ties in with the elements depicting an environmentally conscious versus environmentally ignorant employee personal social media behaviour. The scale was created by Wepener and Boshoff (2015) and was adapted for this study by directing attention to the respondents' bank.

Section G: This part of the study set out to measure the behavioural intention of the consumer after reading one of the two scenarios of an employee's personal social media post. The scale used was a three-item, five-point, Likert-type scale, created by Zeithaml, Berry, and Parasuraman (1996) and adapted for this study by drawing attention to the respondents' bank.

Table 3 includes the scales and statements within each scale used, as well as where the scale was adapted from.

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Table 3: Scale items used to measure constructs

Construct and scale items		Source
Idealistic position	A person should make certain that their actions never intentionally harm another, even to a small degree.	Forsyth (1980)
	Risk to another should never be tolerated, irrespective of how small the risk might be.	
	The existence of potential harm to another is always wrong, irrespective of the benefits to be gained.	
	One should never psychologically or physically harm another person.	
	One should not perform actions which might in any way threaten the dignity and welfare of another individual.	
	If an action could harm an innocent, then it should not be done.	
	Deciding whether or not to perform an act, by balancing the positive consequences of the act against the negative consequences of the act is immoral.	
	The dignity and welfare of people should be the most important concern in any society.	
	It is never necessary to sacrifice the welfare of others.	
	Moral actions are those which closely match ideals of the most "perfect" actions.	
Relativistic position	There are no ethical principles that are so important that they should be a part of any code of ethics.	
	What is ethical varies from one situation and society to another.	
	Moral standards should be seen as being individualistic; what one person considers to be moral, may be judged to be immoral by another person.	
	Different types of moralities cannot be compared to "rightness"	
	Questions of what is ethical for everyone can never be resolved, since what is moral or immoral is up to the individual.	

	Moral standards are simply personal rules which indicate how a person should behave and are not to be applied in making judgement on others.	
	Ethical consideration in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.	
	Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustments.	
	No rules concerning lying can be formulated, whether a lie is permissible or not, totally depends on the situation.	
	Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.	
Corporate reputation	I have a good feeling about my bank	Adapted from Wepener and Boshoff (2015)
	I admire my bank.	
	I trust my bank.	
	I am proud to be associated with my bank.	
	I like my bank.	
	My bank supports good causes.	
	My bank is committed to social responsibility.	
	My bank responds to the need of communities.	
	My bank reaches out to social environment.	
	My bank supports good causes.	
	I have a good feeling about my bank.	
Behavioural intention	I would like to give positive word of mouth about the bank.	Adapted from Zeithaml, Berry, and Parasuraman (1996)
	I would continue be client of this bank.	
	I would recommend this bank to my friends.	

6. Data Gathering Process

First a pilot test was conducted among 20 respondents, to ensure the questionnaire design is correct in preparation for the study. This was done, in order to test the two scenarios and to ensure that it did reflect the employee social media behaviour in a socially acceptable and socially unacceptable manner.

Once the pilot test was completed, the respondents were approached personally via emails and WhatsApp and asked to click on the link provided in order to access the survey. The link provided to the participants redirected them to a questionnaire on Survey Gizmo, where simple instructions could be followed to complete the online questionnaire. Ten days were allocated for data collections, with the response rate monitored consistently to ensure minimum sample was reached.

7. Data Analysis

All data collected was analysed using IBM statistical software SPSS. Due to this research consisting of an experimental study containing two scenarios, the questionnaire was set up by posing the same questions in the same way. By doing this the author eliminated any biases, that might have occurred were the questions different (Saunders & Lewis, 2017).

2.7.1 Validity and Reliability

In order to assess the reliability of the multi-item constructs of the study, Cronbach's alpha coefficient values were calculated. All scales measured should exceed 0.7 in order to display sufficient evidence of internal consistency, and are therefore deemed reliable scales (Vaske, Beaman, & Sponarski, 2017) This measurement will ensure that items within the scale are intercorrelated and measure the same construct (Vaske et al., 2017). According to Saunders and Lewis (2012) the internal consistency means that the scale used in a similar study should yield the same results. The test for validity determines that the scale measured what it intended to measure (Vaske et al., 2017).

In order to assess for validity of the two constructs, corporate reputation and behavioural intention, face and content validity was used. For this study the author had to rely on face and content validity due to the items being measured in reference to the scenarios depicted, thus the data

could not be grouped together, resulting in the group size deemed too small to assess for validity using exploratory factor analyses or confirmatory factor analysis.

The multi-item construct, ethical position, was measured before the scenarios were presented. Therefore, in order to test for validity of this scale, construct validity, was assessed using principal axis factoring (PAC) with direct oblimin rotation to ensure the uni-dimensionality of the construct (Field, 2013). The total variances explained were analysed, as well as the pattern matrix for the factor loading. Before this test could be performed, the data was assessed to ensure suitability for PAC, this was done by calculating the Kaiser-Meyer-Olkin (KMO) for sampling adequacy that should be greater than 0.5, and Bartlett's test of sphericity that should yield a significant result where $p \leq 0.5$ (Field, 2013).

2.7.2 Manipulation Check

This study includes a manipulation check, in order to verify that the independent variable was effectively manipulated (Allen, 2017). Within the experimental study environmental responsibility of an employee on social media was manipulated. This was then followed by a question to determine whether respondents deemed the personal social media post of the employee to be acceptable or not. This question provided an indication whether the scenarios were deemed different and manipulated effectively. A five-point Likert-type scale was used, 1 being socially unacceptable for employee to be posting their personal views on social media and 5 being acceptable for an employee to post their personal views on social media. An independent sample t-test was performed, to test for significant differences between groups in order to verify that the independent variable was indeed effectively manipulated, and whether the scenarios were deemed to be different by the respondents completing the survey.

2.7.3 Hypothesis Testing

For H_1 an independent sample t-test was used to test for significant differences between groups, relating to the effects of an employee personal social media behaviour, on the consumers' perception of the corporate reputation. An independent sample t-test is a parametric test that splits the two groups of numerical data by using categorical variables to examine for differences (Pallant, 2013). This is to indicate the probability of the differences between the two groups occurring by chance (Saunders & Lewis, 2012). According to Pallant (2013), the following assumptions are made when using an independent a sample t-test:

- The dependent variable is measured on a continuous scale (Pallant, 2013).
- The independent variable consists of two categorical and independent groups (Pallant, 2013).
- The sample is obtained using random sampling (Pallant, 2013)
- The independence of the observations between the groups (Pallant, 2013).
- No significant outliers exist within the two groups (Pallant, 2013).
- The population from which the samples are taken is normally distributed (Pallant, 2013).
- There is homogeneity of variances (Pallant, 2013).

For H_2 a simple regression analysis was used in order to assess the ability of a corporate reputation to predict the level of consumers' behavioural intention after controlling the employee personal social media behaviour. ANOVA was conducted between groups in order to analyse p-value to determine if the regression model was indeed significant. A p-value less than 0.0005 will indicate that regression is significant, with a beta value indicating a change in the response variable, caused by unit change of the respective explanatory variable (Pallant, 2013). Preliminary analysis was conducted on the data to ensure no violation of the following assumption:

- Normal distribution between any fixed value of X and Y (Pallant, 2013).
- Homoscedasticity of residual or equal variances (Pallant, 2013).
- Multicollinearity, there is no perfect linear relationship between explanatory variables (Pallant, 2013).
- The regression model is linear in parameters (Pallant, 2013)

For H_3, SPSS process macro developed by Hayes (2013) was used in order to test for moderation effect of an ethical position on the relationship between an employee' personal social media behaviour and the corporate reputation. This was in done to determine whether the indirect effect of the employee personal social media behaviour on the corporate reputation, was based on the conditional effect of respondent's ethical position, i.e. idealistic and relativistic views (Nel, 2017). Using a similar approach an additional test was performed to measure whether the direct or indirect effect of the corporate reputation mediates the relationship between employee personal social media behaviour and behavioural intention.

Moderation determines whether the presence of a variable (M), strengthens or weakens the relationship between X and Y, and is concerned with the significance of the interaction effect, normally interpreted using bootstrapping resampling procedure, and the results should not include zero (Hayes, 2013). The data from the two groups within the experimental study were grouped together to represent the independent variable (X), moderation variable (M) represented the ethical position; and corporate reputation represented the dependent variable (Y). A total of 5000 bootstrapping samples were generated at random based on a 95% bias corrected interval (Kühn & Petzer, 2018; Zhao, Lynch, & Chen, 2010). Bias corrected confidence intervals were then generated and inspected to determine if the confidence intervals for the interaction effects (x*m) contains zero (Hayes, 2013).

8. Limitations

With the exact population unknown, the sample might not be an accurate representation of the population. The study was performed on the banking consumers in South Africa only. Brunk (2012) professed the ethical position scale being highly sensitive to cultural context, which indicates that should the study be performed within a different cultural context, the results might vary. The constructs, corporate reputation and behavioural intention, could not be tested for construct validity using confirmatory and exploratory factor analysis. This was largely due to the questions for these constructs being based on a specific scenario, and therefore the data for each individual group could not be grouped together to form the relevant sample size required for this measurement. Should the study be replicated, a bigger sample size will be required to ensure construct validity of all constructs within the research.

This is a cross-sectional research study, and the results might vary, taken at a different point in time. Due to this study being based on people's perceptions, the timing of incidents could affect the results, if one should compare results directly before a social media incident with a perception directly after a social media incident. Due to the time constraint, a mono-method was applied; however, a mixed method could provide a much more in-depth understanding of what exactly consumers will deem as unacceptable behaviour, why the inferences are made towards the organisation, and how organisation can add preventative measures from the perspective of the consumer. Even though the consumer might find the employee social media behaviour unacceptable, there might still be deterrents, for example high switching cost, that will prevent them from changing their behavioural intention.

With the study only focusing on environmental perception, a longer time frame could also provide more depth in understanding how the different types of employee personal social stance, reflected on social media, could affect the corporate reputation. The employee used within the scenario was a client relations manager, and the fact that the employee is perceived at management level, can be seen as a limitation within this study, future studies should consider using different levels of employment in their research.

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Effects of ethical sales behaviour, expertise, corporate reputation, and performance on relationship quality and loyalty

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This analysis examines the influence of ethical sales behaviour, salesperson expertise, service performance, corporate reputation, and corporate performance on relationship quality and its consequences from multi-level perspectives in order to identify the nature of mix relationships at different levels. A survey with 505 qualified observations from financial institutions' customers in Taiwan was conducted. A structural equation modelling approach was used. Ethical sales behaviour, salesperson expertise, service performance, corporate reputation, and corporate performance, that is, the antecedents of relationship quality, have significant effects on relationship quality. Relationships exist between salespeople and customers, but customers also establish relationship with the retailers themselves. Satisfactory relationship quality has positive effects on commitment and loyalty. Implications for research and practice are discussed.

Keywords: corporate reputation; realtionship quality; ethics; loyalty

Introduction

Today companies confront the toughest competition ever. Executives in every company recognize that losing customers is very costly. Customer loyalty becomes possible through the development of long-term, mutually beneficial relationships with customers (Athanasopoulou, 2009). For service industries, one of the most valuable marketing resources of financial institutions is their salespeople, whose marketing capabilities are particularly essential, since one of the most critical factors in retailing is interpersonal relationships between salespeople and customers (Macintosh & Lockshin, 1997). Financial salespeople directly face their clients and have significant impacts on customers' satisfaction, patronage intention, and corporate reputation of financial institutions.

However, one of the difficulties in comprehending retail relationships is their inherent complexity, with a mix of relationships existing at different levels (Macintosh & Lockshin, 1997). Relationships exist between salespeople and customers, but customers also establish relationships at the person-to-store level, that is, relationships with the retailers themselves and with the corporate reputation that retailers carry (Chen & Mau, 2009; Dodds, Monroe, & Grewal, 1991; Macintosh & Lockshin, 1997; Wong & Sohal, 2002). To overcome the difficulties of the mix of relationships at different levels, this paper examines the linkages among the antecedents and consequences of relationship quality from multi-level perspectives.

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The principal objective of this research is to conduct an analysis that demonstrates the effects of the antecedents of relationship quality, namely, financial salespeople's ethical behaviour, salesperson expertise, service performance, corporate reputation, and corporate performance on relationship quality of salesperson, relationship quality of financial institution, and relationship quality consequences, namely, commitment, retention decision, and intention to recommend from multi-level perspectives.

Taiwan is one of the most powerful economic entities in Asia. Taiwanese financial institutions sell insurance, securities, bonds, funds, options, warrants, futures, and many other derivatives at the same channel to consumers directly in order to satisfy various demand from customers and provide distinct clients with appropriate allocations of asset (Tseng & Huang, 2009). Relationships between Taiwanese customers and financial institutions could exist at an interpersonal level but also at a person-to-store level. Therefore, it provides a good case to study for relationship marketing from multi-level perspectives. Moreover, most empirical studies of relationship quality pertain to specific developed countries or geographical regions, such as the USA, Western Europe, and Australia (Athanasopoulou, 2009; Theodoridis & Chatzipanagiotou, 2009). The fact and the inadequate empirical evidences from a distinct nation, Taiwan, where there are possible differences in terms of consumer behaviour (Theodoridis & Chatzipanagiotou, 2009), are the reasons for the research.

The remainder of the paper is organized as follows: literature concerning relationship quality is reviewed, the hypotheses and methodology are proposed, the empirical results of the hypotheses testing from multi-level perspective are presented, and the conclusions of this research are discussed along with directions for possible future research.

Literature review and hypotheses development

Satisfaction and trust

Relationship quality might be viewed as a higher-order construct composed of two dimensions: trust and satisfaction (Crosby, Evans, & Cowles, 1990; Hsieh & Hiang, 2004). Relationship quality from the consumer's perspective is achieved through the salesperson's ability to reduce perceived uncertainty (Crosby et al., 1990). High relationship quality implies that the customer is able to rely on the financial salesperson's integrity and has confidence in the salesperson's future performance since the level of previous performance has been consistently satisfactory (Crosby et al., 1990). Furthermore, trust is the aggregate evaluation of customer's satisfaction and might be one of the most essential consequences of satisfaction (Anderson & Srinivasan, 2003; Ganesan, 1994; Hess & Story, 2005; Mittal, Ross, & Baldasare, 1998; Moliner, Sanchez, Rodriguez, & Callarisa, 2007; Ravald & Gronroos, 1996; Selnes, 1993). Therefore, it might be hypothesized as follows.

H1a: As the customers' satisfaction with the financial salespersons becomes more favourable, their trust in the financial salespersons will increase.

H1b: As the customers' satisfaction with the financial institution becomes more favourable, their trust in the financial institution will increase.

Trust is defined as when one party has confidence in an exchange partner's reliability and integrity (Morgan & Hunt, 1994). Trust is particularly important in relational contexts where people try to obtain predictable and obligatory behaviour on the part of their relational partner (Crosby et al., 1990). Relationships exist between salespeople and customers, but customers also establish relationship at the person-to-store level, that is, relationship with the retailers themselves and with the corporate reputation that retailers

carry (Dodds et al., 1991; Macintosh & Lockshin, 1997; Sirdeshmukh, Singh, & Sabol, 2002; Wong & Sohal, 2002). Trust in the salesperson may convert to trust towards the organization, which the sales representatives belonged to (Chen & Mau, 2009; Doney & Cannon, 1997; Foster & Cadogan, 2000; Liu & Leach, 2001; Wong & Sohal, 2002). Satisfaction with the financial salesperson positively influences the trust with the financial salesperson and, furthermore, positively influences the satisfaction and trust with the financial salesperson's employer, that is, the financial institution (Bergen, Dutta, & Walker, 1992; Chen & Mau, 2009; Doney & Cannon, 1997; Liu & Leach, 2001; Wong & Sohal, 2002). Accordingly, the hypotheses are developed as follows.

H1c: As the customers' satisfaction with the financial salespersons becomes more favourable, their satisfaction with the financial institution will increase.

H1d: As the customers' satisfaction with the financial salespersons becomes more favourable, their trust in the financial institution will increase.

H1e: As the customers' trust in the financial salespersons becomes stronger, their satisfaction with the financial institution will increase.

H1f: As the customers' trust in the financial salespersons becomes stronger, their trust in the financial institution will increase.

Relationship quality and relationship commitment

Both customer's satisfaction and trust could be viewed as antecedents of commitment. Trust is positively influenced by satisfaction (Anderson & Srinivasan, 2003; Ganesan, 1994; Mittal et al., 1998; Moliner et al., 2007; Ravald & Gronroos, 1996; Selnes, 1993), and customer trust in the salesperson is related positively to commitment to the salesperson (Macintosh & Lockshin, 1997; Morgan & Hunt, 1994). Relationship commitment is defined as an exchange partner believing that a continuing relationship with another party is so vital as to warrant maximum endeavours at maintaining it; in other words, the committed party accepts that the relationship is worth working on to guarantee that it endures indefinitely (Morgan & Hunt, 1994). Relationship commitment is affective loyalty to maintain an ongoing relationship with their partner and could be intensified by trust that is the aggregate evaluation of customer's satisfaction (Bennet & Cadogan, 2001; Bloemer & Odekerken-Schroder, 2002; Moliner et al., 2007; Morgan & Hunt, 1994). Therefore, the hypotheses are developed as follows.

H2: There is a positive relationship between satisfactions with the financial salespersons and relationship commitment.

H3: There is a positive relationship between trust in the financial salespersons and relationship commitment.

H4: There is a positive relationship between satisfactions with the financial institution and relationship commitment.

H5: There is a positive relationship between trust in financial institution and relationship commitment.

Ethical salesperson behaviour

Ethical salesperson behaviour plays a vital part in formation and maintenance of long-term relationships (Cadogan, Lee, Tarkiainen, & Sundqvist, 2009; Chen & Mau, 2009; Román & Ruiz, 2005). One of the ethical behaviours exhibited by financial salespeople in their interaction with customers is the dissemination of accurate information. In addition to providing feature and benefit information, the sales representatives must take responsibility for the constraints associated with the product they sold (Lagace, Dahlstrom, &

Gassenheimer, 1991). For financial salesperson, by providing truthful information of insurance, securities, bonds, funds, and other derivatives, the customer may make smart investment decisions. Thus, the customer could rely on the sales representative's integrity and might have confidence in the sales representative's future performance (Crosby et al., 1990). The dissemination of ethical and trustworthy behaviour fosters trust and satisfaction with the salesperson (Chen & Mau, 2009; Chu, 2009; Lagace et al., 1991; Román & Ruiz, 2005). Therefore, the following hypotheses are proposed.

H6: There is a positive relationship between ethical salesperson behaviour and satisfactions with the financial salesperson.

H7: There is a positive relationship between ethical salesperson behaviour and trust in the financial salesperson.

Salesperson expertise

Expertise is defined as the extent to which a source possesses the knowledge, experience, or skills relevant to a particular topic (Lagace et al., 1991). Salesperson expertise is relevant competencies associated with the product, and most often exhibited in the form of information provided by the salesperson (Crosby et al., 1990). Salesperson who has a breadth of relevant expertise serves as a competent source that can be trusted (Lagace et al., 1991). In addition, salesperson's expertise leads to a higher level of relationship quality, explicitly, satisfaction, and trust in the salesperson (Boles, Johnson, & Barksdale, 2000; Crosby et al., 1990; Liu & Leach, 2001; Wong & Sohal, 2002). As a result, the following hypotheses are proposed.

H8: There is a positive relationship between financial salesperson expertise and satisfactions with the salesperson.

H9: There is a positive relationship between financial salesperson expertise and trust in the salesperson.

Salesperson service performance

In order to survive in this competitive market, companies should continue to improve their service performance (Kim et al., 2007). Previous studies in service provide considerable support for linkages between service performance and customer satisfaction (Cronin & Taylor, 1992; Stank, Goldsby, & Vickery, 1999; Stank, Goldsby, Vickery, & Savitskie, 2003; Tomas, Scott, & Crompton, 2002). Furthermore, service quality is one of the antecedents of customer satisfaction and loyalty (Cronin & Taylor, 1992; Mohamad & Awang, 2009). High level of service performance is believed to be an effective way to improve customer satisfaction and loyalty (Kim et al., 2007). Therefore, the hypotheses are developed as follows.

H10: There is a positive relationship between financial salesperson service performance and satisfactions with the salesperson.

H11: There is a positive relationship between financial salesperson service performance and trust in the salesperson.

Corporate reputation and corporate performance

Corporate reputation is a relatively stable, long-term, collective judgement by outsiders of an organization's actions and performance. It implies a long lasting, cumulative assessment rendered over a long time period (Gioia, Schultz, & Corley, 2000; Ou & Abratt, 2006; Ou, Abratt, & Dion, 2006). Corporate reputation has positive impacts on buyer's trust and intention to cooperate (Yener, 2009). The role of corporate reputation in the

marketplace is similar to brand equity, particularly when the company name is a part of the brand identification (Yoon, Guffey, & Kijewski, 1993). Moreover, in retailing, interpersonal relationships exist between salespeople and customers, but customers also establish relationship with the retailers themselves and with the corporate reputation that retailers carry (Macintosh & Lockshin, 1997; Wong & Sohal, 2002). Corporate reputation is measured by company assessment, such as performance and strong record of profitability, and emotional appeal, for example, respect and trust (Fombrun, Gardberg, & Sever, 2000; Fombrun & Shanley, 1990; Ou, 2007; Ou & Abratt, 2006; Ou et al., 2006). Therefore, as the consumer's perceived reputation of the financial institution becomes more favourable, satisfaction and trust may increase.

Moreover, operational performance of service sectors has positive effects on customer satisfaction (Stank et al., 1999, 2003), and satisfaction is one of the antecedents of trust (Anderson & Srinivasan, 2003; Ganesan, 1994; Hess & Story, 2005; Mittal et al., 1998; Moliner et al., 2007; Ravald & Gronroos, 1996; Selnes, 1993). As a result, the following hypotheses are proposed.

H12: There is a positive relationship between corporate reputation and satisfaction with the financial institution.

H13: There is a positive relationship between corporate reputation and trust in the financial institution.

H14: There is a positive relationship between corporate performance and satisfaction of the financial institution.

H15: There is a positive relationship between corporate performance and trust in the financial institution.

Relationship commitment and loyalty

Customer loyalty is defined as a held commitment to re-buy or re-patronize a preferred product consistently in the future (Ganesh, Arnold, & Reynolds, 2000; Jamal & Anastasiadou, 2009; Kim et al., 2007; Oliver, 1999; Stank et al., 1999, 2003). Loyal customers tend to have a higher level of recommendation intention and repurchase intention (Bloemer & Odekerken-Schroder, 2002; Bowen & Shoemaker, 1998; Chi, Yeh, & Yang, 2009; Hennig-Thurau, Gwinner, & Gremler, 2002; Kim et al., 2007; Singh & Sirdeshmukh, 2000; Stank et al., 1999, 2003; Yu & Dean, 2001). Loyalty increases repurchase behaviour because loyal customers demonstrate greater resistance to counter persuasion and negative word-of-mouth. Loyal consumers might be less price-sensitive and decrease the risk of defection due to competitors' promotional activities (Stank et al., 2003). Moreover, Bloemer and Odekerken-Schroder (2002) proposed that relationship commitment could influence customer retention decision and intention to recommend. Therefore, the hypotheses are developed as follows.

H16: There is a positive relationship between relationship commitment and retention decision.

H17: There is a positive relationship between relationship commitment and intention to recommend.

The conceptual framework is shown in Figure 1.

Methodology

This research was designed to investigate the antecedents and consequences of relationship quality of financial institutions. A survey of financial institution customers was undertaken. On the basis of the literature review, the questionnaire was developed to measure the variables in this research. The antecedents of relationship quality, namely, ethical

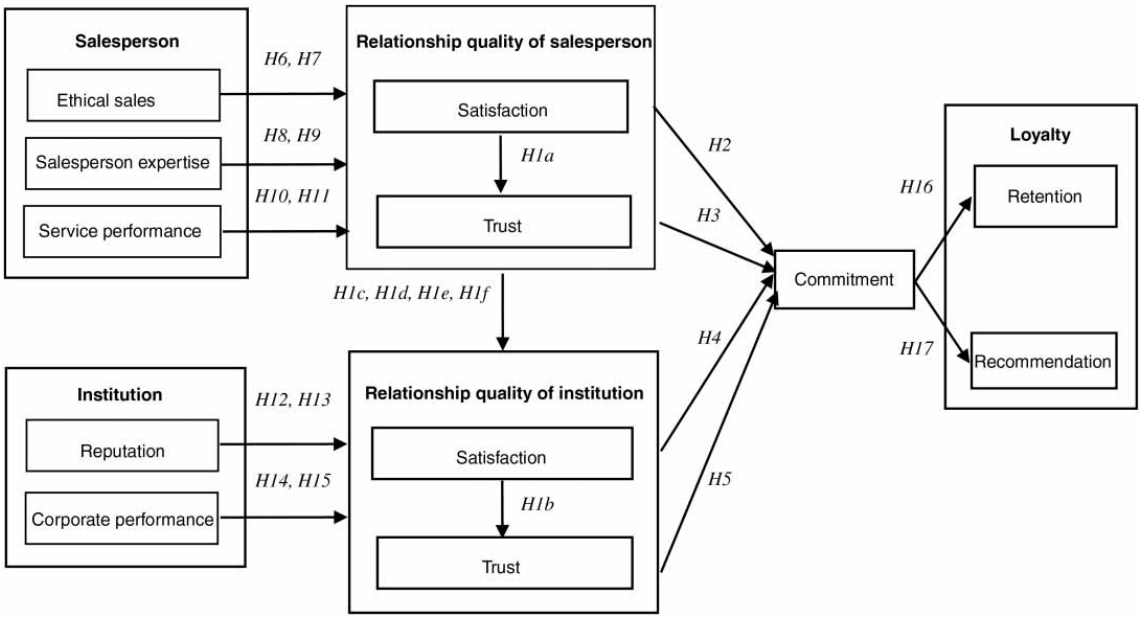

Figure 1. Conceptual framework of relationship quality.

salesperson behaviour, salesperson expertise, salesperson performance, corporate reputation, and corporate performance, were measured by five, five, three, four, and three items, respectively. The items were developed in part by Doney and Cannon (1997), Lagace et al. (1991), Liu and Leach (2001), Ou et al. (2006), and Stank et al. (2003). Relationship quality variables, specifically, satisfaction and trust, were measured by 13 items. The relationship quality items were modified from Crosby et al. (1990), Morgan and Hunt (1994), Doney and Cannon (1997), Nicholson, Compeau, and Sethi (2001), and Kristof, Odekerken-Schroder, and Lacobucci (2001). Moreover, the consequences of relationship quality, namely, relationship commitment, retention decision, and recommendation intention, were measured by four, five, and four items, respectively. These items were modified from Crosby et al. (1990), Dwyer, Schurr, and Oh (1987), Kristof et al. (2001), Oliver (1999), Parasuraman, Zeithaml, and Berry (1994), Sirdeshmukh et al. (2002), and Too, Souchon, and Thirkell (2001).

To assure the integrity of the questionnaire, pre-testing of the instrument was conducted by administering the questionnaire to a group of academic experts who reviewed the physical appearance and content. The results of the pre-testing were satisfactory. A confirmatory factor analysis was undertaken, and all of the multi-item scales yielded one factor solutions. For each scale, the individual scale items exceeded the recommended minimum standards in terms of construct reliability (Bagozzi & Yi, 1988).

Structural equation modelling (SEM) was applied to the data using the AMOS graphics program. The use of SEM allows the authors to estimate these effects simultaneously and is thus more true to the simultaneous nature of the impact of these variables in the research model. It also allows for convenient estimation of the effects of individual predictors (Ou et al., 2006).

Results

Data were collected from customers of financial institutions in Taiwan. A total of 505 qualified observations were collected, with qualified respondent rate of 72.1%. Of the sample, 47% of respondents were male, while 53% of respondents were female. The majority of the respondents in this study were between 26 and 55 years old (76.8%). The majority

of the respondents' income was between \$510,000 and \$2,000,000 (in 2010 New Taiwan Dollars; 1 USD = 32.2 New Taiwan Dollars at the beginning of 2010). Moreover, the main part of the respondents was married and had earned at least a bachelor's degree, which implied a fairly educated sample.

The items in the questionnaire yielded satisfactory Cronbach's α's, composite reliability (CR), and average variance extracted (AVE). The high values implied that the instrument used had a high reliability for measuring the constructs studied in this research. The divergent validity of the questionnaire was satisfactory because the confidence interval of the correlation between constructs did not include unity. In addition, the χ^2 value obtained was 69.345 with 26 degrees of freedom ($p < 0.000$). The goodness-of-fit index, the adjusted goodness-of-fit index, and the normed fit index were 0.978, 0.935, and 0.989, respectively. This indicates a good fit of the model to the data given that the usual standard for these indices is 0.90 or above (Ou et al., 2006). Factor analysis results are shown in Table 1.

The effects of relationship quality antecedents on relationship quality

The research results showed that a significant positive linkage exists between ethical salesperson behaviour and satisfaction with the financial salesperson (Román & Ruiz, 2005). Thus, *H6* was supported. The results also indicated that a significant positive relationship exists between financial salesperson expertise and satisfactions with the salesperson (Boles et al., 2000). Similarly, a significant positive correlation exists between financial salesperson expertise and trust in the salesperson (Boles et al., 2000). Moreover, the tests between the relationships among salesperson service performance, satisfactions, and trust were all satisfactory. As financial salespersons' service performance becomes more favourable, customers feel more satisfied towards the salesperson, creating positive impacts on trust in the salesperson.

One of the most valuable resources that managers can exploit is corporate reputation (Ou & Abratt, 2006). Regarding corporate reputation, as the consumer's perceived corporate reputation of the financial institution becomes more favourable, the satisfaction with the financial institution will increase. The more favourable the corporate reputation becomes, the greater trust in the financial institution will be. Furthermore, improved corporate performance boosts customer satisfaction (Stank et al., 1999, 2003). Likewise, outstanding corporate performance fosters trust. In short, *H6*, *H8–H15* were supported. The path analysis results are shown in Table 2.

The effects of relationship quality (RQ) of salesperson on RQ of the financial institution

The study proposes that more favourable satisfaction with the financial salesperson raises trust in the financial salesperson. Increasing satisfaction with the financial institution also increases trust in the financial institution. Second, more positive customers' satisfaction with the financial salespersons may increase their satisfaction with the employer, that is, the financial institution. Increasing satisfaction with the financial salespersons may enhance trust in the financial institution. Third, customers' trust in the financial sales representatives may improve their satisfaction with the financial institution. Similarly, trust in the financial salespersons may foster the trust in the financial institution (Chen & Mau, 2009; Foster & Cadogan, 2000). In other words, *H1a–f* were all supported.

Table 1. Factor analysis results.

Factor (α, CR, AVE)	Statement	λ
Satisfaction with the financial salesperson (η_1) (0.89, 0.88, 0.71)	I am satisfied with the investment suggestions from my financial salesperson	0.80
	I am satisfied with the information provided by my financial salesperson	0.85
	Compared with other salespersons, I prefer mine	0.88
Trust in the financial salesperson (η_2) (0.89, 0.84, 0.64)	The decision making of my financial salesperson is good	0.84
	I feel comfortable to let my salespersons to make transactions for me	0.76
	My financial salesperson looks like a person with integrity	0.80
Satisfaction with the financial institution (η_3) (0.93, 0.93, 0.77)	I am satisfied with the financial institution	0.80
	The financial institution meets my desire	0.88
	I have a good feeling about the financial institution	0.91
	Compared with its competitors, I prefer my financial institution	0.92
Trust in the financial institution (η_4) (0.88, 0.87, 0.70)	It considers customer's benefits when the financial institution makes business decision	0.83
	I believe the financial institution will support me in any circumstances	0.81
	I trust the financial institution	0.86
$\Psi_{12} = 0.95$ (0.924–0.986), $\Psi_{13} = 0.90$ (0.872–0.934), $\Psi_{14} = 0.87$ (0.810–0.932), $\Psi_{23} = 0.84$ (0.784–0.898), $\Psi_{24} = 0.91$ (0.851–0.977), $\Psi_{34} = 0.95$ (0.930–0.984)		
Ethical salesperson behaviour (ξ_1) (0.90, 0.90, 0.64)	My financial salesperson will not sell financial products by using exaggerated statements	0.84
	My benefit is the priority of my financial salesperson	0.87
	My financial salesperson will not sell products to me if he/she knows the product is not right for me	0.83
	I will be informed that every investment is somewhat risky	0.74
	My financial salesperson will not excuse his/her investment mistakes	0.73
Salesperson expertise (ξ_2) (0.93, 0.92, 0.70)	My financial salesperson is familiar with what he/she sells	0.77
	My financial salesperson provides abundant investment information	0.84
	My financial salesperson is knowledgeable	0.85
	My financial salesperson has precise investment judgements	0.87
	My financial salesperson provides professional service to me	0.86
Salesperson service performance(ξ_3) (0.86, 0.85, 0.65)	My salesperson understands my needs	0.86
	My salesperson is enthusiastic while dealing with my demands	0.80
	My salesperson will improve his/her service by my suggestions	0.75
Corporate reputation (ξ_4) (0.82, 0.88, 0.65)	I have a good feeling about the financial institution	0.84
	My financial institution looks like a company with honesty	0.87
	I admire and respect the financial institution	0.65
	I believe the financial institution is able to provide satisfactory services	0.85

(*Continued*)

Table 1. Continued.

Factor (α, CR, AVE)	Statement	λ
Corporate performance(ξ_5) (0.84, 0.84, 0.64)	The financial institution's commitment is always valid	0.73
	The financial institution provides precise services	0.82
	The financial institution is well managed and efficient	0.84
$\varphi_{12} = 0.65$ (0.650–0.664), $\varphi_{13} = 0.79$ (0.785–0.801), $\varphi_{14} = 0.53$ (0.527–0.539), $\varphi_{15} = 0.57$ (0.591–0.603), $\varphi_{23} = 0.92$ (0.918–0.934), $\varphi_{24} = 0.59$ (0.586–0.596), $\varphi_{25} = 0.71$ (0.710–0.722), $\varphi_{34} = 0.62$ (0.614–0.626), $\varphi_{35} = 0.72$ (0.755–0.767), $\varphi_{45} = 0.75$ (0.788–0.800)		
Relationship commitment (η_5) (0.89, 0.87, 0.62)	I am willing to have long-term relationship with the financial salesperson	0.78
	It is beneficial for me to retain relationship with the financial salesperson	0.78
	The financial institution is my first choice while investing	0.79
	I am willing to continue banking at the financial institution in several years	0.80
Retention decision (η_6) (0.94, 0.91, 0.67)	I am willing to have ongoing relationship with the financial institution	0.67
	I will invest more money at the financial institution in the future	0.68
	My financial salesperson is my first choice while investing	0.88
	My financial salesperson is my best choice	0.93
	I am willing to have my financial salesperson's service due to his/her outstanding performance	0.91
Intention to recommend (η_7) (0.92, 0.92, 0.75)	I am willing to stand for the financial institution if somebody raises negative opinions against it	0.83
	I am willing to recommend the financial institution to my friends	0.93
	I am willing to recommend the financial salesperson to others if necessary	0.88
	I will introduce the financial salesperson to others with positive perspectives	0.82
$\Psi_{56} = 0.91$ (0.865–0.955), $\Psi_{57} = 0.88$ (0.858–0.902), $\Psi_{67} = 0.90$ (0.980–0.920)		

The effects of relationship quality on its consequences

Regarding the effects of relationship quality on relationship commitment, there is a positive linkage between satisfactions with the financial salespersons and relationship commitment. In addition, there are significant positive correlations between trust in the financial salespersons and relationship commitment (Chen & Mau, 2009). Moreover, it is discovered that the greater the satisfaction with the financial institution, the greater relationship commitment will be (Jamal & Anastasiadou, 2009; Moliner et al., 2007). A significant positive linkage exists between trust in financial institution and relationship commitment (Chen & Mau, 2009; Moliner et al., 2007). Concerning the effects of relationship commitment on its consequences, it is discovered that there are significant positive correlations between relationship commitment and retention decision, and there is a significant positive link between relationship commitment and intention to recommend (Bloemer & Odekerken-Schroder, 2002; Bowen & Shoemaker, 1998; Singh & Sirdeshmukh, 2000). In other words, *H2–H5*, *H16*, and *H17* were all supported.

Table 2. Path analysis results.

Path	Hypothesis	Coefficient	Results
The effects of RQ antecedents on RQ			
Ethical salesperson behaviour → satisfaction with the financial salesperson (γ_{13})	*H6*(+)	0.146***	Supported
Ethical salesperson behaviour → trust in the financial salesperson (γ_{23})	*H7*(+)	0.036	Not supported
Salesperson expertise → satisfaction with the financial salesperson (γ_{14})	*H8*(+)	0.262***	Supported
Salesperson expertise → trust in the financial salesperson (γ_{24})	*H9*(+)	0.184***	Supported
Salesperson service performance → satisfaction with the financial salesperson (γ_{15})	*H10*(+)	0.468***	Supported
Salesperson service performance → trust in the financial salesperson (γ_{25})	*H11*(+)	0.200***	Supported
Corporate reputation → satisfaction with the financial institution (γ_{36})	*H12*(+)	0.158***	Supported
Corporate reputation → trust in the financial institution (γ_{46})	*H13*(+)	0.087*	Supported
Corporate performance → satisfaction with the financial institution (γ_{37})	*H14*(+)	0.205***	Supported
Corporate performance → trust in the financial institution (γ_{47})	*H15*(+)	0.055*	Supported
The effects of RQ of salesperson on RQ of financial institution			
Satisfaction with the financial salesperson → trust in the financial salesperson (β_{21})	*H1a*(+)	0.476***	Supported
Satisfaction with the financial institution → trust in the financial institution (β_{43})	*H1b*(+)	0.580***	Supported
Satisfaction with the financial salesperson → satisfaction with the financial institution (β_{31})	*H1c*(+)	0.370***	Supported
Satisfaction with the financial salesperson → trust in the financial institution (β_{41})	*H1d*(+)	0.072*	Supported
Trust in the financial salesperson → satisfaction with the financial institution (β_{32})	*H1e*(+)	0.269***	Supported
Trust in the financial salesperson → trust in the financial institution (β_{42})	*H1f*(+)	0.190***	Supported
The effects of RQ on its consequences			
Satisfaction with the financial salesperson → relationship commitment (β_{71})	*H2*(+)	0.640***	Supported
Trust in the financial salesperson → relationship commitment (β_{72})	*H3*(+)	0.143***	Supported
Satisfaction with the financial institution → relationship commitment (β_{73})	*H4*(+)	0.121**	Supported
Trust in the financial institution → relationship commitment (β_{74})	*H5*(+)	0.087*	Supported
Relationship commitment → retention decision (β_{87})	*H16*(+)	0.988***	Supported
Relationship commitment → intention to recommend (β_{97})	*H17*(+)	0.464***	Supported

Notes: Satisfaction with the financial salesperson: $R^2 = 0.646$; trust in the financial salesperson: $R^2 = 0732$; satisfaction with the financial institution: $R^2 = 0.739$; trust in the financial institution: $R^2 = 0.791$; relationship commitment: $R^2 = 0.663$; retention decision: $R^2 = 0.596$; intention to recommend: $R^2 = 0.632$.

*$p < 0.05$.

**$p < 0.01$.

***$p < 0.001$.

Conclusions and discussions

Relationship quality is not generated out of a void. The antecedents of relationship quality significantly influence relationship quality itself. This study indicates a significant positive linkage between salespersons' ethical behaviour and perceived satisfaction with sales representatives (Román & Ruiz, 2005). Moreover, the results obtained in this research also indicate a significant positive relationship between salespersons' expertise and satisfactions with the salesperson (Boles et al., 2000). Likewise, a significant positive relationship exists between salespersons' expertise and trust (Boles et al., 2000). A satisfactory expertise allows a salesperson to achieve a higher level of satisfaction and trust. Furthermore, the tests between the links among salespersons' service performance, satisfactions, and trust were all good. As salespersons' service performance becomes more favourable, customers feel more satisfied towards the sales representative, creating a noteworthy stimulus on trust.

Companies in the service sector realize that it is easier to market their service under its superior corporate reputation since their intangible services are difficult to be well defined (McDonald, De Chernatony, & Harris, 2001). As corporate reputation becomes more favourable, the satisfaction with the corporation and its affiliates enhances. The more favourable the corporate reputation becomes, the greater trust in the company and its employees will be (Gianfranco & Sharon, 2007; Yener, 2009). Improved corporate performance boosts customer satisfaction (Stank et al., 1999, 2003). Likewise, outstanding corporate performance elevates trust in the corporation.

This study first suggests that more favourable satisfaction with the sales representative raises trust in the sales representative. Increasing satisfaction with the institution also increases trust in the corporation (Yener, 2009). Second, more positive satisfaction with the corporation's affiliates may increase satisfaction with the corporation. Increasing satisfactions with the salespersons or the frontline employees result in greater trust in the institution (Chu, 2009). Third, increasing trust in the salesperson may enhance satisfaction with the institution. In the same way, trust in the institution's sales force elevates trust in the institution (Chen & Mau, 2009).

Concerning the effects of relationship quality on its consequences, the findings of this research show that there is a significant positive link between satisfactions with the salespeople and relationship commitment. In addition, trust in the salesperson influences relationship commitment (Chen & Mau, 2009). Additionally, the greater the satisfaction with the institution, the greater relationship commitment will be (Jamal & Anastasiadou, 2009; Moliner et al., 2007). There is a significant positive linkage between trust in institution and relationship commitment (Chen & Mau, 2009; Moliner et al., 2007). Regarding the influence of relationship commitment on its consequences, a significant positive linkage exists between relationship commitment and retention decision (Bloemer & Odekerken-Schroder, 2002; Bowen & Shoemaker, 1998; Chi et al., 2009; Singh & Sirdeshmukh, 2000). There are also significant positive correlations between relationship commitment and word-of-mouth, which is a crucial means of information diffusion (Bloemer & Odekerken-Schroder, 2002; Singh & Sirdeshmukh, 2000; Yoon et al., 1993).

Managerial implications

Salesperson expertise is one of the key antecedents of relationship quality. Sales representatives with a breadth of relevant expertise serve as competent sources that could be trusted (Lagace et al., 1991). Executives could enhance the expertise of their subordinates by education, training, examinations, and performance appraisals to improve salesperson

expertise. Consequently, satisfactions and trust of their customers could be improved by the enhanced salesperson's expertise.

Ethical sales behaviour is another important factor of maintaining a high level of relationship quality. It is desired that the sales representatives must take the full responsibility for all the constraints associated with the product they sold (Lagace et al., 1991). For sales managers, it is desirable to enhance the standard of ethical sales behaviour. First, sales managers should better make their subordinates understand the importance of corporate ethics code (Chen & Mau, 2009). Sales managers could adopt ethical sales behaviour questionnaire while recruiting rookie salespeople to test whether the applicants have a high moral standard or not. From human resource development perspectives, it is suggested to offer sales ethical training courses for salespeople to alleviate ethical dilemmas, to emphasize the importance of ethical sales behaviour, and to upgrade the ethical behaviour of salespeople.

Furthermore, previous research indicated that sales manager's personal moral philosophies, reward systems, sales team job security, intra-team cooperation, and sales team tactical performance all influence ethical sales behaviour (Cadogan et al., 2009). Therefore, in order to elevate relationship quality, sales managers should consciously upgrade ethical standards in their sales team. Ethical sales behaviour can be enhanced if sales managers exhibit a better moral philosophy, elevate cooperation among sales forces, and foster salespeople's perceptions of job security (Cadogan et al., 2009).

Research limitations

Most relationship quality studies investigate single domestic market and that is probably due to the ease of data collection and the characteristics of relationships that differ widely between different nations, and thus, it is difficult to generalize results cross-border (Athanasopoulou, 2009). However, one of the priorities of a good study is the ability for generalization. A satisfactory research should be widely accepted and be applicable for several different types of industries in different countries (Ou & Wang, 2009; Reardon, Miller, & Coe, 1995). In this research, data were collected from Taiwanese customers of financial institutions. The limitations on industry and geographic location may constraint the generalization and applications of this research. It is recommended that further interpretation of the findings for other countries should be made with caution.

Recommendations for future research

This research investigates the relationships among the antecedents and consequences of relationship quality of financial institutions. Future research may study whether the links between relationship quality, its antecedents, and consequences vary across different retailers or different types of industry (e.g. real estate brokers, automobile dealers, and multi-level marketing). The nature of relationship quality in different purchasing contexts remains an essential and interesting issue for future marketing studies.

Since the major part of existing relationship quality studies are quantitative, it requires more qualitative studies to obtain more detailed insights into the variables that influence relationship quality. The complex constructs involved in relationship quality, its inherent dimensions, its antecedents, and its consequences call for significantly more qualitative enquiries to make richer theory available (Athanasopoulou, 2009). In addition, more research into cross-border relationships and the important influence of cultural traits is

desired (Athanasopoulou, 2009). There is a need for further research of consumers' cultural characteristics and their influence on cross-border relationship quality.

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The interrelationships between relationship marketing constructs and customer engagement dimensions

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The interrelationships between relationship marketing constructs and customer engagement dimensions

关系营销结构与顾客参与维度之间的相互关系

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ABSTRACT

The study examines the interrelationships between selected relationship marketing constructs, namely customer satisfaction, trust, perceived value and commitment, and their effect on the dimensions underlying customer engagement. The study is quantitative and an explanatory research design was followed. A total of 489 self-administered questionnaires were collected from customers of short-term insurance providers on the basis of convenience. Customer satisfaction impacts positively on affective commitment and trust. Customer value also impacts positively on affective commitment and trust, while trust impacts positively on affective commitment. Affective commitment in turn impacts positively on the four customer engagement dimensions: interaction, attention, absorption and affection. The research findings offer an initial understanding of the interrelationships between key relationship marketing constructs and their ultimate effect on various customer engagement dimensions. These matters have received little attention in marketing research, and knowledge of the proposed relationships may lead to further research on this topic.

摘要

本研究考察了选定的关系营销结构之间的相互关系，即顾客满意度，信任度，感知价值和承诺，以及它们对顾客参与度的影响。这项研究是定量的，并遵循解释性研究设计。在方便的基础上，从短期保险供应商的顾客那里收集了489份自填式问卷。顾客满意度对情感承诺和信任产生积极影响。顾客价值也对情感承诺和信任产生正向影响，而信任对情感承诺产生积极影响。反过来，情感承诺会对四个顾客参与维度产生积极影响：互动，关注，吸收和情感。研究结果初步了解了关键营销结构之间的相互关系，以及它们对各种顾客参与维度的最终影响。这些问题在营销研究中很少受到关注，而且关于提出的关系的知识可能会引出对这个问题的进一步研究。

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Introduction

Customer engagement has emerged as an important construct in marketing research over the past decade (Islam & Rahman, 2016, p. 2009). There appears to be a general agreement

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among marketing scholars that engaged customers could lead to a sustainable competitive advantage for the firm (Brodie, Ilic, Juric, & Hollebeek, 2013; Hollebeek, 2012; Islam & Rahman, 2016, p. 2008; Kumar & Pansari, 2016). For instance, engaged customers may contribute to greater firm revenue (Kumar & Pansari, 2016, p. 497). Hence, most research has focused on developing formal definitions for the customer engagement concept that may guide further exploration. Key contributions to the field include the work of Bowden (2009), who studied the concept from a psychological process perspective; Van Doorn et al. (2010), who defined the concept from a behavioural manifestation perspective; Brodie, Hollebeek, Jurić, and Ilić (2011), who believe the concept reflects a psychological state that occurs as a result of customer experiences; Vivek, Beatty, and Morgan (2012), who see the concept as the extent of a person's participation and connection with a firm; and Hollebeek (2011), who believes the concept reflects a customer's specific state of mind. After a systematic review of customer engagement research since 2005, Islam and Rahman (2016, p. 2019) concluded that the concept can be defined as 'the readiness of a customer to actively participate and interact with the focal object (e.g. brand/organization/community/website/organizational activity), [which] varies in direction (positive/negative) and magnitude (high/low) depending upon the nature of a customer's interaction with various touch points (physical/virtual)'.

Among these different conceptualisations of customer engagement, there also appears to be an understanding that the construct is related to the establishment of relationships with customers and is therefore viewed as an expansion to the relationship marketing domain (So, King, Sparks, & Wang, 2016, p. 9; Vivek et al., 2012, p. 128). However, little research has been conducted to further explore the connection between customer engagement and other relationship marketing constructs. In his strategic direction on the matter, Bolton (2011, p. 272) suggested an investigation into the relationship between established relationship marketing constructs, such as satisfaction, trust and customer value and customer engagement. Some attention has been given to these matters but there is still no consensus on the specific role of the stated relationship marketing factors within the customer engagement domain. One group of scholars believe customer satisfaction, trust, value and commitment (also a relationship marketing variable) should be perceived as consequences of customer engagement (Islam & Rahman, 2016; Pansari & Kumar, 2016; Vivek et al., 2012). Yet, another group of researchers indicate that the stated factors serve an antecedent role and contribute to customer engagement (Hollebeek, Srivastava, & Chen, 2016; Islam & Rahman, 2016; Pansari & Kumar, 2016; Van Doorn et al., 2010). Supporting the second school of thought, Islam and Rahman (2016, pp. 2020–2021) further indicate that it is also possible that factors such as satisfaction, trust, value and commitment may be interrelated and jointly affect customer engagement. However, more research is required to explore these matters that have been overlooked in customer engagement research. Insight into these affairs may further be important, as customer engagement could contribute to a firm's competitive position.

This study then aims to contribute to the second research stream and further examine the interrelationship between customer satisfaction, trust, perceived value and commitment, and their ultimate effect on customer engagement. While the connection between these relationship marketing factors may have received some attention in earlier research, the findings of this study, as examined among a convenient sample of respondents, may provide an initial understanding of the interrelationships between

key relationship marketing constructs and their ultimate effect on various customer engagement dimensions. These matters have received little attention in marketing research, and knowledge of the proposed relationships may lead to further research on this topic.

From a managerial perspective, the research findings may also offer valuable guidance to short-term insurers in Gauteng, South Africa (the context of this study) to improve their customer engagement practices and obtain a competitive advantage. The South African short-term insurance industry is regulated by the Financial Services Board (2015) and consists of 7 reinsurers and 92 short-term insurers. The industry is regarded as well-developed and mature due to strong competition and the confidence South African consumers have in their local financial service providers. Collectively, Santam, Mutual & Federal, Hollard and Outsurance hold the largest market share and underwrite 51.7% of the gross written premium of the short-term insurance market. Further growth is expected within the next few years as untapped segments – such as the lack Upwardly-Mobile Professionals (Buppies) – require exploration, and innovations (such as smartphones) may enhance online distribution and data mining possibilities (Maharaj, 2016). In spite of these developments, current insurance companies may be outsmarted by young, dynamic insurance providers taking advantage of digital transformation through mobile phones to enter the market (Terblanche, 2016). Furthermore, customers can easily switch between insurance companies due to the low cost in contracting another service provider (Mackay, Mostert, & Petzer, 2015, p. 45). Hence, it has become imperative for short-term insurers to develop strategies that will foster greater customer engagement and enable the firms to maintain their market share.

In the sections that follow, a theoretical framework is first provided, which offers more insight into the relationship marketing constructs, customer engagement dimensions and research replications and hypotheses that are further explored in this study. This is followed by a discussion of the research methodology, the results and findings, and the theoretical and managerial implications of this study. The article concludes with an outline of the study's limitations and strategic directions for further research.

Theoretical framework

Relationship marketing

Service firms can establish relationships with their customers (Morgan & Hunt, 1994, p. 21) and so relationship marketing practices have been extensively studied within the services marketing domain (Brodie, 2017, p. 20). Seminal contributors have defined relationship marketing as 'attracting, maintaining and – in multi-service organizations – enhancing customer relationships' (Berry, 1983, p. 25), or 'attracting, developing, and retaining customer relationships' (Berry & Parasuraman, 1991, p. 133). Berry (1983, 1995, p. 236) further suggests that firms practising relationship marketing should focus on the provision of a core service and must ensure the relationship is customised according to the individual's needs. Additionally, the core service must be enhanced with extra benefits and should be correctly priced to foster customer loyalty. Marketing initiatives must also be directed towards employees to ensure good service is provided to customers. Grönroos (1994, p. 9) believes that relationship marketing practices focus on two parts: attracting

customers to the firm, and the subsequent building of relationships with these customers to accomplish the desired economic goals. However, established relationships can only be maintained and enhanced if promises made to customers are kept (Grönroos, 1994, p. 9). Therefore, relationship marketing is considered a viable tool for obtaining a sustainable competitive advantage (Jones et al., 2015, p. 188) and its relevance in the contemporary marketing environment is undisputed (Brodie, 2017; Gummerus, Von Koskull, & Kowalkowski, 2017; Gummesson, 2017; Payne & Frow, 2017; Sheth, 2017).

In the relationship marketing domain, relationship quality is considered an important concept that indicates the closeness or intensity of the relationship between a firm and its customers (Hajli, 2014, p. 19; Vesel & Zabkar, 2010, p. 1336). While several factors attribute to relationship quality, customer satisfaction, trust and commitment are regarded as central components or predictors of relationship quality (Vesel & Zabkar, 2010, p. 1336). Hence, for the purpose of this study, customer satisfaction, trust and commitment are further explored to determine their effect on customer engagement. In addition to these factors, customer perceived value is also examined as it is regarded as another key variable of relationship marketing (Roig, Garcia, Tena, & Monzonis, 2006, p. 267).

Customer satisfaction

Customer satisfaction is described as 'the summary psychological state resulting when the emotion surrounding disconfirmed expectation is coupled with the consumer's prior feelings about the consumption experience' (Oliver, 1981). Satisfaction occurs when customers experience a positive disconfirmation of expectations or 'a pleasurable level of consumption related fulfilment' (Bowden, 2011, p. 214; Oliver, 1997). Hence, perceptions of customer satisfaction develop as a result of earlier interactions with a service provider (Bowden, 2011, p. 214). While it was initially thought that customer satisfaction involves an emotional process, marketing scholars have found that customer satisfaction comprises cognitive beliefs about the product and service, and affective feelings consumers develop towards the product or service received (Bagozzi, Gopinath, & Nyer, 1999). Cognitive and affective evaluations are based on the consumption episodes experienced by customers (Bowden, 2011, p. 214). Some scholars also believe that customer satisfaction has a cumulative component, relating to the total evaluation of the service received as experienced by numerous service encounters (Narteh, 2015, p. 363). Customer satisfaction is receiving considerable attention in the financial services sector, owing to technological enhancements and competition within the industry. Financial firms attempt to differentiate themselves from competitors by facilitating greater satisfaction with the service (Liébana-Cabanillas, Muñoz-Leiva, & Rejón-Guardia, 2013, p. 750). Customer satisfaction is also important within the South African short-term insurance industry as it is believed it could enhance relationship quality and contribute to the development of long-term relationships with customers (Mackay, Petzer, & Mostert, 2014, pp. 302, 320). Customer satisfaction is measured by examining the extent to which a customer believes that a wise purchase decision has been made, feels good about and is pleased with the purchase, and would recommend the product or service to other customers (Hellier, Geursen, Carr, & Rickard, 2003).

Trust

Trust has been defined as 'a willingness to rely on an exchange partner in whom one has confidence' (Moorman, Deshpandé, & Zaltman, 1993, p. 82). Trust is fundamental in

relational exchanges between stakeholders. It is important as customers are expected to purchase services they have not yet experienced (Morgan & Hunt, 1994, p. 24). Therefore, trust also relates to the perceived credibility and benevolence of the firm providing the service. Credibility trust denotes a customer's belief in the ability of the service firm to deliver services of high quality, while benevolence trust is associated with the customer's belief in the firm's ability to offer competent and reliable service (Kandampully, Zhang, & Bilgihan, 2015, p. 393). Furthermore, trust relates to the degree to which the provider acts with integrity and honesty (Grabner-Kräuter & Faullant, 2008, p. 486). It is argued that consumer trust results in benefits such as reduced risk and confidence (Bowden, 2009, p. 579). Perceptions of trust develop over time and are based on repeated interactions with a service provider (Shukla, Banerjee, & Singh, 2016, p. 325). Mutual trust between stakeholders may result in tacit information sharing behaviour, non-opportunistic behaviour and the fostering of long-lasting partnerships (Chen, Wu, & Chien, 2016, p. 94). Similar to customer satisfaction, consumer trust has also been identified as important in fostering ongoing relationships with customers in the financial services industry (Sekhon, Ennew, Kharouf, & Devlin, 2014, p. 424). Consumer trust is measured by examining the extent to which the provider can be relied upon to keep its promises (integrity trust) and provide a good service (credibility trust), and puts the customer's interest first (benevolence trust) (Verhoef, Franses, & Hoekstra, 2002).

Customer commitment

Morgan and Hunt (1994, p. 23) define commitment as 'an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining'. According to Shukla et al. (2016, p. 324), commitment relates to the disincentive to change relationship partners. Generally, customer commitment is regarded as a complex construct that developed from the organisational behaviour/industrial organisation psychology literature; it is attitudinal in nature and relates to a person's feelings on taking part in certain behaviours (Fullerton, 2014, p. 659). Allen and Meyer (1990) say customer commitment comprises three components: affective commitment, continuance commitment and normative commitment. Affective commitment measures the feelings and emotional attachments customers may develop towards the firm providing the service. Continuance/calculative commitment assesses customers' inclination to remain with the service firm, owing to a lack of more beneficial alternatives. Customers who are normatively committed towards the service firm have a sense of obligation to remain in the relationship (Shukla et al., 2016, p. 324). Customer commitment is important in the financial services industry, especially the affective commitment dimension that is believed to contribute to greater customer retention and advocacy (Gustafsson, Johnson, & Roos, 2005, p. 211; Menon & O'Connor, 2007, p. 158). Affective commitment is measured by investigating the extent to which the customer is attached to the service provider, experiences a sense of belonging and wants to remain a customer (Verhoef et al., 2002).

Customer perceived value

Customer perceived value has been defined in different perspectives, including the price-based study view (Monroe, 1979), the means-end theory view (Gutman, 1982; Zeithaml, 1988) and the utilitarian and hedonic value approach (Babin, Darden, & Griffin, 1994;

Holbrook & Hirschman, 1982). Aligned with previous studies on the value in the insurance industry (Hellier et al., 2003), the means-end theory perspective and Zeithaml's (1988) definition of perceived value were adopted for the purpose of this study to guide further investigation. According to Zeithaml (1988), value perceptions are dependent on the price paid for a product offering, customer expectations of a product, the quality obtained in relation to the price paid as well as what consumers receive compared to what they have provided in the transaction (Sánchez-Fernández & Iniesta-Bonillo, 2007, p. 432). According to Zeithaml (1988, p. 14), customer perceived value can be formally defined as 'the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given'. Customers will then base their decisions on product offerings that will maximise value and enable them to reap the highest payoff (Dootson, Beatson, & Drennan, 2016, p. 12). Similar to the other relationship marketing factors investigated in this study, customer perceived value may also assist in contributing to a sustainable competitive advantage for a financial service firm (Dootson et al., 2016, p. 13). Considering Zeithaml's (1988) view of perceived value, the construct is measured by determining the extent to which the customer believes the price charged for a product or service is acceptable and low compared to other providers, and whether additional benefits are provided, and the product or service is flexible and sufficient to meet his or her needs (Hellier et al., 2003).

Customer engagement dimensions

As noted in the introduction, customer engagement is regarded as an expansion to the relationship marketing domain (So et al., 2016, p. 9; Vivek et al., 2012, p. 128) and may assist in obtaining a competitive advantage. This matter is especially important to the short-term insurance industry in South Africa that is challenged by low switching barriers for customers and young dynamic insurance companies taking advantage of digital transformation (Mackay et al., 2015, p. 45; Terblanche, 2016). According to Islam and Rahman (2016, p. 2019), while some scholars perceive customer engagement to be unidimensional, most authors have acknowledged the multidimensional nature of this concept. For the purpose of this study, the multidimensional approach of So, King and Sparks (2014, pp. 304, 308) was adopted, as it is regarded suitable for a service business environment. So, King, and Sparks (2014, pp. 304, 308) propose that the customer engagement construct comprises five dimensions:

- Identification: refers to the degree to which a customer will relate to the object of engagement, which, in this study, may concern the short-term insurance provider. Customers who identify with a service provider may see critique of the provider as a personal insult to them, and view themselves as part of the company. These consumers also tend to identify themselves with the provider's success.
- Enthusiasm: concerns the extent to which consumers are excited about the focus of engagement. It is believed that enthusiastic consumers are keen and passionate about the provider.
- Attention: measures the customer's level of focus towards the object of engagement. Customers who are focused on the provider may want to learn more about it, pay attention to any aspect related to it, and concentrate extensively on the provider.

- Absorption: is perceived as a more progressive state of attention. Customers who are absorbed with their service provider will forget about anything else when interacting with them. They may get carried away and feel time flies when dealing with the provider. They may be deeply involved with the service provider and feel that it would be difficult to move away from them.
- Interaction: ascertains the extent to which customers partake in online or offline activities outside the purchase situation (So et al., 2014, pp. 308–310). Customers may converse with other customers about the provider, and enjoy engaging with consumers similar to them who are also interested in the provider.

Conceptual model

The conceptual model proposed for this study is presented in Figure 1.

Considering the investigation of potential interaction effects between this study's relationship marketing constructs, it was first acknowledged that commitment plays a central role in relationship marketing (Morgan & Hunt, 1994, p. 23; Wetzels, De Ruyter, & Van Birgelen, 1998, p. 406). Commitment is also perceived as 'the most advanced phase of partners' interdependence' (Scanzoni, 1979; Wetzels et al., 1998, p. 408). Consequently, it was argued that the relationship marketing factors – customer satisfaction, trust and perceived value – initially interact with each other and affect customer commitment. Committed customers may then become more engaged with the organisation.

Empirical support of the interaction effects between customer satisfaction, trust, perceived value and commitment can be found in various studies. For example, the relationship between customer satisfaction and commitment has been confirmed in the luxury motor vehicle industry (Van Tonder, Petzer, & Van Zyl, 2017), as well as in media retailers and travel agencies industries (Hennig-Thurau, 2004). It is believed that customers who have experienced satisfactory performances will want to remain loyal to the organisation

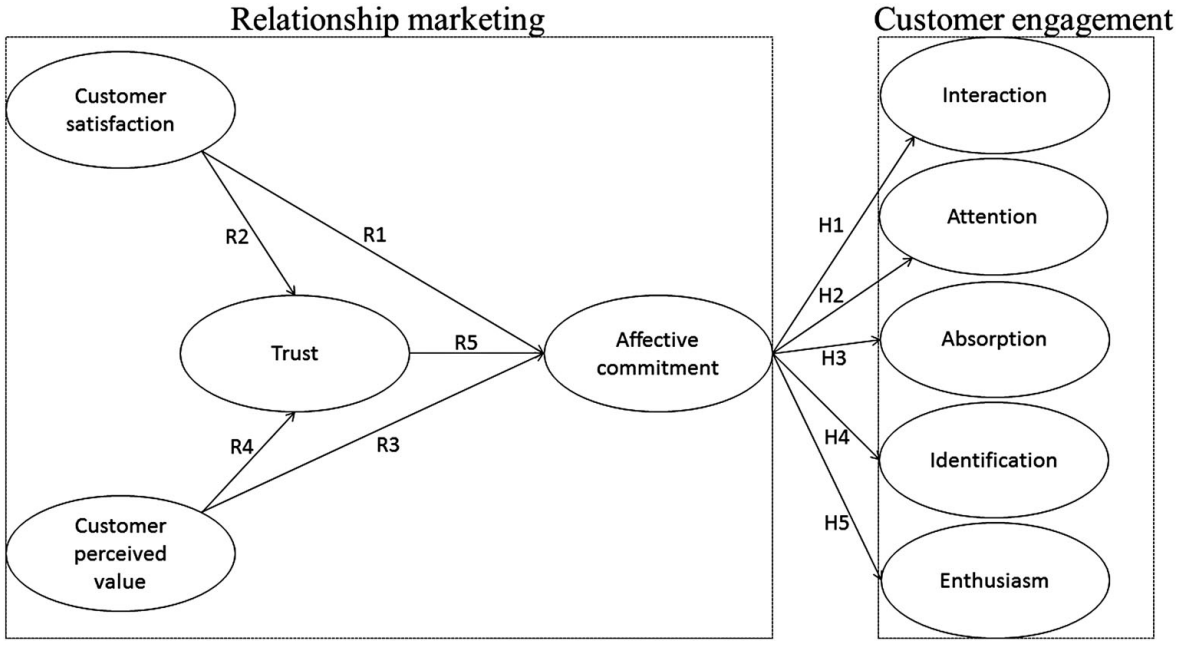

Figure 1. Conceptual model.

(Johnson, Sivadas, & Garbarino, 2008, p. 355). The extent to which customers are satisfied with the service may contribute to their future commitment to the service provider. Satisfied customers may become more committed to the service (Hennig-Thurau, 2004, p. 465). However, for the purpose of this study, only the affective commitment dimension was considered as it has been acknowledged in marketing literature as being strong in establishing consumer behaviour (Curth, Uhrich, & Benkenstein, 2014, p. 148).

Hence, the following replication is presented concerning short-term insurance customers:

R_1: Customer satisfaction has a positive and significant impact on affective commitment.

According to Hess and Story (2005, p. 315), satisfaction and trust result from interactions between customers and service providers. Both satisfaction and trust contribute to the establishment of functional and personal connections, with trust primary building personal connections and satisfaction resulting in functional relationships. Satisfactory interactions with a service provider will lead to overall satisfaction and to trust in the service provider (Hess & Story, 2005, p. 315; Moreira & Silva, 2015, p. 262). Therefore, customer satisfaction has been found to have a positive effect on trust, as evidenced by studies conducted within the e-commerce (Kassim & Abdullah, 2010), the business-to-business (Selnes, 1998) and the education industries (Schlesinger, Cervera, & Pérez-Cabañero, 2017). As such, the following replication is presented concerning short-term insurance customers:

R_2: Customer satisfaction has a positive and significant impact on trust.

Aurier and De Lanauze (2011, p. 815) propose a conceptual model where, among others, perceived value is considered to positively impact relationship quality constructs, including affective commitment, benevolence trust and credibility trust. This is further confirmed by a study in the telecommunications industry, where it was found that customer perceived value positively impacts affective commitment in the telecommunications industry (Johnson, Herrmann, & Huber, 2006). Through the improvement of perceived value customers experience, affective commitment and loyalty intentions to a brand are positively influenced (Johnson et al., 2006, p. 130). The effect of customer perceived value on trust is also evident within the tourism (Silva & Correia, 2016) and the wireless telecommunications industries (Karjaluoto, Jayawardhena, Leppäniemi, & Pihlström, 2012). Subsequently, the following replications are presented concerning short-term insurance customers:

R_3: Customer perceived value has a positive and significant impact on affective commitment.

R_4: Customer perceived value has a positive and significant impact on trust.

Previous studies have additionally found a positive and significant relationship between trust and customer commitment within the luxury motor vehicle (Van Tonder et al., 2017), the business-to-business (Morgan & Hunt, 1994) and the hospitality industries (Li & Chang, 2016). Trust is believed to reduce perceived risk and thereby enhance a customer's commitment to the provider. Customers are confident that problems will be resolved in time, which subsequently reduces the transaction cost involved (So et al., 2014, p. 4). Thus, the following replication is presented concerning short-term insurance customers:

R_5: Trust has a positive and significant impact on affective commitment.

Considering the relationship between commitment and customer engagement, it has been established that committed customers may become engaged with the organisation (Islam & Rahman, 2016, p. 2021). However, individual relationships between affective commitment and the various sub-dimensions of customer engagement have not been explored before. Brodie et al. (2011, pp. 254–255) profess that a unidimensional approach to the customer engagement construct allows for straightforwardness; while studying customer engagement from a multidimensional perspective allows for richer insight into customer engagement.

Consequently, this study is interested in the possibility that affective commitment may have a positive and significant relationship with the various sub-dimensions of customer engagement. Support for these relationships can be found by acknowledging the characteristics of the affective commitment construct. Specifically, it is plausible that affectively committed individuals (consumers) may identify with an organisation to who they feel emotionally attached (customer engagement identification). It has previously been stated that affectively committed individuals tend to be emotionally attached towards the organisation. They identify with the organisation and are involved in its activities (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002, p. 21). Cater and Zabkar (2009, p. 787) similarly acknowledge that affective commitment 'stems from identification, shared values, belongingness, dedication and similarity'. Furthermore, affectively committed individuals have a desire to maintain, develop and strengthen a relationship with another party (Marinkovic & Obradovic, 2015, p. 248), as they perceive the relationship to be of value (Evanschitzky, Iyer, Plassmann, Niessing, & Meffert, 2006, p. 1208). Thus, the positive emotions customers feel towards the organisation may result in enthusiasm, attention towards the activities of the organisation and being deeply involved in these activities (absorption), as demonstrated by their dedication towards the organisation and their desire to maintain and enhance their relationships with the organisation which they value. Customers may also take ownership and interact with other customers about the service provider. As noted by earlier studies, customers who are emotionally attached to the brand tend to take ownership and will discuss the brand with other customers (Pansari & Kumar, 2016, p. 304; Fullerton, 2005, p. 97). These relationships require further investigation and as such it is hypothesised in the context of this study that:

H_1: Affective commitment has a positive and significant impact on the interaction dimension of customer engagement.

H_2: Affective commitment has a positive and significant impact on the attention dimension of customer engagement.

H_3: Affective commitment has a positive and significant impact on the absorption dimension of customer engagement.

H_4: Affective commitment has a positive and significant impact on the identification dimension of customer engagement.

H_5: Affective commitment has a positive and significant impact on the enthusiasm dimension of customer engagement.

Methodology

The study followed an explanatory research design that is quantitative, as the interrelationships between several variables were investigated (Saunders & Lewis, 2012). The sample size of 500 respondents was predicted and the target population included customers of short-term insurance providers who live in Gauteng, South Africa. A research frame of the target population was not available. Subsequently, a multiple non-probability sampling technique was followed to select the sample. Respondents were approached on the basis of convenience, while aiming to fill quotas based on age and gender. Filling these quotas allowed the sample to include an equal number of male and female respondents and for respondents to be of different age categories, ranging from 18 to 21 years old, 22 to 39 years old, 40 to 52 years old and older than 53 years old. Furthermore, it is acknowledged in this study that the selection of a convenience sample method affected the external validity of the research findings, referring to the extent to which the findings are representative of the entire population and may be generalised to other samples, time zones and settings (Ihantola & Kihn, 2011, p. 42; Calder, Phillips, & Tybout, 1982, p. 240). Ihantola and Kihn (2011, p. 42) noted that external validity is threatened by the extent to which the research findings are useful in representing the views of the entire population, whether similar findings may be obtained in different time periods and if the results can be generalised to other environments, such as different countries. Because the respondents in this study were selected on the basis of convenience, the research findings will not be representative of the views of the entire population, and it would not be possible the generalise the findings to other samples, time zones and settings.

Considering the purpose of this study, the lack of external validity of the research findings, however, is not a primary concern. As noted by Landers and Behrend (2015, p. 147), if the research question relate to whether a phenomenon *can* occur, instead of, for example, verifying the *frequency* of occurrence, the internal validity of the research findings is of greater importance than the external validity. Accordingly, with the aim of providing initial insight into the interrelationships between relationship marketing constructs and customer engagement dimensions, this study followed a convenience sampling approach and concentrated on proving the internal validity of the research data.

A self-administered questionnaire containing mostly structured closed-ended questions was used to collect data. The questionnaire uncovers the demographic profile and short-term insurance provider patronage habits of respondents with questions adopted from Mackay (2013). Existing scales that were proven valid and reliable in previous studies were adapted for the purpose of this study. Table 1 provides insight into the measures used. Each of the items presented in Table 1 was measured on a five-point scale where one represents strongly disagree and five represents strongly agree. Customer satisfaction and customer value were measured using measures adapted from Hellier et al. (2003), and assessed all the components of the constructs as discussed in the literature review. Trust and affective commitment were measured using measures adapted from Verhoef et al. (2002). While trust focused on the credibility, benevolence and integrity components, only the affective component of customer commitment was considered for this study. As mentioned in the previous section, this dimension is strong in

Table 1. Measures used in the study.

Construct/ dimension	Item	Item code	Source
Customer satisfaction	My decision to purchase insurance from my short-term insurance provider was a wise one.	CS1	Hellier et al. (2003)
	I feel good about my decision to purchase insurance from my short-term insurance provider.	CS2	
	I am pleased I purchased insurance from my short-term insurance provider.	CS3	
	I would positively recommend my short-term insurance provider to other people.	CS4	
Customer value	The cost of my short-term insurance premium is low compared to other short-term insurance providers.	CV1	Hellier et al. (2003)
	The flexibility of my short-term insurance provider's product and service offerings is sufficient to meet my needs.	CV2	
	My short-term insurance provider provides additional financial benefits and assistance.	CV3	
	I can readily understand the exclusions in the insurance policy document I received from my short-term insurance provider.	CV4	
	I regard the policy premium I pay to my short-term insurance provider as acceptable.	CV5	
	I consider the policy I have with my short-term insurance provider to be a good purchase.	CV6	
Trust	My short-term insurance provider can be relied on to keep its promises to me.	TR1	Verhoef et al. (2002)
	My short-term insurance provider puts me first.	TR2	
	My short-term insurance provider usually keeps the promises that it makes to me.	TR3	
	I can count on my short-term insurance provider to provide a good service to me.	TR4	
Affective commitment	I am a loyal customer of my short-term insurance provider.	AC1	Verhoef et al. (2002)
	Because I feel a strong attachment to my short-term insurance provider, I want to remain a customer of my short-term insurance provider.	AC2	
	Because I feel a strong sense of belonging with my short-term insurance provider, I want to remain a customer of my short-term insurance provider.	AC3	
Customer engagement (interaction)	I like to get involved in discussions about my short-term insurance provider with other people who are also interested in my insurer.	CEINT1	So et al. (2014)
	I am someone who enjoys interacting with like-minded people who are also interested in my insurer.	CEINT2	
	I like to actively participate in discussions with other people who are also interested in my insurer.	CEINT3	
	I thoroughly enjoy exchanging ideas with other people who are also interested in my insurer.	CEINT4	
	I often participate in activities with other people also interested in my insurer.	CEINT5	
Customer engagement (attention)	I like to learn more about my short-term insurance provider.	CEATT1	
	I pay a lot of attention to anything related to my short-term insurance provider.	CEATT2	
	Anything related to my short-term insurance provider grabs my attention.	CEATT3	
	I concentrate a lot on my short-term insurance provider.	CEATT4	
	I like learning more about my short-term insurance provider.	CEATT5	
Customer engagement (absorption)	When I am interacting with my short-term insurance provider, I forget everything else around me.	CEABS1	
	Time flies when I am interacting with my short-term insurance provider.	CEABS2	
	When I am interacting with my short-term insurance provider, I get carried away.	CEABS3	
	When I am interacting with my short-term insurance provider, it is difficult to get away from it.	CEABS4	

(*Continued*)

Table 1. Continued.

Construct/ dimension	Item	Item code	Source
	In my interaction with my short-term insurance provider, I am deeply involved.	CEABS5	
	When interacting with my short-term insurance provider intensely, I feel happy.	CEABS6	
Customer engagement (identification)	When someone criticises my short-term insurance provider, it feels like a personal insult.	CEID1	
	In a conversation involving my short-term insurance provider, I usually refer to the insurer as 'we' rather than 'they'.	CEID2	
	I see my short-term insurance provider's successes also as my successes.	CEID3	
	When someone praises my short-term insurance provider, it feels like a personal compliment.	CEID4	
Customer engagement (enthusiasm)	I am very keen about my short-term insurance provider.	CEEN1	
	I am passionate about my short-term insurance provider.	CEEN2	
	I am enthusiastic about my short-term insurance provider.	CEEN3	
	I feel excited about my short-term insurance provider.	CEEN4	
	I love my short-term insurance provider.	CEEN5	

establishing consumer behaviour (Curth et al., 2014, p. 148). Customer engagement was measured across five dimensions with a measure adapted from So et al. (2014).

Prior to the execution of the field study, the questionnaire was presented to a panel of marketing experts with characteristics similar to this study's target population. The panel was in agreement that the previously validated measurement scales adapted for this study were suitable for inclusion in the investigation. Trained fieldworkers were then used to identify and screen possible respondents, and to ensure only customers of short-term insurance providers, who live in Gauteng, South Africa, participate in the study. Respondents were approached in public places and invited to participate in the study. Those who were eligible to partake in the study were asked to complete the self-administered questionnaire once the nature of the study and the rights of the respondents, as contained in the introduction of the questionnaire, were explained by the fieldworker. The fieldworker then arranged to collect the completed questionnaire. The researchers controlled the filling of quotas and quality of responses received. Data were collected over a three-week period during February and March 2016. A total of 491 questionnaires were initially obtained. However, two of the questionnaires contained many missing responses where some questions were not fully completed and were subsequently omitted from the survey. Therefore, the final realised sample was 489, out of the 500 responses as proposed in the sampling plan of the study. The 489 questionnaires that were retained contained no missing data.

SPSS version 24 was initially used to analyse the data. After the data were entered and cleaned, frequencies and descriptive statistics (means and standard deviations) were calculated to describe the demographics and patronage habits of respondents. Means and standard deviations were also calculated and the reliability statistics (Cronbach's alphas) were determined. An exploratory factor analysis (EFA) was conducted to explore the underlying relationships between the items included in the measures of the customer engagement construct. AMOS version 24 was then used for covariance-based structural equation modelling (SEM) to estimate the measurement and structural model proposed for the study. Maximum likelihood estimation was used to calculate the model parameters.

Results

Demographics and patronage habits

It is evident from Table 2 that the respondents are equally distributed regarding gender: 49.7% male and 50.3% female. The respondents are spread across different age categories with most of them belonging to the 22–39 years old category (46.0%), followed by the 40–52 years old category (29.7%). Considering race, 38.9% of respondents are white, while 35.0% of respondents are black.

In total, the respondents selected 33 different short-term insurance providers with whom they do most of their business (accounting for monthly premiums). As per Table 3, the short-term insurance provider most selected is Outsurance (19.8%) followed by Santam (11.5%) and Mutual & Federal (11.0%). A total of 92.0% of respondents indicated that they had their vehicles insured with one of the short-term insurance providers followed by household insurance (55.4%) and home owner's insurance (41.5%). On average, respondents have been a part of their short-term insurance providers for five years – spending, on average, R1 679.58 per month on insurance premiums.

Exploring the underlying structure of the measures used

Prior to the assessment of the measurement model, it was necessary to first verify the underlying relationships between the items in the customer engagement construct, which consists of several sub-dimensions. An EFA was conducted that included a principal component analysis to extract the factors, with varimax rotation (orthogonal rotation) to rotate the factor solutions.

The findings showed that, for the customer engagement construct, the Kaiser–Meyer–Olkin Measure of Sampling Adequacy exceeds the 0.6 cut-off point (0.947), and the p value for the Bartlett's Test of Sphericity is significant at $p < .0001$ (Bartlett, 1954; Kaiser, 1974). Table 4 presents the results of the rotated component matrix. The factor loadings in bold were retained for further analysis, as they were all above 0.5 and represent the highest or only factor loadings produced for the relevant measurement items. Furthermore, it can be observed from Table 4 that, for the customer engagement construct, four factors were extracted instead of the five dimensions identified by So et al. (2014). The first factor extracted the highest variance (48.91%), followed by the second factor (14.31%), the third factor (7.84%) and the fourth factor (6.92%). In addition, two of the

Table 2. Demographics of respondents.

Variable	Category	Frequency	Percentage
Gender	Male	243	49.7
	Female	246	50.3
Age	21 years and younger	13	2.7
	22–39 years	225	46.0
	40–52 years	145	29.7
	53 years and older	106	21.7
Race	White	190	38.9
	Black	171	35.0
	Coloured	24	4.9
	Indian	100	20.4
	Asian	4	0.8

Table 3. Patronage habits of respondents.

Variable	Category	Frequency	Percentage
Top five short-term insurance providers	Outsurance	97	19.8
	Santam	56	11.5
	Mutual & Federal	54	11.0
	MiWay	50	10.2
	Hollard	40	8.2
Items insured	Vehicle insurance	450	92.0
	Home owner's insurance	203	41.5
	Household insurance	271	55.4
	Other	30	6.1
Variable		*SD*	*Mean*
Time with short-term insurance provider		4.67 years	5 years
Monthly short-term insurance premium		R2372.23	R1679.58

original dimensions (identification and enthusiasm) appeared to have merged into one factor. One item under the customer engagement absorption construct (CEABS6) also loaded under the first factor. Accordingly, for this study, a new customer engagement sub-dimension, namely 'customer engagement affection' was created. Affection relates to 'a feeling of liking and caring for someone or something' (Affection, 2017). This theme appears to be generic among all the items that loaded under the first factor and

Table 4. Rotated component matrix.

	Factor loadings			
Factors	1	2	3	4
1. Customer engagement (identification)				
CEID1	**0.70**			
CEID2	**0.65**			
CEID3	**0.64**			
CEID4	**0.77**			
2. Customer engagement (enthusiasm)				
CEEN1	**0.90**			
CEEN2	**0.91**			
CEEN3	**0.89**			
CEEN4	**0.89**			
CEEN5	**0.87**			
3. Customer engagement (attention)				
CEATT1			**0.80**	
CEATT2			**0.85**	
CEATT3			**0.85**	
CEATT4			**0.83**	
CEATT5			**0.81**	
4. Customer engagement (absorption)				
CEABS1	0.42			**0.67**
CEABS2				**0.85**
CEABS3				**0.87**
CEABS4				**0.76**
CEABS5	0.32			**0.67**
CEABS6	**0.59**			0.48
5. Customer engagement (interaction)				
CEINT1		**0.83**		
CEINT2		**0.85**		
CEINT3		**0.87**		
CEINT4		**0.84**		
CEINT5		**0.84**		

Note: Factor loadings in bold were retained for further analysis.

that were retained. Further to this decision, the investigation of H_4 and H_5 became immaterial and these two hypotheses were omitted from further analysis. A new hypothesis $H_{4(revised)}$ was formulated, stating that affective commitment has a positive and significant impact on the affection dimension of customer engagement of short-term insurance customers.

Measurement model

Thereafter, a confirmatory factor analysis (CFA) was conducted to estimate the appropriateness of the measurement model. The measurement model comprised the four customer engagement factors and their underlying items as identified from the EFA, as well as the relationship marketing constructs also investigated in this study (customer satisfaction, customer perceived value, trust and affective commitment). Upon inspection of the initial results, the decision was made to remove all items that had factor loadings below the cut-off value of 0.7, as recommended by Hair, Black, Babin, and Anderson (2014) for obtaining good construct validity. The items that were removed include CV1, CV3, CV4, CEABS1, CEID2, CEID3, CEAB6 and CEID1. The re-specified measurement model executed successfully and delivered a GFI estimate of 0.844 and an AGFI estimate of 0.815. These scores fall within the 0.80–0.89 range and accordingly is considered illustrative of a reasonable model fit (Doll, Xia, & Torkzadeh, 1994, p. 456). The root mean square error of approximation (RMSEA) was determined as a second absolute fit index. According to Hair et al. (2014, p. 579), this statistic is widely used among researchers and 'better represents how well a model fits a population, not just a sample used for estimation. It explicitly tries to correct for both model complexity and sample size by including each in its computation'. Hence it is regarded as 'one of the most informative fit indices' and takes into consideration optimal parameter values (Diamantopoulos & Siguaw, 2000, p. 85). Adequate results were delivered. An RMSEA estimate of 0.066 was attained that is lower than the maximum cut-off value of 0.08, as recommended by Hair et al. (2014, p. 579). Additionally, the following fit statistics provided further support of adequate model fit (Hair et al., 2014): NFI (0.920), RFI (0.911), IFI (0.945), TLI (0.938), CFI (0.944) and CMIN/DF ratio (3.11).

Table 5 presents a summary of the latent factor correlations and corresponding average variance extracted (AVE) values obtained for each construct.

From Table 5, it is evident that all correlations between the latent constructs are positive and significant ($p < .001$). Furthermore, the AVE values for each construct are

Table 5. Correlation matrix with AVE on the diagonal.

Latent variables	1	2	3	4	5	6	7	8
1. Customer satisfaction	(0.81)							
2. Customer perceived value	0.77	(0.64)						
3. Trust	0.81	0.79	(0.76)					
4. Affective commitment	0.66	0.66	0.71	(0.80)				
5. Customer engagement (interaction)	0.50	0.44	0.51	0.42	(0.87)			
6. Customer engagement (attention)	0.34	0.35	0.31	0.29	0.60	(0.77)		
7. Customer engagement (absorption)	0.21	0.25	0.19	0.17	0.52	0.54	(0.68)	
8. Customer engagement (affection)	0.54	0.61	0.64	0.64	0.52	0.41	0.30	(0.82)

Note: All correlations are statistically significant at $p < .001$; AVE values are presented in brackets on the diagonal.

greater than the squared correlation coefficients between the respective constructs. For example, the squared correlation coefficient for the relationship between customer satisfaction and trust is 0.66; while the AVE value for customer satisfaction and trust is 0.81 and 0.76, respectively. As indicated in Table 6, the maximum shared variance (MSV) values for all constructs are greater than their respective average shared variance (ASV) values, but smaller than the corresponding AVE values. Therefore, sufficient evidence of discriminant validity was provided (Fornell & Larcker, 1981; Hair et al., 2014).

Table 6 shows that the means for the measurement items range between 2.42 and 3.70, and the standard deviations range between 0.87 and 1.28. These results indicate some regularity between the items and the constructs measured.

Other aspects addressed in Table 6 include the standardised factor loadings for each construct obtained from the CFA, as well as the item-total correlations, the Cronbach's alpha values, and the composite reliability (CR) values. All factors loaded significantly onto their respective constructs ($p < .001$). Furthermore, all item-total correlations are greater than 0.3 (Pallant, 2013 p. 104) and all standardised factor loadings are greater than 0.7, except for CV2 (0.68) that was retained, as the item loading is significant and the customer perceived value construct comprises only three measurement items.

Considering that all AVE values are greater than 0.5 and the CR value for each construct is greater than 0.7, there is also evidence of convergent validity (Byrne, 1998; Fornell & Larcker, 1981; Hair et al., 2014). Finally, considering that the overall Cronbach's alpha value for each construct is greater than 0.7, and the individual Cronbach's alpha values remained fairly consistent above the cut-off value even if items are deleted, evidence is also provided of good reliability and internal consistency of the research constructs (DeVellis, 2012; Tabachnick & Fidell, 2001).

Structural model

The structural model was developed next. Upon initial inspection of the results, it became evident that modifications were required to obtain reasonable model fit. Specifically, the modification indices indicated that the errors of the latent variables interaction, attention, absorption and affection could be co-varied to improve model fit and deliver a valid SEM model that falls within the parameters specified for SEM (Hair et al., 2014). Subsequently, these covariances were added. They were deemed theoretically relevant, as the four factors all represent dimensions of the customer engagement construct. The revised SEM model statistics are presented in Table 7.

The re-specified SEM model delivered a GFI estimate of 0.833 and an AGFI estimate of 0.806. Again, these scores fall within the 0.80–0.89 range and accordingly is considered illustrative of a reasonable model fit (Doll et al., 1994, p. 456). The RMSEA estimate (second absolute fit index) is 0.068 and was deemed adequate as it is lower than the maximum cut-off value of 0.08, as recommended by Hair et al. (2014, p. 579). The following fit statistics provided further support of adequate model fit (Hair et al., 2014): NFI (0.915), RFI (0.906), IFI (0.939), TLI (0.933), CFI (0.939) and CMIN/DF ratio (3.25). Although X^2/df exceeds the cut-off of 3 – as suggested by Hair et al. (2014) – Sarantakos (2007) specifies that a X^2/df less than 5 is still acceptable.

Table 6. Assessment of the constructs of the study.

Construct/dimension	Item	Factor loading	Item-total correlations	Mean	SD	Cronbach's alpha if item deleted	CR	Cronbach's alpha	ASV	MSV
Customer satisfaction	CS1	0.87	0.84	3.70	0.93	0.93	0.94	0.94	0.34	0.66
	CS2	0.94	0.91	3.64	0.92	0.91				
	CS3	0.94	0.90	3.62	0.94	0.91				
	CS4	0.84	0.80	3.57	0.93	0.94				
Customer perceived value	CV2	0.68	0.60	3.28	0.94	0.85	0.84	0.83	0.34	0.62
	CV5	0.83	0.75	3.29	0.93	0.71				
	CV6	0.88	0.73	3.51	0.90	0.73				
Trust	TR1	0.89	0.84	3.46	0.95	0.90	0.93	0.93	0.37	0.66
	TR2	0.84	0.80	3.24	0.99	0.91				
	TR3	0.88	0.85	3.42	0.87	0.90				
	TR4	0.87	0.83	3.52	0.90	0.90				
Affective commitment	AC1	0.76	0.73	3.43	1.04	0.95	0.92	0.91	0.30	0.51
	AC2	0.98	0.91	3.13	1.22	0.80				
	AC3	0.92	0.86	3.06	1.25	0.85				
Customer engagement (interaction)	CEINT1	0.93	0.90	2.76	1.18	0.96	0.97	0.97	0.26	0.36
	CEINT2	0.95	0.93	2.78	1.18	0.96				
	CEINT3	0.96	0.94	2.78	1.17	0.96				
	CEINT4	0.94	0.92	2.71	1.18	0.96				
	CEINT5	0.89	0.87	2.60	1.20	0.97				
Customer engagement (attention)	CEATT1	0.78	0.78	3.36	1.11	0.94	0.94	0.94	0.18	0.36
	CEATT2	0.90	0.86	3.29	1.15	0.93				
	CEATT3	0.93	0.88	3.27	1.15	0.92				
	CEATT4	0.92	0.87	3.03	1.16	0.92				
	CEATT5	0.84	0.83	3.26	1.13	0.93				
Customer engagement (absorption)	CEABS2	0.89	0.82	2.49	1.15	0.82	0.89	0.88	0.12	0.29
	CEABS3	0.93	0.86	2.42	1.08	0.81				
	CEABS4	0.76	0.69	2.67	1.28	0.87				
	CEABS5	0.70	0.63	2.65	1.15	0.89				
Customer engagement (affection)	CEID4	0.72	0.72	2.46	1.26	0.97	0.97	0.96	0.29	0.41
	CEEN1	0.90	0.89	2.88	1.15	0.95				
	CEEN2	0.96	0.94	2.68	1.16	0.95				
	CEEN3	0.96	0.93	2.78	1.15	0.95				
	CEEN4	0.96	0.93	2.76	1.15	0.95				
	CEEN5	0.91	0.88	2.74	1.18	0.95				

Note: All factors loaded significantly at $p < .001$.

Table 7. Replication and hypothesis testing results.

Replications and hypothesis	β	SE	p value	Result
R_1: CS → AC	0.155	0.068	.022***	Supported
R_2: CS → TR	0.500	0.58	.001*	Supported
R_3: CV → AC	0.213	0.089	.003*	Supported
R_4: CV → TR	0.399	0.078	.001*	Supported
$R5_5$: TR → AC	0.433	0.070	.001*	Supported
H_1: AC → CEINT	0.435	0.063	.001*	Supported
H_2: AC → CEATT	0.302	0.052	.001*	Supported
H_3: AC → CEABS	0.177	0.061	.001*	Supported
$H_{4(revised)}$: AC → AFFECTION	0.651	0.060	.001*	Supported

Note: β, beta coefficient; SE, standard error.
*Two-tailed statistical significance at $p < .001$.
**Two-tailed statistical significance at $p < .01$.
***Two-tailed statistical significance at $p < .05$.

As per Table 7, all paths in the structural model are significant and positive with standardised regression weights (β) ranging between 0.155 and 0.651. As is evident from Table 7, customer satisfaction impacts positively on affective commitment ($\beta = 0.155$; p value = .022) and trust ($\beta = 0.500$; p value < .001). Customer value impacts positively on affective commitment ($\beta = 0.213$; p value = .003) and trust ($\beta = 0.399$; p value < .001), while trust impacts positively on affective commitment ($\beta = 0.433$; p value < .001). In turn, affective commitment impacts positively on the four customer engagement dimensions: interaction ($\beta = 0.435$; p value < .001), attention ($\beta = 0.302$; p value < .001), absorption ($\beta = 0.177$; p value < .001) and affection ($\beta = 0.651$; p value < .001). In most instances, the R^2 value obtained for each endogenous variables is greater than 0.1, and was accordingly deemed adequate (Falk & Miller, 1992). Specifically, trust obtained the highest R^2 value (0.718), followed by affective commitment (0.562), customer engagement affection (0.423), customer engagement interaction (0.189), customer engagement attention (0.091) and customer engagement absorption (0.031). Therefore, all replications and hypotheses could be supported.

Figure 2 below provides a summary of the research findings.

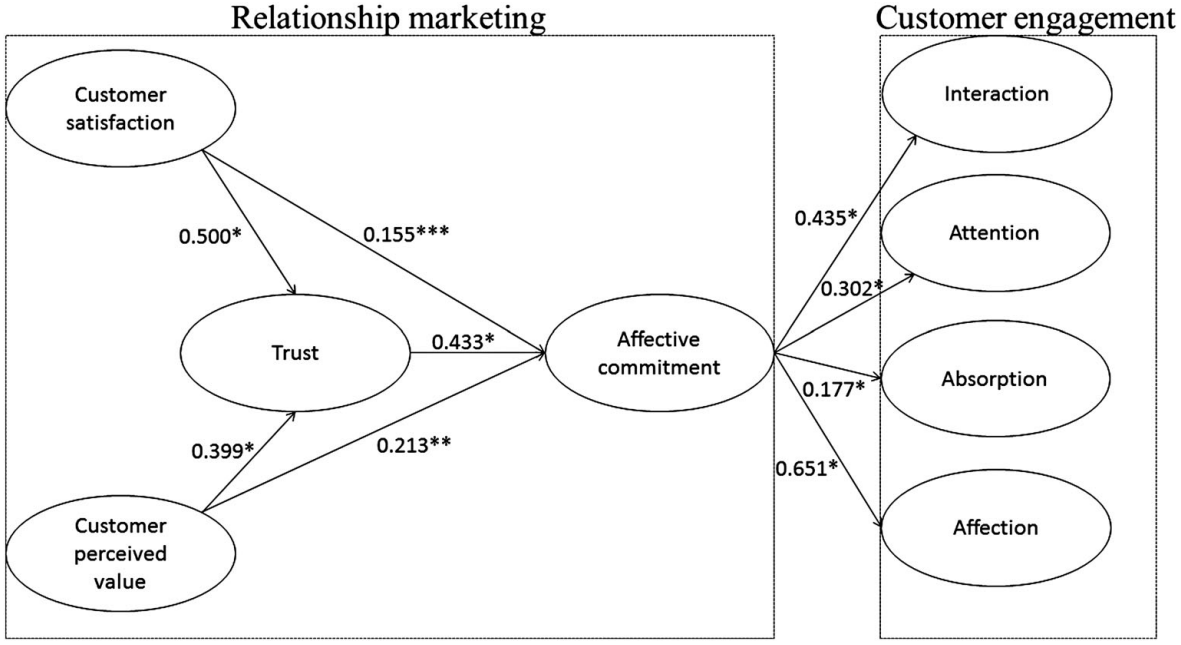

Figure 2. Model reflecting replications and hypotheses results.

Common method variance

Finally, it should be noted that several techniques were employed in the ex-ante stage of the empirical investigation to control potential common method bias problems. As recommended by Podsakoff, MacKenzie, Lee, and Podsakoff (2003), the personal details of the respondents were not requested. The respondents were assured that participation in the study was completely voluntary and anonymous, and that individual responses would not be made known to the public. The measurement scales for the predictor and criterion variables were selected from different sources, and careful consideration was given in the formulation of the measurement items to avoid any double-barrelled statements. The questions were phrased in an uncomplicated manner and were easy to understand. In the ex-post stage of the empirical investigation, Harman's single factor test was first applied (Podsakoff et al., 2003). The findings revealed that the total variance explained by a single factor is 0.45. While this result is high, it is still below 50%, thereby indicating that the majority of the covariance among the constructs is not explained by a single latent factor. Second, a latent factor was added to the CFA model that was connected to all the observed items in the measurement model (Podsakoff et al., 2003). In some cases, the difference between the standardised regression weights of the re-specified measurement model and the initial measurement model that excluded the common latent factor was greater than 0.2. The subsequent structural equation model that retained the common latent factor still delivered a good model fit ($X^2/df = 3.209$, GFI = 0.845, AGFI = 0.808, CFI = 0.944, TLI = 0.935, IFI = 0.944, NFI = 0.921, RFI = 0.908 and RMSEA = 0.067). Unfortunately, the standardised regression weights between the constructs measured did not remain significant ($p < .05$) in all instances. Following these findings, it is possible that some of the results in this article are inflated due to the common method effect. This is noted as a limitation in the study, and it is recommended that careful consideration be given in the selection of measurement scales when further examining the research findings in future studies.

Discussion and conclusion

Theoretical implications

The structural model confirms that customer engagement is an expansion of the relationship marketing domain (So et al., 2016, p. 9; Vivek et al., 2012, p. 128). Previous research acknowledges the antecedent effect of customer satisfaction, trust, perceived value and commitment on customer engagement (Hollebeek et al., 2016; Islam & Rahman, 2016; Pansari & Kumar, 2016; Van Doorn et al., 2010). Therefore, this study's findings further existing knowledge by offering more insight into the extent to which these relationship marketing factors are interrelated and may interact with one another prior to contributing to customer engagement behaviour. It appears that customer satisfaction and perceived value may impact trust and affective commitment (R_1–R_4). Trust may also have an effect on affective commitment (R_5). Customers who are affectively committed may become engaged with the service firm in various ways (H_1–$H_{4(revised)}$). These findings are valuable as the interrelationship between key relationship quality factors and their effect on various dimensions of customer engagement have not been examined before. Subsequently, the research findings offer an initial understanding into the matter and set the scene for further research on this topic.

A further insight provided is that, considering the findings from the EFA, it is evident that the customer engagement dimensions, originally presented by So et al. (2014), may require adaptation in different service contexts. Specifically, it seems that in the short-term insurance industry, the measurement items related to customer engagement identification are not different from the items measuring customer engagement enthusiasm. Instead, they appear to be connected by a generic theme – 'affection' that involves feelings of 'liking and caring for someone or something' (Affection, 2017). In this study, affection concerns the feelings customers may develop towards their short-term insurance providers, which is shown in how they like and care for the provider. Furthermore, it seems reasonable to accept the findings of the EFA presented in this study. Compared to the other dimensions of customer engagement (interaction, attention and absorption), which are more cognitive in nature, the measurement items of the identification and enthusiasm constructs focus on the emotional feelings of the short-term insurance customers, which in this study are connected by the theme of feelings of affection, as denoted by views of liking and caring. The multidimensional view of customer engagement, comprising a cognitive and affective component, has also been acknowledged by other scholars in the field of customer engagement (Brodie et al., 2011; Van Doorn et al., 2010; Vivek et al., 2012).

Earlier studies have acknowledged affective commitment's ability to predict consumer behaviour (Curth et al., 2014, p. 148), noting that it is related to the emotional feelings customers have towards the organisation. Affective commitment 'develops through the degree of reciprocity or personal involvement a customer has with a company' (Gustafsson et al., 2005, p. 211), and, as stated in the literature review of this article, measures the feelings and emotional attachments customers may develop towards the service provider. This study's research findings appear to confirm the predictive power of affective commitment in prophesying consumer behaviour, as the impact of affective commitment on customer engagement has been verified. In addition, it then also appears that customers' emotional feelings may play an important role in their decision making to reciprocate and display various forms of customer engagement behaviour.

Managerial implications

From a managerial perspective, it is first evident from the findings of the study that short-term insurers should focus on meeting and exceeding the expectations of customers. Meeting or exceeding their expectations will result in customer satisfaction with the service encounter, and will lead to overall customer satisfaction and trust (Hess & Story, 2005, p. 315; Moreira & Silva, 2015, p. 262). Customer satisfaction also has a positive and significant impact on affective commitment of customers to the short-term insurer (Hennig-Thurau, 2004, p. 465). Short-term insurers should carefully manage customer expectations and guard against over-promising. Due to the intangibility of the offer and the competitive nature of the industry, it is often easy for short-term insurers to fall into this trap of inflating customer expectations to acquire and retain business. Since customer satisfaction has a positive and significant impact on both trust and customers' affective commitment, an inability by the short-term insurer to meet customer expectations will negatively impact trust, affective commitment, and customers' level of engagement.

This study also found that providing customers with a sense of value, where they perceive that they are receiving more benefits than the cost they have to incur to obtain the benefits, will positively impact trust and affective commitment. Specifically, short-term insurers should ensure policy premiums are affordable and competitive; the service provided is flexible and includes additional benefits and financial assistance; and that customers have a good understanding of the exclusion sections of their insurance policies. Customers who receive value and are pleased with the service provided and also believe they have made a good purchase will have a greater inclination to trust the short-term insurance provider and become affectively committed. Short-term insurance providers should also keep their promises to customers, put the customer's interest first and ensure the service provided is reliable – customers who trust the provider may also be more likely to be affectively committed and have feelings of emotional attachment towards the short-term insurance provider.

The study also established the positive impact of affective commitment on the dimensions of customer engagement (Islam & Rahman, 2016, p. 2021). If the short-term insurer is able to increase customer satisfaction and a sense of perceived value among customers, it will be able to impact the extent to which customers engage with the short-term insurer. Short-term insurance providers who have developed quality relationships with their customers and provided value may reap the benefits of engaged customers who are absorbed, relate to and are enthusiastic about the firm, and will engage in interaction activities beyond purchase.

Limitations and directions for further research

This study was conducted in the short-term insurance industry, using a non-probability sampling approach, and provided an initial understanding of the extent to which selected relationship marketing constructs interact with each other and contribute to customer engagement behaviour. A longitudinal research study with a cross-country analysis may verify the research findings on a larger scale and determine the degree to which they can be generalised for the larger population. Furthermore, in their systematic review of customer engagement, Islam and Rahman (2016) also noted several other antecedent factors which scholars believe may affect engagement. Consequently, it may be interesting to incorporate these variables into the current model and determine the extent to which they interact with the relationship marketing factors of this study to foster customer engagement. The impact of continuance and normative commitment on customer engagement also requires further investigation. It would be interesting to confirm the viability of the structural model in other service marketing contexts as well as the online retail environment, and to determine the extent to which the customer engagement affection dimension may be relevant in other service environments.

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QUESTIONNAIRE

SECTION A – SCREENING QUESTIONS

Are you 18 years or older?

Yes	
No	

If you answer “Yes” the questions, please complete the survey.

If you answer “No” to the questions, you do not need to complete the survey.

Do you have a personal South African bank account?

Yes	
No	

If you answer “Yes” to both questions, please complete the survey.

If you answer “No” to any of the questions, you do not need to complete the survey.

SECTION B – DEMOGRAPHIC INFORMATION

What year were you born?

What is your highest level of education?

Some high school	
Matric / Grade 12 completed	
Diploma	
University degree	
Postgraduate degree (masters or Doctorate)	

Which ONE of the following options describes your employment status the best?

Self – employed	
Full-time employed by an organisation	
Part time employed by an organisation	
Full time student	
Housewife or Househusband	
Other, please specify	

SECTION C – ETHICAL POSITION QUESTIONNAIRE

Using a the below scale (where 1 is “disagree” and 5 is strongly agree”)

Statements	**Strongly disagree to Strongly agree**				
	1	**2**	**3**	**4**	**5**
Idealism					
1. A person should make certain that their actions never intentionally harm another even to a small degree.	**1**	**2**	**3**	**4**	**5**
2. Risk to another should never be tolerated, irrespective of how small the risk might be.	**1**	**2**	**3**	**4**	**5**
3. The existence of potential harm to other is always wrong, irrespective of the benefits to be gained.	**1**	**2**	**3**	**4**	**5**
4. One should never psychologically or physically harm another person.	**1**	**2**	**3**	**4**	**5**
5. One should not perform actions which might in a way threaten the dignity and welfare of another individual.	**1**	**2**	**3**	**4**	**5**
6. If an action could harm an innocent other, then it should not be done.	**1**	**2**	**3**	**4**	**5**

7. Deciding whether or not to perform an act by balancing the positive consequence of the act against the negative consequence of the act, is immoral	**1**	**2**	**3**	**4**	**5**
8. The dignity and welfare of people should be the most important concern in any society	**1**	**2**	**3**	**4**	**5**
9. It is never necessary to sacrifice the welfare or others	**1**	**2**	**3**	**4**	**5**
10. Moral actions are those which closely match ideals of the most "perfect" actions	**1**	**2**	**3**	**4**	**5**
Relativism	**1**	**2**	**3**	**4**	**5**
11. There are no ethical principles that are so important that they should be a part of any code of ethics	**1**	**2**	**3**	**4**	**5**
12. What is ethical varies from one situation and society to the another.	**1**	**2**	**3**	**4**	**5**
13. Moral standards should be seen as being individualistic.; What one person considers to be moral maybe judged to be immoral by another person	**1**	**2**	**3**	**4**	**5**
14. Different types of moralities cannot be compared as to "rightness"	**1**	**2**	**3**	**4**	**5**
15. Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.	**1**	**2**	**3**	**4**	**5**
16. Moral standards are simply personal rules which indicate how a person should behave and are not to be applied in making judgement on others.	**1**	**2**	**3**	**4**	**5**
17. Ethical consideration in interpersonal relations are complex that individuals should be allowed to formulate their own individual codes	**1**	**2**	**3**	**4**	**5**
18. Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustments.	**1**	**2**	**3**	**4**	**5**
19. No rules concerning lying can be formulated, whether a lie is permissible or not, totally depends on the situation	**1**	**2**	**3**	**4**	**5**
20. Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.	**1**	**2**	**3**	**4**	**5**

Ethical position questionarre developed by by Forsyth, D.R. (1980). A Taxonomy of Ethical Ideologies. *Journal of Personality and Social Psychology*, *39*(1), 175–184.

SECTION D – SCENARIO'S

(*Each respondent will only see one of the four scenarios' below*)

Study 1

Scenario 1 of Control group:

You see the following tweet doing the rounds, from the client relations manager from the bank you bank with.
I believe I am so privileged *Having been given the opportunity to work hard and study, the accomplishments can't be attributed to myself* *All the wealth I accumulate is not just for me and my family and will always be willing to share.* *I am happy to donate to worthy causes.*

Scenario 2 of Treatment group:

You see the following tweet doing the rounds, from the client relations manager from the bank you bank with.
I don't believe I am privileged. *No opportunity was handed to me I worked hard and studied for what I have accomplished all by myself. All the wealth I accumulate is for me and my family to enjoy, not to be shared.* *Stop sending me donation requests.*

Study 2

Scenario 1 of Control group:

You see the following tweet doing the rounds, from the client relations manager from the bank you bank with.
We have to do something about the plastic in the oceans. *The world is changing. Business has no longer only one purpose to make money for their shareholders. All this talk about social responsibility and going green, it is not a waste of time or energy.*

Scenario 2 of Treatment group:

You see the following tweet doing the rounds, from the client relations manager from the bank you bank with.
We cannot do anything about the plastic in the oceans.

The world will never change. Business has one purpose and one purpose only to make money for their shareholders. All this talk about social responsibility and going green, is all a waste of time and energy

SECTION E – MANUPILATION CHECK

Remebering the scenario you read at the beginning of the survey, does the employees' comment on social media seem acceptable. Using a the below scale (where 1 is "unacceptable" and 5 is "highly acceptable"

Statements	**Unacceptable ⇨ highly acceptable**				
	1	**2**	**3**	**4**	**5**
Attitude towards employee social media behaviour					
1. I believe that this is the employee's personal social media page and they can express themselves in any way they want.	**1**	**2**	**3**	**4**	**5**

SECTION F – ATTITUDE TOWARDS CORPORTATE REPUTATION

Thinking about the scenario and the bank employee' social media comment, how is attitude towards the bank, please indicate below, 1 "strongly disagree" and 5 "strongly agree"

Statements	**Strongly disagree ⇨ Strongly agree**				
	1	**2**	**3**	**4**	**5**
Perception of Corporate Reputation:					
Emotional Appeal:					
1. I have a good feeling about my bank	**1**	**2**	**3**	**4**	**5**
2. I admire my bank	**1**	**2**	**3**	**4**	**5**
3. I trust my bank	**1**	**2**	**3**	**4**	**5**
4. I am proud to be associated with my bank	**1**	**2**	**3**	**4**	**5**
5. I like my bank	**1**	**2**	**3**	**4**	**5**

Social engagement					
6. My bank supports good causes	**1**	**2**	**3**	**4**	**5**
7. My bank is committed to social responsibility	**1**	**2**	**3**	**4**	**5**
8. My bank responds to the need of communities	**1**	**2**	**3**	**4**	**5**
9. My bank reaches out to social environment	**1**	**2**	**3**	**4**	**5**

Adapted from Wepener, M., & Boshoff, C. (2015). An instrument to measure the customer-based corporate reputation of large service organizations. *Journal of Services Marketing*, *29*(3), 163–172.

SECTION G – BEHAVIOURAL INTENTION

Statements	**Strongly disagree ⟹ Strongly agree**				
	1	**2**	**3**	**4**	**5**
Behavioural intentions					
1. I would like to give positive word of mouth about the bank	**1**	**2**	**3**	**4**	**5**
2. I would continue be client of this bank	**1**	**2**	**3**	**4**	**5**
3. I would recommend this bank to my friends	**1**	**2**	**3**	**4**	**5**