



# The influence of relationship marketing investments on customer gratitude in retailing<sup>☆</sup>



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## ABSTRACT

Customer gratitude represents the emotional core of reciprocity and plays a key force in developing and maintaining successful seller–buyer relational exchanges. Based upon personal interviews with 239 members of loyalty card programs of a department chain store, this study shows that alternative relationship marketing investments (i.e., direct mail, tangible rewards, interpersonal communication, and preferential treatment) have a differential influence on customers' gratitude and consequently behavioral loyalty. More specifically, results of this study indicate that preferential treatment is the most effective relationship marketing tactic to enhance customer gratitude, followed by interpersonal communication and tangible rewards, respectively. Management implications for retailers to increase customers' gratitude are discussed.

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## 1. Introduction

Relationship marketing has been increasingly studied in marketing academia and has received intense interest in marketing practice. Relationship marketing has been defined as all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges (Morgan & Hunt, 1994). In the past decade, the existing literature has established the theory in relationship marketing and posited that relationship marketing investments enhance customer trust, commitment, relationship satisfaction, and in turn these relational mediators influence seller performance outcomes (Crosby, Evans, & Cowles, 1990; Dwyer, Schurr, & Oh, 1987; Morgan & Hunt, 1994; Palmatier, Dant, Grewal, & Evans, 2006). A recent study by Palmatier, Jarvis, Bechhoff, and Kardes (2009) indicated that other relational mediating mechanisms are at work. Palmatier et al. (2009) proposes that gratitude, the emotional appreciation for benefits received, mediates the relationship between a seller's relationship marketing investments and seller performance outcomes. More specifically, a seller's relationship marketing investments generate customers' feelings of gratitude that drive seller performance benefits based upon customers' gratitude-related reciprocal behaviors.

Although the role of customer gratitude in understanding how relationship marketing investments increase seller performance outcomes

has been verified (Palmatier et al., 2009), empirical evidence on whether different tactics of relationship marketing investment have a differential impact on customer perceptions of gratitude is lacking. The current study considers this important because different relationship marketing tactics can alter a customer's feelings of gratitude and consequent behaviors (Palmatier et al., 2009, p. 14). Thus, understanding the influence of different relationship marketing tactics on customers' feelings of gratitude can provide marketing managers with useful tools to leverage their relationship marketing investments. Particularly, in the current retail environment, retailers have an advantage in developing profitable relationships with their customers because they are in a better position to utilize these relationship marketing tactics (De Wulf, Odekerken-Schröder, & Iacobucci, 2001; Sweeney, Soutar, & Johnson, 1999).

With that in mind, the research objectives of this study are twofold: First, this study examines whether different relationship marketing investments offered by the retailer have a differential influence on customer's feelings of gratitude and consequent behaviors. The current study adapts the classification proposed by De Wulf et al. (2001) to a retail setting and incorporates four tactics to relationship marketing investments; i.e., direct mail, tangible rewards, interpersonal communication, and preferential treatment. Second, there have been calls for further research to investigate the construct of customer gratitude in different cultures (Palmatier et al., 2009, p. 15). The current research addresses these calls by conducting a field study and examines the influence of different relationship marketing tactics on customer gratitude in Taiwan. Even if the norm of reciprocity is a human universal, it is important to note that not all individuals appreciate reciprocity to the same level (Gouldner, 1960). As discussed in Cropanzano and Mitchell (2005), there exists a cultural difference in gratitude-related reciprocal

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behaviors. This study is an attempt to improve understanding of how different relationship marketing investments affect customer gratitude in Taiwan.

The remainder of this article is organized as follows: The next section provides a theoretical foundation on customer gratitude and develops the research hypotheses. Then, a mall intercept survey is conducted in Taiwan to examine the hypotheses. The article concludes with a discussion of the theoretical and practical implications of the research findings.

**2. Conceptual background and hypotheses**

Fig. 1 shows the research framework of this study. The theoretical foundation of this conceptual framework is based upon social exchange theory (Blau, 1964; Homans, 1958). Social exchange theory's reciprocity norm (Gouldner, 1960) indicates that customer gratitude is an important mediating construct that explains why retailers' relationship marketing investments may enhance behavioral loyalty (Palmatier et al., 2009). As has been mentioned, customer gratitude represents a customer's purchasing behaviors motivated by a felt obligation to reciprocate retailer-offered benefits. Applying this theory to a retail context, retailers utilize some relationship marketing tactics and provide benefits, such as free gifts, that motivate customers to repay retailers in the future for benefits received. In other words, marketing expenditure and other resource investments in a retailer–customer relationship generates psychological linkages that motivate retailers to secure the buyer–seller relationship and set an anticipation of reciprocation. Adopting the classification proposed by De Wulf et al. (2001), this study represents retailers' investments by four relationship marketing tactics; i.e., direct mail, tangible rewards, interpersonal communication, and preferential treatment. More importantly, social exchange theory classifies these four relationship marketing tactics theoretically into three types (concrete, symbolic, and compound) of benefits (Cropanzano & Mitchell, 2005). For example, retailers use direct mail and tangible rewards to provide concrete benefits while retailers' employees may enhance interpersonal communication with their customers to provide symbolic benefits. Offering preferential treatment to a retailer's loyal customers is a compound strategy which includes both concrete and symbolic benefits. In the following sections, the constructs that are fundamental to this research framework are described and the hypotheses are developed.

**2.1. Customer gratitude**

In the field of marketing, based upon the norm of reciprocity (Gouldner, 1960), customer gratitude has been defined as a customer's purchasing behaviors being motivated by a felt obligation to reciprocate seller-provided benefits (Morales, 2005; Palmatier et al., 2009; Wetzell,

Hammerschmidt, & Zablah, 2014). Literature outside of marketing suggests that gratitude and indebtedness are distinct emotional states (e.g., Watkins, Scheer, Ovnicek, & Kolts, 2006). Tsang (2006) further indicates that “indebtedness stems from the norm of reciprocity, whereas gratitude, though perhaps influenced by this norm as well, may go above and beyond a “tit-for-tat” mentality” (p. 200). Indebtedness is a negatively valenced emotion whereas gratitude is associated with positive emotions. The positive emotion of gratitude promotes relationship formation and maintenance (Algoe, Haidt, & Gable, 2008; Ames, Flynn, & Weber, 2004). Raggio and Folse (2009) further suggest that expression of gratitude may help buyer–seller relationships to evolve from the expansion stage to the commitment stage. The well established commitment–trust theory of relationship marketing (Morgan & Hunt, 1994) has served as the fundamental theory for most relationship research until Palmatier et al. (2009) proposed that gratitude, the emotional appreciation for benefits received, accompanied by a desire to reciprocate, provides an important explanation for understanding relationship marketing effectiveness. The current study hypothesizes that four relationship marketing tactics offered by a retailer provide various types of benefits to customers, which result in gratitude-based behaviors and lead to customer behavioral loyalty.

**2.2. Tactics of relationship marketing investments**

Berry (1995) defines three levels of relationship marketing. Level 1 relationship marketing, using pricing stimuli or tangible benefits to keep customer loyalty, is reflected as the weakest level of relationship marketing because the strategy can be copied by the competitors. Level 2 relationship marketing, adopting the social perspectives of a relationship, is conducted by regularly communicating with customers. A third level of relationship marketing offers solutions to the customer's problem and is designed into the service-delivery system rather than relying on the relationship-buildings skills. Consistent with the work of De Wulf et al. (2001), the current research adopts one type of relationship marketing tactic allocated in the first level of relationship marketing (tangible rewards) and three other types allocated in the second level of relationship marketing (direct mail, interpersonal communication, and preferential treatment).

Direct mail refers to a customer's perception regarding retailers' regular direct mail for information (De Wulf et al., 2001; Morgan & Hunt, 1994). It is important to note that direct mail refers to personalized direct mail rather than bulk mail. Retailers use direct mail to keep their customers informed. Retailers also utilize direct mail as a regular communication tool to target specific customer groups. The personalized direct mailings offer immediate rewards (i.e., price discounts), create interest in a new product (or service) and appeal to customers' specific needs which provide concrete benefits to customers. According to social exchange theory's reciprocity norm (Gouldner, 1960), customers should be motivated by a felt obligation to reciprocate these benefits provided by retailers (Cropanzano & Mitchell, 2005). In the relationship marketing literature, it has been verified that the communication between customers and sellers increases the understanding of each other and enhances closeness and trust (Anderson & Narus, 1990; Doney & Cannon, 1997). Moreover, the personalization of customers contacted by direct mail could enhance the perceived relationship quality of customers (De Wulf et al., 2001). A consumer's recognition of retailers using direct mail as a relationship marketing activity will create attributions regarding the motives of the giver and leads to consumers' feelings of gratitude (Palmatier et al., 2009). Thus,

**H1. Direct mail positively affects customer gratitude.**

Tangible rewards refer to a customer's perception regarding retailers' offerings for tangible benefits such as free gifts and discount coupons. Customers who have developed a relationship with a retailer expect to receive some relational benefits from the retailer. The

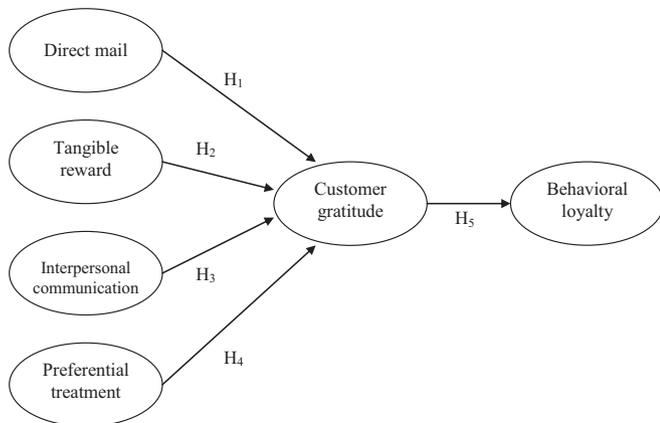


Fig. 1. Proposed model.

economic consideration of relational benefits customers may receive for engaging in relational exchanges, such as tangible rewards, are consistent with what previous research has verified is the primary motivation for maintaining long-term relationships with retailers (Gwinner, Gremler, & Bitner, 1998; Sheth & Parvatiyar, 1995). Retailers invest marketing expenditure in providing these concrete benefits to customers and set an anticipation of reciprocation because customers may repay retailers for retailer-provided benefits to follow the norm of reciprocity in social exchange theory (Cropanzano & Mitchell, 2005; Gouldner, 1960). Moreover, as De Wulf et al. (2001) noted, retailers offer tangible rewards to their regular customers to increase perceived relationship investment and consequently to maintain behavioral loyalty. Literature on social psychology has also suggested that gratitude is a critical driver which causes people to reciprocate the rewards or benefits they obtain (e.g., Komter, 2004). Thus, in an exchange relationship, as a customer becomes aware of receiving retailers' tangible benefits, he or she should feel grateful.

## H2. Tangible rewards positively affect customer gratitude.

Interpersonal communication has been defined as “a consumer's perception of the extent to which a retailer interacts with its regular customers in a warm and personal way” (De Wulf et al., 2001, p. 36). It should be noted here that interpersonal communication differs from personal selling. For the latter, it is more emphasized that a retailer's employee attempts to persuade a customer to make a purchase. For example, employees in the information center of the retailer are not in charge of selling; however, these employees play an important role in representing retailers and how they interact with their customers. The tactic of interpersonal communication in relationship marketing investment provides several relational benefits to customers. For example, retailer employees offer time-saving benefits to help shoppers in searching products while customers receive social benefits through the interpersonal communication between customers and retailer employees (Berry, 1995; Gwinner et al., 1998). According to social exchange theory's reciprocity norm (Gouldner, 1960), customers should feel obligation to reciprocate these retailer-provided benefits. Moreover, customers may reward a retailer because they felt personally indebted for the retailer employees' help (Morales, 2005; Palmatier et al., 2009). Empirical research that emphasizes the importance of interpersonal communication in developing retailer–customer relationship has been verified. For instance, Beatty, Coleman, Reynolds, and Lee (1996) show that personal relationships between customers and retailers are social processes in nature, such as friendship, personal warmth, and feelings of familiarity. Stone (1954) indicates that interpersonal communication plays an important role in social contact when people shop in a retail store and shoppers appreciate interpersonal communication in a retail store. Thus, personal relationship communication should enhance customers' appreciation and lead to feelings of gratitude.

## H3. Interpersonal communication positively affects customer gratitude.

Preferential treatment refers to a customer's perception regarding retailers' treatments and services to their regular buyers being better than to their nonregular buyers (De Wulf et al., 2001; Gwinner et al., 1998). Preferential treatment shows that regular customers receive a higher service level than nonregular customers. Marketing literature shows that special treatment lets a firm address a customer's basic need and lets customers feel important (Peterson, 1995). Based upon the results of in-depth interviews, Gwinner et al. (1998) indicate that preferential treatment provides two types of relational benefits to customers, i.e., economic and customization benefits. Following the social exchange theory, preferential treatment, such as gift certificate, discounts, and customer's perception of personal recognition, provides compound (concrete and symbolic) benefits in ongoing exchanges between customers and retailers (Cropanzano & Mitchell, 2005). The

norm of reciprocity in social exchange theory suggests that customers should be motivated to repay retailers in the future for reciprocating these retailer-provided benefits (Gouldner, 1960). More importantly, Palmatier et al. (2009) noted “a customer's recognition of a seller's intentional relationship marketing activities will generate attributions regarding the motives of the giver, engaging the customer's emotional systems, leading to feelings of gratitude on the part of the customer, and increasing intentions to repay the seller. Customers act on their desires to repay the sellers by engaging in gratitude-based reciprocal behaviors.” Thus, a higher level of preferential treatment that customers receive will lead to a higher level of gratitude.

## H4. Preferential treatment positively affects customer gratitude.

In the current study, behavioral loyalty is defined as a customer's commitment to repatronize the retailer's product (or service) consistently in the future (Oliver, 1999). In an exchange relationship, as a consumer recognizes some retailer's relationship marketing investments (i.e., direct mail, tangible rewards, interpersonal communication, and preferential treatment), he or she should generate the feelings of gratitude and be more likely to purchase and spend money at the store (Palmatier et al., 2009). As has been noted, social exchange theory's reciprocity norm (Gouldner, 1960) provides a theoretical justification and indicates that customer gratitude plays an important mediating role in explaining why retailers' relationship marketing investments may enhance behavioral loyalty (Wetzel et al., 2014). Based upon various relationship marketing activities, customer feelings of gratitude should be able to generate various gratitude-based reciprocal behaviors that positively influence customer loyalty. Thus,

## H5. Customer gratitude positively affects behavioral loyalty.

### 3. Methods

#### 3.1. Data collection and sample

Second-year, full-time MBA students were trained in survey administration and used as interviewers. A part-time MBA student working for the retail partner which is a leading department store in Taiwan assisted in managing the survey. In order to increase internal validity, this study focused the survey only at the leading department store. More importantly, this leading department store offers a mix of goods and intensive services that imply more relationship investments to its customers compared with, for example, a supermarket or a grocery store. In line with previous retailing studies, this study used mall intercept survey method (e.g., Babin & Attaway, 2000; Mohan, Sivakumaran, & Sharma, 2013): respondents were intercepted near the exits after their shopping in the store and provided with necessary materials to complete the survey comfortably. Only one respondent with membership in loyalty card programs was interviewed at a time and all surveys were personally administered by the interviewers. Finally, there are a total of 239 respondents who provided usable data for analysis in this study. 70 percent of respondents were female and 30 percent were male. 71 percent of respondents have college degrees.

#### 3.2. Measure development

All variables used in the current study were measured with multi-item scales adapted from past research. Direct mail, tangible rewards, interpersonal communication, and preferential treatment were measured with scales adopted from De Wulf et al. (2001). Customer gratitude was assessed by adopting three items from Palmatier et al. (2009). Behavioral loyalty was a composite measure based upon a customer's purchasing frequency and amount of money spent at a store compared with the amount spent at other stores. It was measured by using three items modeled after De Wulf et al. (2001). Except the

three items of behavioral loyalty, all other items were rated on seven-point Likert-type scales. The questionnaire was adopted from the literature in English and translated into Chinese by a language expert fluent both in Chinese and English. The pre-survey interview was conducted by asking five customers and one marketing professor to check the translation equivalence and cultural adoption of the scale (Van de Vijver & Leung, 1997). Table 1 shows details of each scale item and psychometric properties.

4. Analytical results

4.1. Measurement model evaluation

Following Anderson and Gerbing (1988), the confirmatory factor analysis (CFA) was first estimated to assess the measurement model. Results of the confirmatory factor analysis show that all factor loadings exceed 0.50, and each indicator t-value was significant as shown in Table 1. Results of the confirmatory factor analysis further indicate that the  $\chi^2$  statistics is 354.38 with 120 degrees of freedom ( $p < .001$ ). The comparative fit index (CFI) is 0.97. The nonnormed fit index (NNFI) is 0.96 (Hu & Bentler, 1995). However, the root mean square error of approximation (RMSEA) is only 0.09. As other methodologists have notified against strict adherence to a particular target value for RMSEA, a bundle of indices should be considered (Bentler, 2007;

Steiger, 2000). Given the other indicies are acceptable, this study concludes that the measurement model fits the data well. Furthermore, the measurement model shows good reliability because the coefficient alpha for all constructs was greater than 0.7 and the estimates of composite reliability exceed 0.7 as shown in Table 1 (Nunnally, 1978). This study assessed the convergent validity by estimated coefficients and the average variance extracted (AVE) of all estimates. Results show that the convergent validity is supported since the coefficients are all significant (Anderson & Gerbing, 1988) and the average variance extracted (AVE) are larger than 0.50 (Bagozzi & Yi, 1988). This study tested the discriminant validity by investigating whether the squared correlation between any pair of constructs is smaller than the respective AVE of each construct in the pair (Fornell & Larcker, 1981). The discriminant validity is supported with only one exception. As shown in Table 2, the squared intercorrelation between customer gratitude and tangible rewards (0.79) was larger than the AVE for customer gratitude (0.52) and the AVE for tangible rewards (0.67). Given the test of discriminant validity provided by Fornell and Larcker (1981) is the most restrictive test, this study further set the correlations between constructs constrained to 1 and compared the nested confirmatory factor models (De Wulf et al., 2001). The test of chi-square differences was significant for the model comparisons. To summarize, the measurement model of the current study meets the requirements of psychometric property with evidence for reliability, convergent, and discriminant validity.

4.2. Common method bias

As suggested by MacKenzie and Podsakoff (2012), the current study avoided the potential for common method bias a priori by the careful design of a questionnaire and the appropriate order of questionnaire. To reduce socially desirable responding, this study did not ask personal information of respondents and ensured the anonymity of participants. Furthermore, the current study addressed the potential for common method bias a posteriori by using the approach of “single common method factor” as recommend by Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff (2003). It is popular to use Harman’s (1967) single-factor test to address common method bias. However, the Harman’s single-factor test is an insensitive test and it may under-identify the sources of common method bias (Podsakoff et al., 2003). Therefore, this study utilized the “single common method factor” technique to examine the method biases at the measurement level (Podsakoff et al., 2003). The results of model with all the items loaded on a single factor showed a significantly poor fit ( $\chi^2_{(135)} = 1360.93, p < .001$ ; comparative fit index [CFI] = 0.87; nonnormed fit index [NNFI] = 0.86; and root mean square error of approximation [RMSEA] = 0.20) than the original model. Therefore, it can be concluded that the common method bias does not seem to be a major problem in the current study.

4.3. Hypothesis testing

This paper used structural equation modeling (SEM) via Lisrel 8.72 to test the model depicted in Fig. 1. Table 2 shows the descriptive statistics and intercorrelations for the constructs. Table 3 shows the various

Table 1  
Confirmatory factor analysis, reliability, and validity.

Constructs	Factor loadings	t-values
<b>Direct mail (<math>\alpha = .89, CR = .89, AVE = .74</math>)</b>		
This store often sends mailings to regular customers.	.88	16.54
This store keeps regular customers informed through mailings	.92	17.96
This store often informs regular customers through brochures	.77	13.81
<b>Tangible rewards (<math>\alpha = .86, CR = .86, AVE = .67</math>)</b>		
This store rewards regular customers for their patronage	.84	15.42
This store offers regular customers something extra because they keep buying there	.84	15.51
This store offers discounts to regular customers for their patronage	.78	13.73
<b>Interpersonal communication (<math>\alpha = .92, CR = .92, AVE = .80</math>)</b>		
This store takes the time to personally get to know regular customers	.88	16.86
This store often holds personal conversations with regular customers	.91	17.96
This store often inquires about the personal welfare of regular customers	.90	17.59
<b>Preferential treatment (<math>\alpha = .81, CR = .84, AVE = .65</math>)</b>		
This store makes greater efforts for regular customers than for nonregular customers	.56	9.15
This store offers better service to regular customers than to nonregular customers	.90	17.25
This store does more for regular customers than for nonregular customers	.91	17.52
<b>Customer gratitude (<math>\alpha = .77, CR = .76, AVE = .52</math>)</b>		
I have bought products based on my gratitude for the extra effort of this store.	.79	14.15
I have spent more money to this store because I owed it to them.	.59	9.85
This store has received opportunities to sell additional products as payback for past efforts.	.76	13.42
<b>Behavioral loyalty (<math>\alpha = .85, CR = .85, AVE = .66</math>)</b>		
What percentage of your total expenditures for things do you spend in this store?	.82	14.58
Of the 10 times you select a store to buy things at, how many times do you select this store?	.78	13.53
How often do you buy things in this store compared to other stores where you buy?	.84	14.88

Note. Results are based on two-tailed t-tests.  $\alpha$ : Cronbach’s alpha, CR: composite reliability, and AVE: average variance extracted.

Table 2  
Descriptive statistics and intercorrelations.

Constructs	1	2	3	4	5	6
1 Direct mail	1.00					
2 Tangible rewards	.63	1.00				
3 Interpersonal communication	.47	.65	1.00			
4 Preferential treatment	.63	.74	.58	1.00		
5 Customer gratitude	.64	.89	.85	.82	1.00	
6 Behavioral loyalty	.44	.55	.40	.46	.70	1.00
Mean	4.70	4.62	4.12	4.30	4.72	3.51
Standard deviation	1.52	1.29	1.42	1.31	1.22	1.15

Note. All correlations are significant at the 0.01 level or better.

**Table 3**  
Summary of all standardized structural path estimates and fit indexes.

Paths	$\beta$	t-values	Hypothesis supported
H1: Direct mail → Customer gratitude	-.05	-.77	No
H2: Tangible rewards → Customer gratitude	.23*	2.02	Yes
H3: Interpersonal communication → Customer gratitude	.25***	3.12	Yes
H4: Preferential treatment → Customer gratitude	.61***	3.46	Yes
H5: Customer gratitude → Behavioral loyalty	.60***	8.24	Yes

$\chi^2 = 584.24$ ;  $df = 124$ ; CFI = .95; NNFI = .94; IFI = .95; RMSEA = .12; SRMR = .07

Note. \*  $p < .05$ , \*\*\* $p < .001$ .

goodness-of-fit indexes and standardized structural path estimates. The  $\chi^2$  statistics is 584.24 with 124 degrees of freedom ( $p < .001$ ). The comparative fit index (CFI) is 0.95. The nonnormed fit index (NNFI) is 0.94. The incremental fit index (IFI) is 0.95 (Hu & Bentler, 1995). However, the root mean square error of approximation (RMSEA) and standardized root mean square residuals (SRMR) are only 0.12 and 0.07 respectively. As previously discussed, based upon the bundle of goodness-of-fit indexes, this study concludes that the structural model has acceptable fit. Table 3 further presents the resulting standardized parameter estimates.

H1 hypothesizes a positive relationship between direct mail and customer gratitude. As shown in Table 3, the path estimate is negative between direct mail and customer gratitude, although it is non-significant ( $\beta = -0.05$ ,  $t = -0.77$ , n.s.). Thus, H1 is not supported. H2 predicts that tangible rewards positively affect customer gratitude. As expected, a significant positive relationship between tangible rewards and customer gratitude is confirmed ( $\beta = 0.23$ ,  $t = 2.02$ ,  $p < 0.05$ ). H3 suggests that interpersonal communication would be positively related to customer gratitude. As predicted, the effect is positive and significant ( $\beta = 0.25$ ,  $t = 3.12$ ,  $p < 0.001$ ). H4 proposes that preferential treatment has a positive and significant impact on customer gratitude. As predicted, a significant positive relationship is demonstrated ( $\beta = 0.61$ ,  $t = 3.46$ ,  $p < 0.001$ ). H5 hypothesizes that customer gratitude positively affects behavioral loyalty. As shown in Table 3, the path estimates are consistent with this hypothesis ( $\beta = 0.60$ ,  $t = 8.24$ ,  $p < 0.001$ ). Thus, H5 is supported.

## 5. Discussion and implications

Customer gratitude represents the emotional core of reciprocity and plays a key force in developing and maintaining successful seller–buyer relational exchanges. The goal of this study is to examine whether different relationship marketing tactics offered by the retailer have a differential influence on customer gratitude and consequent behavioral loyalty. This study offers three distinct intended contributions to marketing practice and academia. First, this study shows that alternative relationship marketing investments have a differential influence on customers' gratitude and consequently behavioral loyalty. Second, this study indicates that preferential treatment is the most effective relationship marketing tactics since it has the strongest impact on customer gratitude, followed by interpersonal communication and tangible rewards, respectively. In other words, research findings of this study provide new insight into marketing management by recommending that firms can increase customer gratitude and consequent behavioral loyalty by leveraging different relationship marketing tactics. Third, this study is a first attempt to extend the customer gratitude research into Taiwan and improve the current understanding of how different relationship marketing investments affect gratitude-related reciprocal behaviors.

What are the relationship marketing tactics that customers are most appreciated? This is a question that is interesting for marketing managers and researchers have been under-examined in existing literature.

Results of the current study indicate that three relationship marketing tactics offered by the retailer have a positive impact on customer gratitude, except direct mail. Among the other three relationship marketing tactics offered by the retailer, preferential treatment has the largest positive influence on customer gratitude and consequent behavioral loyalty, followed by interpersonal communication, and lastly by tangible rewards. These results suggest that retailers can enhance customer gratitude and consequent behavioral loyalty by serving their regular customers better than to their nonregular customers, interacting with their customers in a warm and personal way, and offering tangible benefits, e.g., free gifts and discount coupons for their customers.

It is interesting to note that preferential treatment has the largest positive impact on customer gratitude among all relationship marketing tactics. This finding is in contrast to De Wulf et al. (2001), indicating that preferential treatment has a non-significant effect on relationship marketing investment. A possible explanation for this result might be that customers' appreciation of preferential treatment might vary based upon customers' cultural background because De Wulf et al. (2001) utilized a Western sample while this study was conducted in Taiwan. Furthermore, in line with De Wulf et al. (2001), interpersonal communication is the effective relationship marketing investments to increase customers' gratitude and maintain a successful exchange relationship. Therefore, marketing managers should train retail service employees to enhance social abilities and motivate retail service employees to serve their customers in a warmer and more personal way. This suggestion is particularly important in today's retailing service because new technologies have rapidly been used in retailer marketing activities across multiple platforms and have reduced retail service employee–customer social interactions.

The relationship marketing investments examined here, in which this study adapts four tactics to a retail setting, enable this research to take advantage of comparing the effects of each relationship marketing tactic across different cultural regions. However, a limitation of this approach is the lack of incorporating other relationship marketing instruments. For example, in today's rapidly evolving retailing environment, retailers may use new technologies including use of mobile devices and the internet as multiple platforms to provide relation benefits and enhance customer gratitude. Further research may include these new technologies and examine how these new technologies influence customers' gratitude and consequently behavioral loyalty. In addition, four relationship marketing tactics selected in the current study induce different relationship marketing resource (cost) allocation. Further research could provide more managerial implications by taking these marketing costs into account and link them to customer gratitude and customer profitability. Other research limitations might be related to the data and sample characteristics. The data used in this study are derived from a high ratio of respondents with college degrees (71 %); meanwhile, the discriminant validity between customer gratitude and tangible rewards is not supported by the most restrictive test. Furthermore, this study used cross-sectional research design and is lacking of longitudinal study to examine whether the effects of relationship marketing tactics on customer gratitude change over time. Further research should collect longitudinal data and investigate how the effects of relationship marketing tactics on customer gratitude evolve dynamically.

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