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## **RELATIONSHIP MARKETING – EMPIRICAL EVIDENCE FROM THE ROMANIAN PETROL FILLING STATION MARKET**

***Abstract.** Within this paper, relationship marketing was defined through the value chain concept. In this sense, the value chain concept is to be understood as a set of client specific dimensions which should be researched by the company with the purpose of enhancing the company’s general economic and marketing activity. These dimensions are divided in two categories, behavioural (observed) dimensions and psychological (unobserved), respectively. The value chain logic is that the company’s marketing activities determine psychological reactions which generate behavioural reactions which are directly associated with the company’s economic performance. The following quantitative marketing research will analyse how the client’s psychological variables interact with the behavioural ones; for this, structural equation modelling is used.*

***Keywords:** Relationship marketing, perceived value, satisfaction, trust, commitment, loyalty, Word-of-Mouth, structural equation modelling.*

**JEL Classification: M310, C30**

### **1. Introduction**

The last two decades of the last century highlighted the existence of new challenges that determined the relational approach of exchange and the emergence of a new marketing paradigm, namely relationship marketing.

Scientific research that related to the conceptualization of relationship marketing proposed that the aim of marketing is to create, maintain and develop the company’s relationships with its clients. From this perspective, a company’s relationships with its final clients are considered the essence of relationship marketing. At the same time, the ability of a company to relate to its market represents an interconnected operating resource that follows the creation and

development of long-term relationships between a company and its most valuable clients through.

As an interconnected operating resource, the ability of a company to relate enables an organization to formulate an efficient and effective value proposition for clients. Relationship marketing is considered a process of identifying and establishing, maintaining and developing and (when it is necessary) terminating the profitable relationships with clients and stakeholders, so that the objectives of all involved parties are fulfilled through mutual exchange and the promises are met (Grönroos, 1989). Thus, relationship marketing can be understood through three elements that form its conceptual structure: (1) life-cycle, (2) value chain and (3) decisional process of planning (Bruhn, 2009).

From a company's perspective, in the process of creating, distributing and communicating value, the main purpose is to participate in a co-creation of value with the involved clients, through the ability to relate.

Besides studying life cycles of the relationships with clients and establishing the decisional process of planning the marketing strategy, companies can appreciate the efficiency of relationship marketing by examining the psychological and behavioural effects of clients, namely two of the constituting elements of the value chain. The value chain can be considered a cybernetic system in which a company's inputs represent the primary and auxiliary activities (Kotler, Keller, 2012) and the outputs represent the economic and financial results. Between a company's activities and economic results, in the value chain framework there are the psychological and behavioural effects of customers, specifically the theoretical and applied object of this research. All four links of the value chain are influenced by moderating factors, which can be both endogenous and exogenous to a company (Bruhn, 2009).

## **2. Literature Review**

### **Customer's Psychological Effects**

The primary and auxiliary activities of a company generate specific psychological effects among clients that represent mental perceptions that give course to a specific behaviour. These psychological effects are influenced by individual contacts (evaluations of individual transactions) and continual contacts (evaluations of the relationship) of a client with a company. The variables that should be examined in order to model the psychological effects of clients are: (a) perceived value of the product, (b) client satisfaction, (c) client trust, and (d) client commitment towards the company.

**Perceived value** of a company's offer represents a client appreciation of the effects generated by the consumption of a product or service. Iacobucci and

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Ostrom (1996) believe that client perception regarding the value of a company's offer is based on the relationship between what they obtained and how much they paid. This relationship imposes the idea that client satisfaction felt after consumption depends on the perceived value of the company offer.

The company must know and understand the forming elements of client perceived value to develop activities meant to positively influence this perception. Defining the perceived value based on equity theory and price theory considers that client perception is mainly determined by the quality-price relationship, i.e. the relationship between benefits and sacrifices of a client. The company's actions that aim at shaping favourable client perceived value are based on two dimensions: (a) cost efficiency (resource efficiency) and (b) market efficiency (development of offerings that create value desired by clients based a customized value chain).

**Customer satisfaction** establishes the premise that a satisfied client is a loyal client of the company. Bloemer and de Ruyter (1998) consider client satisfaction to a particular brand as the felt experience after the consumption of a certain brand, a subjective evaluation of a client that measures the extent to which the brand performance met or not answered his/her initial expectations.

Literature associated with this concept has two major directions of thinking about client satisfaction. In the first direction, client satisfaction is a purely cognitive phenomenon based on the confirmation / disconfirmation paradigm according to which client expectations are developed based on beliefs about the level of performance that a product or service should have (Oliver, 1980). In the second direction, customer satisfaction is an affective phenomenon, resulting from the purchase and consumption experience of a product or service. Regardless of the research stream, client satisfaction definitions present three common elements: (a) client satisfaction is a response (emotional or cognitive); (b) the response is considering a specific milestone (expectations, product, consumption experience, etc.); (c) the response occurs at a certain moment (after consumption, after the purchasing decision, during the client experience, etc.).

**Customer trust** is considered one of the most important factors determining the success of a commercial relationship (Hunt et al. 2006). Conceptual foundations of trust are included in the exchange theory. Trust does not occur spontaneously, it is developed in time under the influence of three forming mechanisms: economic, sociological and social for trust training. Trust and commitment are two concepts that have been developed and expanded in the conceptual theory of relationship marketing. In this regard, Morgan and Hunt (1994) based their so-called 'commitment- trust' theory of relationship marketing on the attractive idea of cooperation among network organizations to achieve greater competitiveness in the global economy. As a psychological construct, trust

is determined by common values, communication and opportunistic behaviour, thus, creating, among other psychological constructions (e.g. commitment), effects that take the form of cooperation, functional conflict and uncertainty.

**Client commitment** to a company, in general, or to products / services / brands, in particular, represents a defining variable of relationship marketing theory. Commitment of a partner in a relationship is considered the belief that maintaining the relationship with the counterparty is so important that maximum effort will be employed to maintain it (Morgan, Hunt, 1994). Thus, customer commitment is a variable that is influenced by the following factors: (a) relationship termination costs, (b) relationship benefits and (c) common values.

Client commitment generates direct behavioural effects: consent, probability of migration and cooperation. The existence of commitment results in acceptance, by the parties, of the rules and modes of action of the counterparty, i.e. their consent. The probability of migration toward other relational alternatives represents the possibility or chance that a party will terminate the relationship in the near future, noting decreases as commitment amplifies. Cooperation is considered to be the direct effect of both trust and customer commitment.

#### **Customer's Behavioural Effects**

Customer's behavioural effects are generated by the psychological dimensions of clients and have a determining role in creating value for clients and companies. The variables that have to be studied for the evaluation of client behavioural effects are: loyalty and word-of-mouth communication.

**Client loyalty** has been defined since 1968 (Brody, Cunningham, 1968) as the act of repurchasing a product or service within a certain period of time. In this respect, the purchase frequency of a brand and the purchase likelihood are considered to be two relevant indicators used to measure the degree of client loyalty to a particular brand.

Certain limitations of understanding loyalty were eliminated by including the attitude-behaviour relationship as a research subject that focused on client loyalty. Considering client attitude toward a certain object (brand, product, service, offer, company) as a forming part of client loyalty increases the predictability of a future acquisition as explained in the theory of planned behaviour (Ajzen and Fishbein, 1980).

**Word-of-Mouth (WOM)** communication is defined as an oral communication from one person to another, between a receiver and a transmitter, which is not perceived by the receiver as having commercial purposes in relation to a brand, product or service offered for sale (Arndt, 1967). In general, WOM is the

act by which clients provide information to other clients. In conceptualizing WOM, marketing literature has two major approaches. The first perspective considers this concept as part of the clients' loyalty. Moreover, the second perspective defines WOM as a stand-alone concept with its own determinants and effects. Considered as a direct or indirect effect of a set of determining variables (satisfaction, loyalty, quality, commitment, trust, and perceived value), WOM communication represents a communication behaviour that is observable through different forms: (1) the WOM communication frequency in a certain period of time; (2) the number of people who communicate in a certain period of time; and (3) the amount of information transmitted by the sender or emitter.

### **3. Research Purpose and Hypotheses**

The first step of every marketing research is identifying the company's management problem; thus the lack of information regarding the clients' psychological and behavioural dimensions, their interaction and their influence on the company's profitability can be considered a management problem for most of the petrol filling station. Based on the mentioned management problem, the purpose of the subsequent marketing research is to identify the sense and intensity of the interaction of some psychological and behavioural dimensions which are particular for the Romanian petrol station clients.

#### **The research hypotheses are presented below:**

H1: The perceived clients' value regarding the company's offer influences positively and statistical significant their satisfaction

H2: The clients' satisfaction regarding the company's offer influences positively and statistical significant their loyalty towards the company

H3: The clients' satisfaction regarding the company's offer influences positively and statistical significant their trust in the company

H4: The clients' satisfaction regarding the company's offer influences positively and statistical significant their Word-of-Mouth activities

H5: The clients' satisfaction regarding the company's offer influences positively and statistical significant their commitment towards the company

H6: The clients' trust in the company influences positively and statistical significant their loyalty towards the company

H7: The clients' trust in the company influences positively and statistical significant their Word-of-Mouth activities

H8: The clients' commitment towards the company influences positively and statistical significant their Word-of-Mouth activities

H9: The clients' commitment towards the company influences positively and statistical significant their loyalty towards the company

H10: The clients' loyalty towards the company influences positively and statistical significant their Word-of-Mouth activities

H11: The clients' trust in the company influences positively and statistical significant their commitment towards the company

To achieve the mentioned research purpose, relevant information was attracted from natural persons who have their residence in Sibiu County and are clients of one or more petrol filling stations. Thus, the information source is an external, primary data and free-of-charge source.

In accordance with the research purpose, hypotheses and the settled information sources, the research variables are defined both conceptually and operational. It should be stated that there is semantically difference between a research construct and a research variable. Thus, a latent construct is built on one or more variables; their relationship is from whole to the part.

### **Sample and Data Collection**

The researched population is represented by natural persons of Sibiu city which are clients for one or more petrol stations. Thus, the following selection criteria were used: car ownership, car usage in personal purpose for minimum 4 times a week and, implicitly, an age over 18 years (legal age in Romania for achieving a driving license). For the present research, the investigated population is the same with the survey unit, the individual which has delivered the requested information according to his experience as a petrol station client.

Data was collected by using a direct research method: simple, transversal ad-hoc survey. A questionnaire was used as research instrument which was applied both online and offline in the period: September 2012 – March 2013. The sample was structured according to simple random sampling through put which every population unit has the same probability of being part of the final sample. A 95% significance level was used for the present research (the theoretical value for t is 1.96) and a 6.3% error margin. Due to the difficulty of finding an attribute which would clearly differentiate an individual of being part or not of the sample, a 0.5

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probability was chosen for both equation parameters ( $p$  and  $q$ ). Based on these elements, the resulted sample size is 241.

Data collection has resulted in 384 complete questionnaires; their codification and tabulation were done by using IBM SPSS V.20. After checking and cleaning the database, 134 questionnaires were eliminated, thus the final sample size is 245.

### 4. Research Analysis and Discussion

#### Creation and validation of the measurement model

The created measurement model is based on the value-chain concept (Bruhn, 2009). Every latent variable is made out of a number of items which can vary from 3 (for WOM – Word of Mouth) to 6 (for S- Satisfaction); exploratory factor analysis was used as composition method. The table below contains the means and standard deviations for every item, as well as the loading coefficients and the Eigenvalues specific for the latent variables.

**Table 1. Items' Means and Standard Deviations and Latent Variables' Loading Coefficients and Eigenvalues**

Latent variable	Composition Items	Mean	Standard Deviation	Loading Coefficients	Eigenvalue	% of total item variation
Word of Mouth activities (WOM)	WOM1	3.13	0.816	0.874	1.529	76.43
	WOM2	3.56	0.775	0.874		
Commitment (C)	C1	2.98	0.896	0.776	2.65	66.25
	C2	2.96	0.863	0.799		
	C3	2.99	0.928	0.845		
	C4	2.76	0.957	0.834		
Trust (T)	T1	3.18	0.798	0.882	2.216	73.86
	T2	2.60	0.929	0.815		
	T3	3.00	0.776	0.880		
Loyalty (L)	L1	3.88	0.685	0.902	2.379	79.31
	L2	4.01	0.797	0.911		
	L3	8.01	1.995	0.858		
Perceived Value (PV)	PV1	4.73	1.325	0.928	2.256	75.19
	PV2	4.67	1.278	0.860		
	PV3	4.46	1.480	0.809		
Satisfaction (S)	S1	6.93	1.813	0.768	4.044	67.39
	S2	6.71	1.494	0.765		
	S3	7.04	1.551	0.831		
	S4	6.76	1.363	0.851		
	S5	6.63	1.464	0.834		
	S6	6.84	1.529	0.871		

All coefficient loadings exceed the value of 0.75 denoting a strong correlation between the initial items and the latent variable.

A condition for applying exploratory factor analysis is that the item correlation matrix differs from an identity matrix. This condition is validated by using the Bartlett sphericity test (table2) which results in error terms smaller than

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the accepted 0,05 threshold for rejecting the null hypothesis for every considered latent variable.

**Table 2. Bartlett's Sphericity test, Kaiser-Meyer-Olkin Test and Cronbach's Alpha for Every Latent Variable**

Latent Variable	WOM	C	T	L	PV	S
Statistical Tests						
Bartlett						
Computed Value $\chi^2$	79.48	358.47	273.32	370.76	327.66	869.47
Degrees of Freedom	1	6	3	3	3	15
Error term	0.000	0.000	0.000	0.000	0.000	0.000
Kaiser-Meyer-Olkin	0.500	0.792	0.702	0.724	0.645	0.874
Cronbach's alpha	0.703	0.830	0.816	0.720	0.829	0.899

The level of the items' common variation (item communality) is measured through the Kaiser-Meyer-Olkin test. For the present research, item communality can be problematic for the WOM latent variable because of the 0.5 test value which represents the bottom threshold for accepting the extracted factor. The obtained value is due to the high positive (0,529) and statistical significant correlation ( $\alpha=0.01$ ) between the forming items WOM1 and WOM2.

The latent variables' scale consistency and dimensionality are determined by computing the Cronbach's alpha values. Based on the table 2, scale consistency and dimensionality are validated, the Cronbach alpha value being over 0.7. The proposed measurement model is validated through confirmatory factor analysis. Such a validation of the exploratory factor analysis results is usually based on two sets of criteria: convergence and discrimination criteria of the latent variables formed out of the proposed items. Thus, indicators such as AVE and SQRAVE were computed for every latent variable.(Table 3).

**Table 3. AVE, SQRAVE and Partial Correlation Coefficients**

Latent variables	CR	AVE	The main diagonal elements are SQRAVE values; the other being values of the partial correlation coefficients between the latent variables					
			T	C	L	WOM	PV	S
T	0.828	0.617	0.786					
C	0.831	0.551	0.740	0.742				
L	0.871	0.694	0.487	0.551	0.833			
WOM	0.700	0.534	0.731	0.636	0.754	0.731		
PV	0.849	0.656	0.612	0.524	0.454	0.672	0.810	
S	0.898	0.595	0.563	0.437	0.407	0.587	0.710	0.771

The values of the AVE indicator are above the threshold of 0.5, confirming the convergence capacity of every latent variable. The elements of the main diagonal are SQRAVE values computed for every latent variable; their values exceed the other matrix' values with one exception: WOM variable. Thus, we can consider that, excepting WOM, all latent variables have the discrimination power one from other according to the initial forming items. The second column of table 3 contains the values of an indicator which is an equivalent to Cronbach's alpha for testing scale reliability. Its values (CR – composite reliability) must exceed the



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minimum threshold of 0.7 (Gefen et al., 2000) for the existence of internal consistency of a multi-item scale. A 0.70 value for the WOM variable questions once again the way of how this variable was formed. For all the other variables, the indicator values exceed the 0,700 lower limit.

Statistical validity of the measurement model is achieved by computing a set of indices, which relate the proposed measurement model to a theoretical one according to some criteria.

Thus, a first set of indices tests the difference between the proposed measurement model (sample based) and a theoretical model (population based). The values of these indices point out a satisfactory form of the proposed measurement model:  $\chi^2 = 331.619$  (or CMIN – minimal value of the discrepancy function C), d.f.=173 (degrees of freedom),  $p=0.000, \chi^2/df= 1.917$ . Another category index is RMSEA (root mean squared error of approximation) for which a value lower than 0.05 indicates a solid consistency of the proposed model relative to the researched population; further, a value lower than 0.08 results in an acceptable model and, if the 1.00 limit is exceeded, the model cannot be accepted. For the proposed model, the RMSEA value is 0.061, with a PCLOSE value of 0.033. The PCLOSE value represents the significance level for the null hypothesis which states that there is no major discrepancy between the proposed model, sample based, and the theoretical model, population based). Based on the RMSEA and PCLOSE values, it can be concluded that there is no major discrepancy between the proposed model and the theoretical one.

A second set of indices compares the proposed model with a base model according to some settled constraints. For a model fit, the NFI values should converge to the 1 value; for our model, the NFI value is 0.900, thus the proposed model can be accepted. The interpretation of RFI (relative fit index), IFI (incremental fit index) and CFI (comparative fit index) are similar to NFI. Their values – 0.880 (RFI), 0.950 (IFI) and 0.950 (CFI) - result in an acceptance of the proposed model.

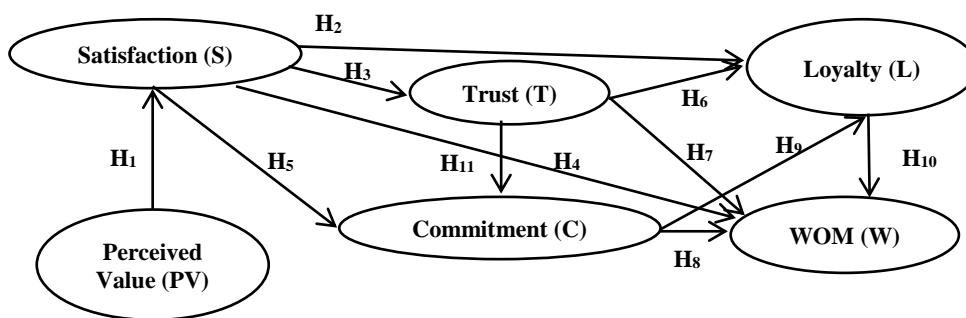
The third category of indices is an alternative for the indices of the first category which test the discrepancy between the proposed model (sample based) and the theoretical model (population based). Thus, GFI (Goodness-of-Fit) and AGFI (Adjusted Goodness-of-Fit Index) should vary within the [0,1] range, with 1 representing a perfect match of the proposed model with the theoretical one. Our proposed model is acceptable according to the computed GFI (0.89) and AGFI (0.85) values.

All the indices values reveal a satisfactory form of the proposed model relative to a theoretical one, permitting the creation and validation of a structural equation model.

**Creation and validation of the structural equation model**

A structural equation model represents a mix of factor analysis (exploratory and confirmatory) and a system of linear multiple regression equations (path model). The purpose of a structural equation model is to determine the direction and intensity of a set of initial settled relationships between the some considered constructions. Latent variables can be endogenous or exogenous to the model in accordance with their quality if influencing another variable or be influenced by some other variable. The proposed structural equation model is named psychological-behavioural model of a client (further PB model) according to the relationship marketing theory. The idea based on which this model was built is the interaction of two sets of client specific dimensions: psychological and behavioural dimensions. A graphical model of our PB model, together with the developed hypotheses is presented below (Figure 1):

**Figure 1. Graphical PB Model and Research Hypotheses**



The latent variables which build up the PB model are part of two different categories: psychological variables (perceived value, satisfaction, trust and commitment) and behavioural variables (loyalty and WOM activities). Further on, the psychological variables are measured within the last purchase experienced by the client (perceived value and satisfaction) or variables specific for the client-company relationship (trust and commitment) (Bruhn, 2009).

The arrows between the latent constructs indicate the direction of their relationships and were settled in accordance with the specific relationship marketing literature. Hypotheses were developed within the preliminary research phase and are represented through symbols. The developed equations are input for the statistical analysis software package IBM AMOS V.20. Statistical consistency tests were done to validate the PB model; by comparing the obtained values with the theoretical thresholds, it can be stated that the PB model is satisfactory from statistical point of view. A possible problem can be detected for the GFI value which should be over 0.900. By adjusting the GFI, a 0.844 AGFI value is obtained which exceeds the 0.800 lower limit.

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A confirmation or not of the initial research hypothesis is done by estimating the structural model equation coefficients; their values are presented in standardized form in the table below (table 4):

**Table 4. Values of Estimated Structural Equation Model Coefficients**

Hypothesis and relationships	Estimation of not standardized coefficients	Estimation of standardized coefficients	Standard error	Statistical Significance Level	Hypothesis result
H1: PV→S	0.969	0.712	0.114	0.000	Confirmation
H2: S→L	0.203	0.187	0.086	0.019	Confirmation
H3: S→T	0.104	0.225	0.044	0.018	Confirmation
H4: S→WOM	0.074	0.165	0.033	0.027	Confirmation
H5: S→C	0.015	0.027	0.041	0.718	Not confirmed
H6: T→L	0.222	0.095	0.297	0.454	Not confirmed
H7: T→WOM	0.420	0.437	0.117	0.000	Confirmation
H8: C→WOM	-0.028	-0.034	-0.302	0.763	Not confirmed
H9: C→L	0.800	0.397	0.240	0.000	Confirmation
H10: L→WOM	0.200	0.487	0.033	0.000	Confirmation
H11: T→C	0.855	0.735	0.108	0.000	Confirmation

The confirmation or not of the 11 hypotheses was based on a statistical significance level of 0.95. Thus, the first hypothesis (H1) which assumed that the client's perceived value within his last purchase experience influences his felt satisfaction was statistically confirmed; the mentioned influence is an intense one according to the 0.712 value of the standardized coefficient.

The clients' satisfaction felt within the last transaction positively influences the clients' trust in the company (relational, psychological variable), his loyalty towards the company and his WOM activities (behavioural variables); thus the H2, H3 and H4 being confirmed. A managerial recommendation would be to maintain or even to grow the client's satisfaction by considering the forming attributes in each client-company contact. Based on their loadings in forming the satisfaction variable, these attributes are: personnel kindness (S4), products complementary to fuel (S4), quality of restaurant/ fast-food (S5), shop's diversity (S3), general satisfaction (S1) and auxiliary services (S2). The item of fuel quality was not included due to its low loading for the satisfaction variable; thus, this item can be considered a unique construct and not an attribute which, along other, form a construct.

Hypothesis 7 (H7) according to which the clients' trust influence their WOM activities has been confirmed. The high value of the standardized coefficient (0,437) which denotes an average influence of trust on WOM activities should be retained for further analysis. Within the present research paper, trust was defined and measured through similar values perceived by both the client and the company (Morgan, Hunt, 1994). The authors Brown, Barry, Dacin (2005) define the client's WOM activities as an indirect effect (through the client's commitment) of the client's similar values and satisfaction. From a theoretical/conceptual point of

view, the two ideas validate the obtained result: trust measured through similar values influences positively (and statistically significant) the client's WOM activities. Being a relationship specific variable, the client's trust is formed through positive outcomes of the client-company contacts. In this sense, a first managerial recommendation is to maintain a high satisfaction level within each client-company contact, and a second one to overlap the clients' values they believe in with values the company communicates through all forms of promotional activities.

Hypothesis 9 confirms the logic according to which the client's commitment towards the company determines his loyalty. Based on the results, the relationship commitment-loyalty is a positive one, with average intensity and statistical significant (0.397 and  $\alpha = 0.00$ ). According to Morgan and Hunt (1994), the client's commitment represents the client's belief to maintain his relationship with the company with maximum effort. Such a strong belief is due to the benefits the client acquires because of his relationship with the company, the similar values he shares with the company and the possible termination costs. A favourable attitude may induce a buying behaviour. Client's loyalty was defined as a bi-dimensional structure (attitudinal and behavioural dimension). Theoretically seen, the link between the client's commitment and his loyalty is the attitudinal dimension common to both structures (the affective part of attitude is dominant within commitment). A major relationship marketing objective of every company is to achieve clients' loyalty. In this sense, a managerial recommendation is to focus the marketing actions on enhancing clients' commitment towards the company through communicating (1) the benefits the clients can achieve if patronizing the company and (2) the possible termination costs. An interesting aspect is the lack of influence of the client's satisfaction on their commitment towards the company (hypothesis H5 is not confirmed). Reaching satisfaction is a settled client objective which will be achieved through goods consumption; in most situations the result is discrete pleasure. Unlike satisfaction, commitment represents a time-dependent dimension (not being a client objective), not governed by hedonic reasons.

Hypothesis H10 assumed a direct influence of client loyalty on his WOM activities; it has been confirmed by a standardized coefficient value of 0.487, statistically significant for  $\alpha = 0.000 < 0.05$ . The average intensity raises once again the question regarding the independence of the two constructs (loyalty and WOM activities). As mentioned, the client's WOM activities (referral intention or behaviour) are considered, along with re-buying behaviour, part of client's loyalty. Such an approach would have been rejected if the resulted influence of loyalty on WOM activities wouldn't have been statistically significant. The results show a direct, average and statistically significant influence of loyalty on WOM activities; thus WOM activities can be considered part of client's loyalty. If two distinct structures or one, loyalty and WOM activities are beneficial for the company, thus

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a managerial recommendation is to use relationship marketing specific instruments (Bruhn, 2009) to create, maintain and grow the client's loyalty.

Hypothesis H11 which states the direct influence of client's trust on his commitment was confirmed through the standardized coefficient value of 0.735 (statistical significant for  $\alpha = 0.000 < 0.05$ ). This value is the highest relative to the other suggested effects; the high intensity of trust-commitment is not random, but based on the manner the two constructs were formed.

The invalidation of H6 (direct influence of trust on loyalty) and acceptance of H9 (direct influence of commitment on loyalty) permit the conclusion that trust is rigid relational construction which does not trigger a specific behaviour, as opposed to commitment which contains an emotional dimension, apriori to action. Trust can influence loyalty in an indirect manner, as presented below.

The indirect effects of a latent construction on another assume the existence of a third construction which mediates (amplifies or decreases) the first construction's influence on the second one. An indirect effect is computed by multiplying two or more direct effects (according to the number of intermediary constructs). Furthermore, indirect effects can be causal or non-causal according to the existence or not of one (or more) common latent constructs (causes).

By adding the direct effects to the indirect causal ones for each two latent constructions we obtain the total effects. Customer trust in a company has the highest influence on his/her commitment to the company (0.735 - standardized value). The lowest relationship intensity can be observed between perceived value and loyalty through a score of 0.179.

### **5. Theoretical Contribution**

From a theoretical standpoint, this research contributes by furthering the relationship marketing theory, more specifically by developing and testing a value chain model meant to increase the general financial performance and marketing activities of a company. The latent variables which build up the PB model are part of two different categories: psychological (perceived value, satisfaction, trust and commitment) and behavioural variables (loyalty and WOM activities). A major theoretical contribution of this new model is that it combines central constructs in a new model which includes six variables and eight significant relationships meant to provide additional explanations to relationship marketing in a business environment.

The results of the study are in accordance with various previous researches (Morgan, Hunt, 1994; Brown et al. 2005). Client satisfaction felt in the last transaction positively affects client trust in the company (relational psychological variable), loyalty to the company, and its WOM activities (behavioural variables).

In other words, the satisfaction felt by a client increases his/her trust (0.225), loyalty (0.187) and its activities WOM (0.165) in relation to the company.

## **6. Managerial Implications**

In today's business environment, there is no "one size fits all" business strategy and this aspect applies to a company's customer acquisition, retention, and expansion in regard to its relationship marketing strategy. Enterprises need to understand the premises of relationship marketing and its underlying concepts in approaching clients for business success. Generating trust and commitment, which ultimately result in loyalty, is therefore a strategic goal and a source of long-term profitability for companies. In the light of the research results, several managerial recommendations can be highlighted.

Firstly, companies should monitor client satisfaction and maintain a high level of this dimension, especially when they are developing specific marketing activities, by emphasizing and considering the attributes that compose this concept. For instance, an important component of client satisfaction is 'staff courtesy', thus a specific marketing action, that the company could use to target this attribute, could be a training program followed by a benefits / penalties program for staff depending on their level of kindness as it is perceived by clients. Also, companies should monitor client perceived value as it proved to be a highly important antecedent of satisfaction.

Secondly, organizations could emphasize and develop client loyalty through specific relationship marketing instruments in order to increase word-of-mouth activities and positive recommendations from clients. Within the proposed model, loyalty was determined by satisfaction and commitment. It was found that when customer commitment is based on shared values and identification, it has a uniformly positive impact on customer loyalty.

Thirdly, companies should develop communication campaigns that aim at showing how company values overlap or are similar to client values or beliefs. Such an approach increases client trust and commitment to the company. The strong influence of trust on commitment suggests that managers should do everything in their power to make them trustworthy in the eyes of their clients.

Fourthly, the scores registered for trust, loyalty, and WOM activities in relation to a company indicate that an essential managerial recommendation would be to maintain, if not increase, the level of client satisfaction with each client - company interaction or touch point, by considering the attributes of satisfaction.

To a larger extend, in order to improve their performance, companies should invest in customer relationship management systems and opt for a full integration of analytics, operations and. Using such software and systems, companies can predict clients' predispositions for certain interactions, and thus, increase client loyalty and their value for the company. Most importantly, paying

attention to relationships by using software is essential because relationships are dynamic and should be measured as such.

## 7. Limitations and Future Research Directions

Our study certainly presents certain shortcomings which can be considered as future research options in relationship marketing. Firstly, the respondents of the study are solely from Romania, thus the sample could be extended to capture data from different cultures and observe the proposed model using culture as a mediating variable.

The study could also be extended to a longitudinal research, using customer panels that provide psychological and behavioural data for different product and services categories. This type of research could provide valuable information regarding loyalty and its antecedents.

Once a new model of relationship marketing has been proposed, it obviously requires further testing and validation, which is precisely why we will extend the research to examine different industries and service categories in order to improve the proposed relationships. In this regard, to avoid any potential gaps, further studies will focus on the application of the model on different types of clients, considering the mediating effects of purchase frequency.

Moreover, this research focused on the customer view of the relationship with petrol filling stations and the data were gathered solely from end consumers. For a holistic view, future research could broaden the scope by including views from both sides of the dyad.

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