

## **Antecedents of Sellers' Relationship Building Efforts in Relationship Marketing A Case of the Telecom Sector of Pakistan**

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### **Abstract**

This research paper attempts to address the issue related to the importance and effectiveness of relationship building efforts made by a seller that are aimed at both acquiring new and retaining existing consumers. The relative importance of different kind of relationship marketing programs is analyzed to arrive at an understanding that what affects consumer's perception of a firm's relationship marketing investment the most.

This research is conducted by using quantitative, structured self-administrative questionnaire through survey technique. Sample selection was based on the probability systematic sampling technique. Data has been analyzed by using AHP, correlation and SEM.

AHP and regression analysis through SEM suggest that social relationship marketing programs are most valued by the consumers in highly competitive telecom sector of Pakistan. Social relationship marketing programs develop positive perception about the relationship building efforts of the sellers by increasing effectiveness of perceived relationship marketing investment. This is a cross sectional study and is confined to telecom sector of Pakistan only so it's a time bond research and the results can't be generalized to the whole service sector. This article aims to focus on the interpersonal nature of human interaction. This implies that human bonds, when created can also serve to strength the relationships between the organizations and the human customers. This also verifies the already established understanding that humans tend to capitalize on their social lives both in personal and business oriented settings. This papers aims to bridge the gap between the marketing strategies implemented and their appropriateness with the respective target customer segments. This paper also incorporates some aspects of sociology and social sciences to explain why some strategies may help marketers to get

closer to consumers and are more valuable for their customers. This research is conducted in highly competitive telecom sector of Pakistan where research on the effectiveness of sellers' relationship building efforts is scarce. So this research highlights the most effective relationship marketing programs in telecom sector of Pakistan to build and maintain the relationship with the consumers. It will further guide the sellers to reduce investment on those marketing strategies which don't pay off adequate benefits.

**Keywords:** Perceived relationship marketing investment, Social relationship marketing programs, Financial relationship marketing programs, Structural relationship marketing programs, Relationship building efforts (RBE), Analytical Hierarchy Process (AHP).

## 1. Introduction

With the dawn of the new millennium, markets became tougher, more mature and competitive. As today's businesses may offer comparable products and services, share somewhat similar distribution channels, and also imitate each other's marketing strategies, the need for differentiation increases as this becomes more and more difficult every day and equally more important (Wang, 2008; Berry and Gresham, 1986; Ghosh and Ling, 1994). Globalization of businesses, the recognition of substantial benefits situated in consumer retention and the ever growing value of consumer relationship/service management, to name a few have led marketing managers to shift their attention towards relationship marketing, the individualized and differentiated, direct response marketing services that can be offered to consumers to not only gain new ones, but more importantly, retain existing ones (Storbacka et al., 1994 ; Fornell and Wernerfeit, 1987 ; Reichheld and Sasser, 1990). Relationship building efforts are more significant in service sector as services are intangible and the longevity of the relationship is paramount for survival of firms. High competition and intense rivalry among the competitors in service industry compel sellers to focus on consumer retention through relationship building efforts along with providing high quality services. Pakistan telecommunication sector has emerged as one of the fastest growing service sectors of the economy. Telecom sector is one of the highest contributors to the National Exchequer, putting Rs. 119 billion per year in the National Kitty on average for the last five years. With 188 million population and 128.93 million cellular mobile subscribers, Pakistan's telecom sector provides enormous opportunities for foreign and local investors (Pakistan Telecommunication Authority Annual Report, 2013). Pakistan's telecom market hosts some of the world's largest and most experienced telecom companies including Orascom (Mobilink), Telenor (Norway), Warid Telecom (Abu Dabi Group), China Mobile (Zong) and Etisalat (UAE based company). Presence of all these operators and licensing of 3G technology, make this sector hyper competitive where all the operators are trying to retain existing customers along with the effort to increase existing customer pool. As switching cost is low in telecom sector, customer retention is a challenge for all the operators. In this scenario relationship marketing investment in the form of different relationship marketing programs plays important role for creating customer satisfaction and retention as it is more profitable to keep the existing customers rather than to strive for new. So to be profitable every company is heavily investing on relationship marketing programs to maintain relationship with the customers. At this point in time it is considered necessary to find the effectiveness of relationship building efforts to exploit its benefits maximally. So the underlying questions are: Do relationship building efforts really matter? If they do,

which antecedents of sellers' relationship building efforts affect relationship more significantly than others?

In order to investigate the significance of different relationship building efforts in the form of financial, structural and social relationship marketing programs and their impact on perceived RM investment, explored by Wilson (1995); Smith (1998); Berry and Parasuraman (1991) a survey was undertaken that comprised of consumers of different telecom operators in Pakistan. This paper starts with a review of the types of relationship marketing programs and then goes on to conceptualize a model that illustrates the impact of different relation marketing programs on perceived relationship investment and also on relationship building efforts undertaken by a firm. In the next sections, results of the study along with managerial implications are discussed along with an agenda for future research. Since, no prior studies have examined the significance of relationship building efforts in the telecom sector of Pakistan, this study provides insights to managers as to which relationship marketing programs contribute the most to perceived relationship marketing investment and may help them invest in areas which influence the consumers the most, so as to not only save scarce resources but also to increase firm value by increased consumer retention and reduced wastage.

### **2. Literature Review**

In today's environment, is it necessary that consumers perceive a firm's relationship marketing efforts favorable and beneficial (Schroder et al., 2003). While some authors have pointed out the effect of relationship marketing programs on consumer satisfaction and relationship quality positively (De Young, 1996; De Wulf et al., 2001), some firms have asked questions as to whether these relationship marketing efforts yield any fruitful results (Colgate and Danaher, 2000; Kalwani and Narayandas, 1995; Morgan and Hunt, 1994) and others have tried to determine the effectiveness and the impact of different relationship marketing program on different consumers and sectors (Gwinner et al., 1998; Liang and Wang, 2007). Through this study we will find out the effect of these relationship marketing programs on consumers' perception about organizational relationship marketing investment. The literature regarding marketing, especially relationship marketing presented several types of relationship programs that may deliver different types of benefits to consumers. These relationship marketing programs serve as the basis on which different types of bonds are formed between the consumers and the organization (Berry, 1995; Hakansson and Snehota, 2000). Different researchers have presented different types of programs that may be adopted by firms. De Wulf et al. (2001) have classified relationship marketing programs into four types namely level one: Tangible Rewards (Berry, 1995), and level two: Direct Mail (Anderson and Narus, 1990; Dwyer et al., 1987; Morgan and Hunt, 1994), level three: preferential treatment (Gwinner et al., 1998), and level four: interpersonal communication (Metcalf et al., 1992). Others have classified relationship marketing programs into three categories namely Financial, Social and Structural relationship marketing programs (Berry and Parasuraman, 1991). In this study we will follow the categorization defined by Berry and Parasuman, (1991) and discuss relationship marketing along these three types of marketing programs.

### *2.1 Financial RM Programs*

Financial programs are ones that offer some sort of economic benefits in exchange for a specific behavior exhibited by the consumers. This kind of behavior may result in consumer loyalty or major share of purchases etc. Financial programs include offers such as discounts on price, free try outs on new products, incremental quantities, special coupons and other benefits (e.g. free delivery, security waiver for postpaid connection in telecom etc.). Normally, these programs tend to offer incentives and benefits that can easily be weighed down and evaluated by consumers in monetary terms. So these programs help the firms to attract the consumers.

### *2.2 Social RM Programs*

Social relationship marketing programs are ones that emphasize on building social ties with the consumers, they provide a basis for consumers to feel attached with the business in some way, share feelings of belongingness and affection with the staff and where not only advice is given and taken but also where exists a significant level of empathy (Turner, 1970). Social RM basically used for the development of affection and friendship by sales personnel through communicating and interacting with consumers to boost long lasting relationships (Berry and Parasuraman, 1991; Gronroos, 1994). These programs tend to capitalize on the interpersonal nature of human interaction to build social ties that foster good relationships between consumers and organizations, and to feelings the consumers can relate with. Social benefits comprise of developing and maintaining close ties with the service provider (e.g. Sales person) and taking benefit of this relationship while availing the services (Berry and Parasuraman, 1991; Czepiel, 1990). These programs may include free events, linkages, community clubs, free meals, exclusive memberships etc. Social RM programs may also range from very cheap ones with little or no interaction to very expensive programs with very high consumer interaction (Palmatier et al., 2007). These programs help the organizations to develop stable relationship with the consumers and to retain them.

### *2.3 Structural RM Programs*

Structural RM programs provide benefits of the sort that are very difficult for the consumers to deliver themselves. These are benefits that are usually firm specific. Structural relationship marketing programs includes tangible, additional benefits which are supportive for the customers in terms of usage of products and provisioning of services e.g. personalized packaging of products, customized billing procedures, and other customized services upon request (Gwinner et al., 1998). It is important to note here that these benefits are generally tangible in nature and help firms maintain consumers by making these programs difficult to be imitated by the competitors.

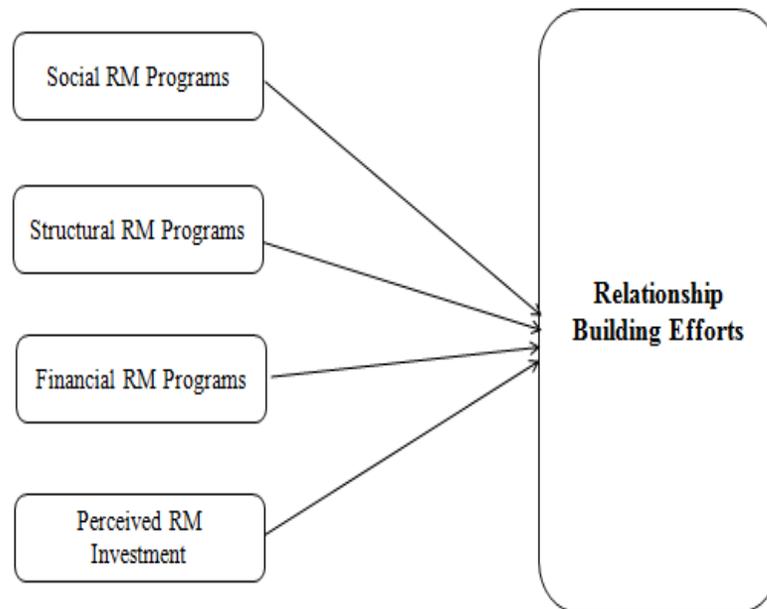
### *2.4 Perceived RM investment*

Investing time, effort, and other irrecoverable resources in a relationship creates psychological bonds that encourage consumers to stay in that relationship and sets an expectation of reciprocation (Smith and Barclay, 1997). De Wulf et al. (2001) define perceived relationship investment as a consumer's perception of the extent to which a retailer invests resources, efforts, and attention aimed at maintaining or enhancing relationships with regular consumers that do not have outside value and cannot be recovered if these relationships are terminated (Smith, 1998). We argue that the relationship building efforts made by a firm would be affected by the consumer

perception about relationship marketing investment, which in turn, is influenced by the three types of relationship marketing programs. Relationship marketing investment in form of all these programs results in spread of PWOM and increase buying (Berry and Parasuraman, 1991). Social exchange theory also suggested that when seller spends on consumer, the consumers after being rewarded will try to repay what they get (Homan, 1958). Consumers in relationship with the sellers spread positive word of mouth for their seller which develop positive image about the service provider among potential consumers (Reynolds and Beatty, 1999). So to utilize the multifaceted benefits of RBE in form of Customer satisfaction, consumer retention and PWOM the conceptual model is proposed to analyze all of the above mentioned variables and their impact on relationship building efforts made by the sellers.

*2.5 Conceptual Frame work*

As suggested by literature, there are four variables effecting sellers' RBE toward the consumer shown in figure (1).



**Figure 1: Antecedents of Sellers' RBE**

**3. Methodology**

To find out the answer of research questions and the impact of antecedents of sellers' relationship building efforts on relationship building with the consumers, a self-administered questionnaire was developed. Stevens (1996) said that there are different opinions on selection of sample size. Other researchers suggested that it's not the overall sample size that is of concern rather the ratio of the subject to items. Nunnaly and Bernstein (1978) recommend a ratio of 10:1 which is ten cases for each item. There are

eleven items in questionnaire so for this 110 questionnaire is the minimum count for data collection. 250 questionnaires were distributed among consumers of five major cities of Pakistan namely Multan, Lahore, Islamabad, Faisalabad and Karachi. There are five telecom operators in Pakistan which are Mobilink, Telenor, Warid, Ufone and Zong. Data was collected from the consumers who had been using telecom services at least for a year. Systematic sampling technique was used to collect the data from every 5<sup>th</sup> consumer who visited the sales and service centres of the above mentioned telecom operators.

### 3.1 The Questionnaire

For measuring the model constructs of perceived RM investment, RM programs and RBE, validated scales were used where available by taking the consent of researchers. Specifically for perceived RM investment and relationship marketing programs, we took scales from Reynolds and Beatty (1999) and Palmatier et al. (2007) respectively. All variables were measured using the seven-point Likert scales (1 = strongly agree; 7 = strongly disagree).

### 3.2 Tools of Analysis

Before data analysis, reliability of the instrument was checked through Cronbach's alpha reliability test. Nunnally and Bernstein (1994) suggested 0.70 to be an acceptable reliability coefficient while lower values are also being used in literature. Cronbach's alpha reliability coefficient values for the constructs under study are given in table (1). These values are quite satisfactory for further analyze the data in exploratory research (Nunnally and Bernstein, 1994).

**Table 1: Cronbach's Alpha Reliability Coefficient Values**

Constructs	Value
Financial RM Programs	0.756
Social RM Programs	0.695
Structural RM Programs	0.749
Perceived RM Investment	0.805
Relationship Building Effort	0.860

A confirmatory factor analysis (Maximum likelihood algorithm) gave support for the postulated three dimensions of RM programs. Specifically both  $\chi^2$  test and Fornell-Larcker criteria showed that discriminant validity exists between three RM programs of relationship programs of social, structural and financial. In the case of  $\chi^2$  difference test, discriminant validity is assumed if the increase of model's  $\chi^2$  value resulting from the setting of correlation between two factors to 1 (i.e. indicating unidimensionality) which is  $\chi^2$  distributed with a single degree of freedom, exceeds the theoretical  $\chi^2$  distribution at  $p = 0.05$ , which is true for pairs of RM programs dimensions. The more restricted criterion suggested by Fornell and Larcker (1981) requires the explained variance of two factors to be higher than variances shared by two factors. As can be seen in table (3) this condition was also met for all possible pairs.

The assumption that three dimensions belong to same construct was also supported by the data. As expected the correlations between all three RM programs dimensions were

strong (with  $r$  between 0.59 to 0.65) and are highly significant ( $p < 0.00$ ), clearly indicating that dimensions belong to a joint construct as shown by table (3). The test of normality and heteroscedasticity were also conducted on the dependent variables of perceived RM investment and the relationship building effort along with dimensions of RM programs (all the scatter diagrams of dependent and independent variables were well indicators of homoscedasticity and  $R$  were more than 0.50). The coefficients of skeweness and kurtosis for all the dimensions were in between -0.7 to 1.3. Therefore these tests show the validity of these assumptions.

Analytical Hierarchy Process is applied to find out the critical factors contributing toward relationship building efforts made by sellers. This will help relationship marketing managers and strategy builders to focus on the factors most valued by the consumers. Correlation coefficients are used to find out the relationship among the antecedents of sellers' relationship building efforts. SEM is applied to conduct regression analysis which helped us to analyze the relationship among the antecedents' of seller's relationship building efforts and to conduct the goodness of fit test on proposed conceptual framework.

### **4. Results and Discussion**

#### *4.1 Analytical Hierarchy Process*

AHP is applied on the antecedents of sellers' relationship building efforts and global weights are computed. Results are divided into three tiers i.e. critical factors, supporting factors and maintaining factors as shown in table (2). The results showed that there are two critical factors namely: "My telecom operator worked hard to strengthen our relationship" and "My telecom operator made significant investments in building a relationship with me." which belong to "Perceived RM investment". Consumers, while developing the relationship with the organizations judge the efforts made by the sellers in the form of perceived RM investment. Consumers considered it a substantial effort and dedication by the seller to develop and maintain the relationship with consumers as already suggested by De Wulf et al. (2001). It is necessary that consumers consider this investment as a benevolent effort made by the sellers (Huppertz et al., 1978). Once this investment is realized by the consumers as benevolent one, they exhibit behavior of reciprocation, which engaged the consumer in the relationship building cycle. Smith and Barclay (1997) have also supported this argument. Perceived RM investment is the starting point to set up a mutual bonding with the consumers as it stimulates the sense of obligation in the minds of the consumers. Liang and Wang (2007) concluded that perceived RM investment is the focal point to keep or defects the consumer from sellers. Schroder et al. (2003) also argued that consumers should be able to perceive the efforts of sellers to build the relationship with consumers. This suggested that managers, while developing the relationship building strategies should focus on the perception of relationship marketing investment made by the seller as they are most valued by the consumers and are very significant for initiating and maintaining a relationship with the consumer to a valuable degree. As per the study, there are four supporting factors whereby first supporting factor is "My telecom operator devoted time and effort to our relationship" which belongs to "Perceived RM investment" which suggests that it is very necessary that sellers communicate and convey to the consumer, the efforts they make to develop and maintain the relationship in the form of time, effort and hard work. While rest of the supporting factors belong to "Social RM Programs" namely: "My telecom

operator gives me special treatment or status”, “My telecom operator provides me special report or information on request.” and “My telecom operator often gives me gifts, meals and entertainment”. It points out that social RM programs support perceived RM investment and help to develop positive perception about organizations’ relationship marketing investment. It also suggests that sellers need to enhance their social relationship marketing efforts by introducing more frequent and better tailored social relationship marketing programs. Doing that would not only cater to the needs of differentiation but also help them achieve competitive advantage. The competition in the telecom sector of Pakistan is intense and companies need to make significant efforts to keep brand switching to a minimum level and to effectively retain existing consumers. Almost all the major players in the sector have introduced and implemented financial RM programs to capture new and retain existing consumers. This creates difficulty for the consumers to differentiate amongst sellers as already suggested by Berry and Gresham (1986); Ghosh and Ling (1994). Literature relating to these efforts has also suggested that social relationship marketing programs help the sellers to develop stable relationship with the consumers by developing linkages with them (Liang and Wang, 2007). So the emphasis on social RM programs can help companies relate to the minds of the consumers in the most effective manner so as to account for differentiation and to further build, maintain and nurture relationships with them.

There are five maintaining factors which relate to “Structural RM Programs” and “Financial RM programs”. These factors are rated low by the respondents as structural RM programs are not visible and financial programs are offered by almost all the operators in Pakistan. So the emphasis should be on perceived RM investment and Social RM programs to increase the effectiveness of sellers’ relationship building efforts.

**Table 2: Analytical Hierarchy Process for Antecedent's of Sellers RBE**

<b>Antecedents</b>	<b>Items</b>	<b>GW</b>	<b>Tiers</b>
Perceived RM Investment	My telecom operator worked hard to strengthen our relationship	0.2821	<b>Critical Factors</b>
Perceived RM Investment	My telecom operator made significant investments in building a relationship with me.	0.2776	
Perceived RM Investment	My telecom operator devoted time and effort to our relationship	0.1937	<b>Supporting Factors</b>
Social RMP	My telecom operator give me special treatment or status	0.1729	
Social RMP	My telecom operator provides me special report or information on request.	0.1599	
Social RMP	My telecom operator often gives me gifts, meals and entertainment	0.1359	
Structural RMP	My telecom operator provides me special value added benefit.	0.0970	<b>Maintaining Factors</b>
Structural RMP	My telecom operator assigned dedicated personnel to serve me	0.0965	
Financial RMP	My telecom operator gives me special financial benefits and incentives.	0.0658	
Financial RMP	My telecom operator often gives me special pricing and discounts.	0.0601	
Financial RMP	My telecom operator often gives me free gifts and services	0.0598	

#### 4.2 Correlation Coefficients for Antecedents of Sellers' RBE

To analyze the contribution of different antecedents of sellers' relationship building efforts toward the overall relationship building efforts, correlation technique is applied. The Pearson correlation coefficients are given in table (3). Perceived relationship marketing investment has the strongest relationship with RBE with  $r = 0.857$  and  $p = 0.00 < 0.01$ . It points out that sellers should focus on developing consumers' perception about organizations relationship marketing investment as it will increase the effectiveness of social relationship marketing programs by  $r = 0.584$  with  $p = 0.00 < 0.01$ . It will also boost the effectiveness of structural and financial programs by  $r = 0.455$  and  $r = 0.426$  respectively with  $p = 0.00 < 0.01$ . So this investment is inevitable for developing the relationship with the consumers as it influences all the RM programs significantly and positively. Once consumers start to develop the perception that a seller is actively investing in them, they may start to recognize the benefits of all the relationship marketing efforts made by the seller for them. This will ultimately increase the effectiveness of RBE by the sellers and

will help the seller to establish a healthy, long term relationship with the consumers. The second highest contribution toward RBE comes from social relationship marketing programs with  $r = 0.816$  and  $p = 0.00 < 0.01$ . It highlights the importance of social relationship marketing programs. This dimension of relationship building effort also has significantly positive correlation with structural relationship marketing programs with  $r = 0.616$ ,  $p = 0.00 < 0.01$ . This suggests that in order to maintain good social terms with the consumers, organizations need to focus on consumer oriented structural development. Social relationship building programs influenced financial relationship marketing programs positively as well with  $r = 0.592$ ,  $p = 0.00 < 0.01$ . This means that by developing and enhancing good social ties with the consumers, organizations can increase the effectiveness of financial relationship marketing programs as well. Third highest contributor toward RBE is financial relationship marketing programs with  $r = 0.777$  and  $p = 0.00 < 0.01$ . It also has a significant relationship with structural relationship marketing programs with  $r = 0.646$  and  $p = 0.00 < 0.01$ . So improving the financial programs will also result in increased benefits from structural relationship marketing programs. The least significant contribution originated from structural relationship marketing programs toward RBE with  $r = 0.760$ ,  $p = 0.00 < 0.01$ . It identifies the need of hard work aimed at improving this area by the marketers. Marketers, while developing the relationship building strategies, should place an emphasis on making structural changes as well. It is necessary to make the system and processes consumer oriented and it is also very important to contribute towards structural development by placing an emphasis on personalized or customized needs of the consumers.

**Table 3: Correlation Coefficients for Antecedents of Sellers' RBE in RM**

	Average Variance Explained	Perceived RM Investment	Social RMP	Structural RMP	Financial RMP	RBE
Perceived RM Investment	0.92	1				
Social RMP	0.85	.584**	1			
Structural RMP	0.83	.455**	.616**	1		
Financial RMP	0.81	.426**	.592**	.646**	1	
RBE		.857**	.816**	.760**	.777**	1
Note:** shows significant Pearson correlation coefficients between different dimensions of RBE at 0.01 level of significance						

#### 4.3 Model Fit

The aim of this research is to find out the most effective relationship marketing programs which affect the consumers' perception about seller's relationship building efforts. To achieve this objective, SEM is employed to test the interrelationships among all the research constructs. Before evaluating the structural or measurement models, the overall model fit must be assessed to ensure that the model adequately represents the entire set of relationships. Based on the approach of Arbuckle (1999) and Vigoda (2000), this study uses relative chi-square, goodness of fit index (GFI), adjusted goodness of fit index (AGFI) and root mean square residual (RMR) to evaluate the fitness of the full model. The chi-square value ( $\chi^2$ ) of 9.804 with degrees of freedom (d.f.) of 2 is moderately significant with  $p = 0.066$ . However, this study also notes that the chi-square test becomes more sensitive with increasing number of indicators. Schumacker and Lomax (2004) suggested that the ratio of chi-square value to degree of freedom should be less than five so the ratio of ( $\chi^2/d.f.=4.902$ ) is acceptable. Bearing this in mind, other measures are further examined. The results show a good model fit with values of : GFI= 0.984, AGFI= 0.879, RMR= 0.099, CFI= 0.995 and TLI= 0.975. Values of these measures are also acceptable as suggested by (2013); Hu and Bentler (1998). The results confirm that the model developed in this study is appropriate with acceptable goodness of fit.

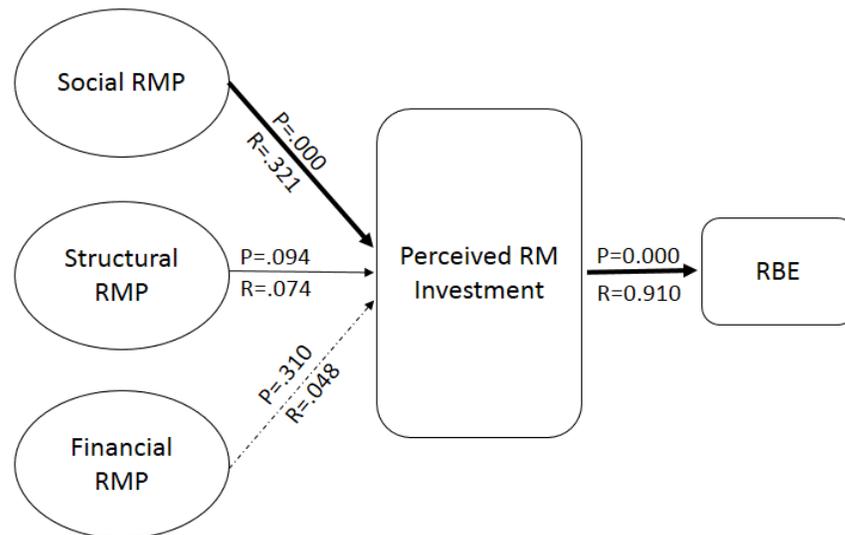
#### 4.4 Regression Analysis

AHP and coefficients of correlation analysis helped to find out the most effective antecedent impacting RBE, which is perceived RM investment. There are three types of RM programs which can influence the perceived RM investment to build and sustain the relationship with the consumers. Therefore four hypotheses are proposed to find out the relationship of RM programs with perceived RM investment and their impact on RBE. As all RM efforts are not effective all the time (Schroder et al., 2003; Kalwani and Narayandas, 1995; Day, 2000). This analysis will help the sellers to not only reduce marketing waste but also help them to find newer insights as to how they need to build and/or sustain the relationship with the consumers. This means this study would help them focus only on those RM programs which lead towards increasing perceived RM investment and ultimately increasing the RBE positively and significantly.

- **H<sub>1</sub>**: Social RM programs have significant positive impact on Perceived RM investment.
- **H<sub>2</sub>**: Structural RM programs have significant positive impact on Perceived RM investment.
- **H<sub>3</sub>**: Financial RM programs have significant positive impact on Perceived RM investment.
- **H<sub>4</sub>**: Perceived RM investment has significant positive impact on RBE.

The results of regression are shown in the figure (2). It significantly supports H1, H4, moderately supports H2 and did not support H3. Results suggest that social RM programs have significantly positive impact on perceived RM investment with  $p = 0.00 < 0.05$  and  $R = 0.321$ . Structural RM Programs have moderately weak relationship with Perceived RM investment with  $p = 0.094$  and  $R = 0.074$ . The lowest contribution is made by financial RM programs with an insignificant relationship with perceived RM investment. Perceived RM investment has a highly significant positive relationship with RBE having  $p = 0.00 < 0.05$  and  $R = 0.910$ . These results depict that social RM programs play a vital

role in developing a consumer orientation of benevolent behaviors of sellers about perceived RM investment. Wang and Liang (2010) have also supported this argument. As the telecom sector is a diverse sector with intense competition, telecom operators are heavily investing in multiple financial, social and structural programs. The financial programs result in price wars among the competitors. It widened the room for incorporating core services by including discounts, incentives and other financial benefits for the consumers. It had led towards establishing a status quo in telecom industry, to use these tactics to gain more consumers. On the other hand the structural RM programs are technological tactics used by the telecom operators to benefit the consumers but it's not easy to implement a particular technology into an organization as it has high transforming cost as suggested by Liang and Wang (2007). These structural bonds provide value added services to the consumers and increase consumer efficiency (Berry and Parasuraman, 1991). Social RM programs are the programs which are headed through the personnel of the telecom operators e.g. personnel at sales and service centers of the companies. These programs include special treatment of consumers, gift giving and offering special services to consumer upon request. These are all the benefits which are seller specific and are not imitable. These are the programs which can be used as competitive advantage for the organizations and can help to endorse other RM programs e.g. financial RM programs and structural RM programs as shown in the results of correlation in table (2). Once consumer developed perceptions about the benevolent behavior of sellers in the form of perceived RM investment, it helped to increase the effectiveness of RBE and therefore, the obvious and desired benefit achieved is better and improved relational ties with the consumers.



**Figure 2: Regression Analysis of Antecedents of Sellers' RBE**

## 5. Discussion and Conclusion

Existing researchers focused on the (1) Types of benefits offered to the consumers (Gwinner et al., 1998), (2) types of relationship ties formed (Berry, 1995; Berry and Parasuraman, 1991), (3) problems solved by the sellers' through RM (Hakansson and

Snehota, 2000). All of these researches focused on the aggregate impact of relationship marketing programs thus masking the effectiveness of each RM effort made by seller (Berry, 1995; Hakansson and Snehota, 2000; Wang and Lang, 2010; Palmatier et al., 2007). This research paper tries to find out those RBE which are most effective and valued by the consumers. It will help to lessen the sellers' expenditures on wasteful efforts made on marketing's behalf for developing and nurturing relationships with the consumers. The results of this research will increase the effectiveness of RBE on one hand and make the sellers RBE cost effective on the other hand. This research defines a direction for the sellers to follow, for developing relationship with the consumers and to retain them.

The research question was to find out the antecedents of sellers' relationship building efforts which are most effective and most valued by the consumers while developing relationships with the service provider. The results of AHP and coefficients of correlation suggested that the most valued and effective antecedent of a sellers' relationship building effort is perceived RM investment as it has the highest contribution toward RBE. Sellers, before they decide to start planning to invest in any RM program or RM tactics, need to understand the importance of consumers' perception regarding RM investment. Perceived RM investment develops an obligation and psychological ties in the mind of the consumers to stay with the seller (Liang and Wang, 2007). Once benevolence is developed in the mind of consumers, sellers can plan for introducing most effective RM programs. This research paper, through regression analysis finds out the RM program(s) which have the highest contribution towards RM investment. Social RM programs are the most effective programs for increasing the effectiveness of RM investment and finally the impact of the RBE in telecom sector of Pakistan. It suggests that sellers who expressed friendship or gratitude through gifts to consumers had social meanings. So the personnel who interact with the consumers can use these kinds of socializing tactics to build stable relationships and further promote the quality of relationships that exist between a consumer and the organization. It also suggests that sellers in the telecom sector should hire those people who are friendly, interactive and show empathy to consumers. Sellers should focus on and introduce specifically tailored training programs for the employee, to develop their interpersonal, soft and communications skills. The investment in this asset will repay the company in multiple ways to develop, nurture and maintain valuable, healthy and profitable relationships with its consumers.

### *5.1 Managerial Implications*

- Managers need to understand that not all relationship efforts and programs are beneficial for firms in every industry. Different consumers in different industries/sectors may prefer different RM efforts and programs.
- Relationship marketing efforts should be appropriately directed towards consumers that not only appreciate them but also give the required feedback. Knowing which consumer groups to target with which relationship marketing program would not only help marketers capitalize on the scarce resources a firm has by reduction of wasteful practices, but also provide avenues for better tapping into consumer markets and segments.
- Through aiming specific efforts towards different consumers, firms may also increase value created through their marketing efforts. Firms may also better

satisfy consumer needs by giving them exactly the right type of efforts that they may need for the induction of a specific action in their behavior.

### 5.2 Limitations

This study is industry and time bond. Further research can be conducted to find out the effectiveness of sellers' RBE in other sectors e.g. airline, courier services, hotel industry, banking sectors etc. Further this research can be extended to find out the impact of perceived RM investment on social RM programs and further their impact on relationship quality and consumer gratitude.

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## Sellers' Relationship Building Efforts in Relationship Marketing

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