

*Routledge Advances in Management and Business Studies*

# **TRANSFORMING RELATIONSHIP MARKETING**

**STRATEGIES AND BUSINESS MODELS  
IN THE DIGITAL AGE**

Edited by  
Park Thaichon and Vanessa Ratten



“The book explores relationship marketing from a digital perspective. The topics covered by this book are new and receiving an ongoing demand from academic and business audiences. The review of the current research and future research directions in online relationship marketing is original and will surely generate much interest among people in marketing and behavioural sciences. Congratulations to the authors for such a fine work”.

*Hiram Ting, Associate Professor, Faculty of Hospitality and Tourism Management, UCSI University, Malaysia*

“This must-read book highlights the importance of relationship marketing in the digital era. The book begins with a review of the evolution of online retailing and relationship marketing, providing salient theoretical insights into this retailing phenomenon. Subsequent chapters comprehensively examine the emerging topics of (1) risks and barriers towards organ donation; (2) awareness, attitudes and purchase intentions in multi-generation sponsorship; (3) digital banking and customer satisfaction; and (4) the role of religiosity in collaborative consumption behaviour. This real value of this book is in effectively synthesizing the inherent complexities of relationship marketing into easy-to-consume and insightful ideas that will guide modern strategic thinking and action”.

*Scott Weaven, Professor, Head of Department, Department of Marketing, Griffith University, Australia*

“I recommend this book to anyone who wants to understand the development and current research in online relationship marketing. This book addresses the opportunities and challenges associated with the implementation of relationship marketing in various types of organisations and suggests different relationship-building strategies and techniques to successfully manage relationships with customers and other stakeholders”.

*Nicolas Hamelin, Associate Professor and NeuroScience Lab Director, S P Jain School of Global Management, Australia*



**Taylor & Francis**

Taylor & Francis Group

<http://taylorandfrancis.com>

# Transforming Relationship Marketing

Relationship marketing builds and maintains long-term relationships with customers through value creation and delivery. This book examines the key principles of relationship marketing and online relationship marketing. It looks at three main areas of relationship marketing as understanding relationship marketing and the continuum, the drivers and scope of relationship marketing, and how organisations should restructure for successful relationship marketing in the digital context.

The book also addresses the opportunities and challenges associated with the implementation of relationship marketing in various types of organisation and suggests different effective relationship-building strategies and techniques for successful customer relationship management.

**Park Thaichon** is the Cluster Leader of the Relationship Marketing for Impact Research Cluster and the Program Director of the Master of Marketing at Griffith University, Australia. Park's main research interests include relationship marketing, big data, privacy, dark marketing and consumer behaviour.

**Vanessa Ratten** is Associate Professor at the La Trobe University, Australia. She is the Programme Coordinator of the Entrepreneurship and Innovation degrees at La Trobe Business School. Vanessa's main research interests are technology innovation, sport entrepreneurship and digital innovation.

# Routledge Advances in Management and Business Studies

## **Cross-Cultural Leadership**

Being Effective in an Era of Globalization, Digital Transformation and Disruptive Innovation

*Ahmad Muhamad Salih*

## **The Global Pharmaceutical Industry**

The Demise and the Path to Recovery

*Daniel Hoffman and Allan Bowditch*

## **Public Management and Vulnerability**

Contextualising Change

*Edited by Gareth David Addidle and Joyce Liddle*

## **Sustainability Assessments**

Insights from Multinational Enterprises Operating in the Philippines

*Hermann Lion, Jerome D. Donovan, Cheree Topple, Rowan Bedgood and Eryadi K. Masli*

## **Tourism in Bangladesh**

An Introduction

*Azizul Hassan*

## **Transforming Relationship Marketing**

Strategies and Business Models in the Digital Age

*Edited by Park Thaichon and Vanessa Ratten*

For more information about this series, please visit: [www.routledge.com/Routledge-Advances-in-Management-and-Business-Studies/book-series/SE0305](http://www.routledge.com/Routledge-Advances-in-Management-and-Business-Studies/book-series/SE0305)

# Transforming Relationship Marketing

Strategies and Business Models  
in the Digital Age

Edited by  
Park Thaichon and Vanessa Ratten

First published 2021  
by Routledge  
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge  
52 Vanderbilt Avenue, New York, NY 10017

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

© 2021 selection and editorial matter, Park Thaichon and Vanessa Ratten

The right of Park Thaichon and Vanessa Ratten to be identified as the authors of the editorial material, and of the authors for their individual chapters, has been asserted in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

*Trademark notice:* Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

*British Library Cataloguing-in-Publication Data*

A catalogue record for this book is available from the British Library

*Library of Congress Cataloguing-in-Publication Data*

A catalog record has been requested for this book

ISBN: 978-0-367-54817-9 (hbk)

ISBN: 978-1-003-09071-7 (ebk)

Typeset in Galliard  
by Newgen Publishing UK

# Contents

<i>List of figures</i>	ix
<i>List of tables</i>	x
<i>List of contributors</i>	xi
1 Online retailing and relationship marketing: evolution and theoretical insights into online retailing and relationship marketing	1
PARK THAICHON, GAJENDRA LIYANAARACHCHI, VANESSA RATTEN, MARIA DHARMESTI, SARA QUACH AND SCOTT WEAVEN	
2 Risks and barriers towards organ donation: strategies to move forward from relationship marketing perspectives	24
AMANI ALSALEM AND SARA QUACH	
3 Multi-generation sponsorship: awareness, attitudes and purchase intentions in successive generations	43
KONSTANTINOS KORONIOS, PANAGIOTIS DIMITROPOULOS, JOHN DOUVIS, ANDREAS PAPADOPOULOS, MARIOS-DANIIL PAPALOUKAS AND VANESSA RATTEN	
4 Digital banking and customer satisfaction: the Nigerian perspective	52
OLUCHUKWU JONES MORDI, ADE ORIADE, YONG WANG AND VICTOR ATIASE	
5 The role of religiosity in collaborative consumption behaviour	68
SOHA ABUTALEB, NOHA EL-BASSIOUNY AND SARA HAMED	

6	Customer perceptions in possession-processing services: factors and indicators of behavioural loyalty KITTISORN BOONNARK, MITCHELL ROSS, JIRAPORN SURACHARTKUMTONKUN AND SARA QUACH	83
7	Athlete entrepreneurs: relationship marketing through collaborative ideation VANESSA RATTEN AND PARK THAICHON	100
8	Relationship marketing through error management and organisational performance: does it matter? MARGARIDA OLIVEIRA, SUSANA RODRIGUES, EULÁLIA SANTOS AND ISABEL MIGUEL	117
9	Relationship marketing in the digital age VANESSA RATTEN AND TANVIR AHMED	136
10	Online retailing and relationship marketing: the current landscape and future developments PARK THAICHON, MARIA DHARMESTI, SARA QUACH, GAJENDRA LIYANAARACHCHI, SCOTT WEAVER AND VANESSA RATTEN	145
	<i>Index</i>	160

# Figures

1.1	Online retail growth model (OLRG model), adopted and modified from Greiner's Growth Model 1972	2
2.1	The proposed conceptual model	25
2.2	Factors influencing organ donation	34
2.3	Recommendations for policy and practice	37
4.1	Conceptual model of the impact of customer-focused engagement behaviour (CFEBEH) and the mediating role of Internet-Based Technology (I-BT)	58
5.1	Conceptual framework (developed by researchers)	74
6.1	The conceptual framework of customer loyalty in possession-processing service	88
6.2	Affective and cognitive factors of behavioural loyalty	93
7.1	Study's main findings	110
8.1	Error occurrence by business areas	127
10.1	Perspective-focus shifting in empirical online retailing research	146
10.2	Online retailing and relationship marketing empirical insight	155

# Tables

1.1	Evolution of online retailing and relationship marketing	4
1.2	Theoretical insights into online retailing and relationship marketing	7
2.1	Instrument items and reliability indices	30
2.2	Correlations among all variables	31
2.3	Regression weights in the proposed research model	32
3.1	SEM model for the investigation of research hypothesis	47
3.2	SEM model for different group ages	48
4.1	Profile of the sample	60
4.2	Normality distribution	61
4.3	Regression weights of the CFA measurement	62
4.4	Variable correlations	62
5.1	Scales used and sources	74
5.2	Fitness indices assessment for CFA	75
5.3	Cronbach alpha values	75
5.4	Regression results table for H1	76
5.5	Regression results table for H2	76
6.1	Preliminary analysis	90
6.2	Summary of Hypotheses testing – Results	92
7.1	Detail of participants	106
7.2	Data analysis codes	107
8.1	Most frequent causes of errors	127
8.2	Results – Factorial structure of error management	128
8.3	Correlations between error management and organisational performance measures	129
10.1	Empirical research insights into online retailing and relationship marketing	147

# Contributors

**Soha Abutaleb** is Assistant Lecturer and Researcher at German University in Cairo, Egypt.

**Tanvir Ahmed** is a lecturer at La Trobe Business School, La Trobe University, Australia.

**Amani Alsalem** is a researcher at Griffith Business School, Griffith University, Australia.

**Victor Atiase** is Senior Lecturer in Accounting and Finance at the Department of Accounting and Finance at De Montfort University, United Kingdom.

**Kittisorn Boonnark** is a researcher at Griffith Business School, Griffith University, Australia.

**Maria Dharmesti** is a researcher at Griffith Business School, Griffith University, Australia.

**Panagiotis Dimitropoulos** is a special teaching staff member at the Department of Sport Management, University of Peloponnese, Greece.

**John Douvis** is a professor in the Department of Sport Management, University of Peloponnese, Greece.

**Noha El-bassiouny** is Professor, Vice Dean of Academic Affairs and Head of Marketing Department at German University in Cairo, Egypt.

**Sara Hamed** is an assistant professor at German University in Cairo, Egypt.

**Konstantinos Koronios** is an adjunct lecturer at the Department of Accounting and Finance, University of Peloponnese, Greece.

**Gajendra Liyanaarachchi** is a researcher at Griffith Business School, Griffith University, Australia.

**Isabel Miguel** is a professor at the University of Coimbra, Faculty of Economics, Unit Center for Research in Economics and Management of the University of Coimbra, Portugal.

**Oluchukwu Jones Mordi** is a doctoral researcher at Wolverhampton Business School, University of Wolverhampton, United Kingdom.

**Margarida Oliveira** is a professor at the School of Management, Polytechnic Institute of Tomar and researcher at BRU-IUL – Business Research Unit, ISCTE – Instituto Universitário de Lisboa, Portugal.

**Ade Oriade** is Senior Lecturer in Tourism at Wolverhampton Business School, University of Wolverhampton, United Kingdom.

**Andreas Papadopoulos** is a special teaching staff member at the Department of Sport Management, University of Peloponnese, Greece.

**Marios-Daniil Papaloukas** is a professor in the Department of Sport Management, University of Peloponnese, Greece.

**Sara Quach** is a lecturer at Griffith Business School, Griffith University, Australia.

**Vanessa Ratten** is Associate Professor (Entrepreneurship and Innovation) at La Trobe University Business School, La Trobe University, Australia.

**Susana Rodrigues** is a professor at the Department of Management and Economics, School of Technology and Management, Centre for Applied Research in Management and Economics (CARME), Polytechnic Institute of Leiria, Portugal.

**Mitchell Ross** is a researcher at Griffith Business School, Griffith University, Australia.

**Eulália Santos** is a professor at the School of Technology and Management of the Polytechnic Institute of Leiria, Portugal.

**Jiraporn Surachartkumtonkun** is a researcher at Griffith Business School, Griffith University, Australia.

**Park Thaichon** is Senior Lecturer at Griffith Business School, Griffith University, Australia.

**Yong Wang** is Professor of Entrepreneurship and Family Business at the Department of Finance, Accounting, Systems and Economics at the University of Wolverhampton, United Kingdom.

**Scott Weaven** is a professor at Griffith Business School, Griffith University, Australia.

# 1 Online retailing and relationship marketing

## Evolution and theoretical insights into online retailing and relationship marketing

*Park Thaichon, Gajendra Liyanaarachchi,  
Vanessa Ratten, Maria Dharmesti,  
Sara Quach and Scott Weaven*

### Overview

The Internet is an innovative marketing mechanism that has shaped the retailing scenery since its commercialisation in the mid-1990s (Gillett, 1970; Thaichon et al., 2018). Internet-based technologies and applications have informed (and shaped) retailing and e-commerce practice, particularly with the growing acceptance of social networking, automation, customer relationship management and web-based tools and applications in marketing strategy and practice. To map the evolution of online retailing and reveal salient research insights, we highlight relevant trends in the composition of online retailing in response to technological change, which provides insights into the future of online retailing. Specifically, we examine three areas pertinent to online retailing: (a) The evolution of online retailing and relationship marketing from pre-1990s to the present, which provides a temporal snapshot of changes within fundamental structural components of online retailing and relationship marketing and (b) key theoretical perspectives underlying the development of online retailing and relationship marketing practice.

### Evolution of online retailing and relationship marketing

The key stages of the online retailing market are depicted within the Online Retail Growth Model (OLRG model), which is adapted from Grainer's growth model on organisational development (Greiner, 1972). This model accommodates environmental dynamics in retailing (Galbraith, 1982) and was further developed by Smith et al.'s (1985) multistage model that identified predictable patterns of growth associated with organisations, industry and environment. OLRG model shifts the focus of retailing from retailing as an organisational activity to retailing as consumer's activity and from brick-and-mortar to multichannel retailing (Gillett,

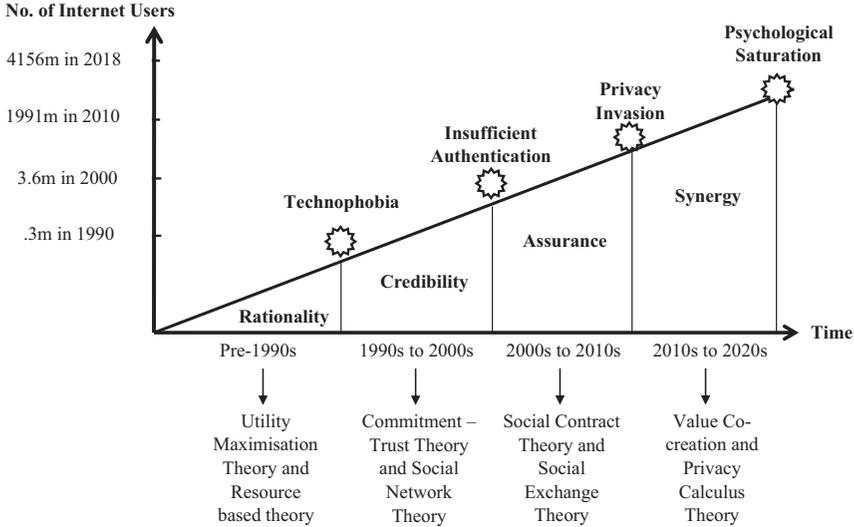


Figure 1.1 Online retail growth model (OLRG model), adopted and modified from Greiner’s Growth Model 1972.

Note: The information on the number of internet users was derived from Computerhistory (2018), Internetworldstats (2018) and Statista (2018).

1970; Cunningham and Cunningham, 1973). Chronological developments in online retailing have extended the original model (Figure 1.1).

*Phase 1 – Pre-1990 period.* This era emerged through the developments in information technology and the use of computer systems by customers. Online retailing creates an opportunity for customers to use computer-oriented purchasing systems, thus creating a higher value for money (Gillett, 1970; Barney, 1986). Online retailing also reduces the opportunity cost on account of higher flexibility and increased levels of convenience (Cunningham and Cunningham, 1973). Consequently, customers were encouraged to move away from in-person contact to online purchasing (Barras, 1986), and despite the excitement of advanced technology (Akerlof and Dickens, 1982), many were resistant to change (*technophobia*).

*Phase 2 – From 1990s to 2000s.* During this period, online retailers began to redesign customer interfaces (websites) to overcome technophobia (Pitt et al., 1999). According to Rayport and Sviokla (1994), the biggest challenge in online retailing lies in the failure of retailers to understand the logic of online processes and delivery. The complexity of information resulted in consumer misconceptions about online ordering and payment systems. Moreover, a lack of comprehensive information has been shown to fuel a reluctance to engage in online purchasing (Ackerman et al., 1999).

*Phase 3 – From 2000s to 2010s.* This era is initiated with the creation of an invisible agreement benefitting both online retailers and consumers (Bart et al., 2005)

and emphasises the importance of assurance in the online retailing context (Hart et al., 2000). However, the extensive use of personal information in the process of online retailing has resulted in violations of customer privacy (Román, 2007), and the disclosure of personal information online has had deleterious impacts on the customer relationship arising from cybercrime (McKnight et al., 2002).

*Phase 4 – From 2010s to 2020s.* The creation of online security is the driving force behind the survival and growth of online retailing in the modern era. The effectiveness of online security determines consumer spending online (Arora and Muttoo, 2018). Retailers' synergy with customers results in the creation of a unique digital identity to prevent cybercrime (Zhu et al., 2017). However, the dominant roles of search engines and social media platforms in manipulating and controlling personal information have led to customer frustration (Wang et al., 2016) resulting in a dysfunctional sociotechnical dilemma leading to the next stage of the revolution (Table 1.1).

## **Theoretical insights into online retailing and relationship marketing**

Theoretical insights are identified based on the relevance and significance of major theories in forming a long-term relationship between firms and customers (Thaichon et al., 2018). A total of eight theories are reviewed, based on the unique characteristics pertinent to the respective periods of evaluation, and are summarised in Table 1.2. The period prior to 1990 is detailed through a utility maximisation and resource-based theoretical lens. These theories consider the emergence of online retailing and relationship marketing based on rational economic benefits. The advancement of e-commerce during the period of 1990s–2000s emphasised the need to establish trustworthiness through online operations. Commitment, trust and social network theories are used to validate the development of credibility to ensure continuous growth.

The use of sophisticated online applications resulted in customers requiring additional evidence to engage in transactions (the 2000s–2010s). Firms benefited from creating assurance through website design, a development highlighted through the social contract and social exchange theories in this study. However, from the 2010s onward, the acceleration in e-commerce threatened confidentiality and privacy associated with the disclosure of customer information. This resulted in firms attempting to protect the online privacy of customers by building long-term synergy through the considered use of strategic information. Thus, we consider this change in the context of theories of value co-creation and privacy calculus.

### *Utility maximisation theory*

The concept of utility represents the perceived benefit or satisfaction derived from a physical product or an exchange (Smith, 1776; Samuelson, 1937). A customer will focus on maximising utility and will critically evaluate the level of satisfaction based on the opportunity cost associated with the purchase (Simon, 1955;

Table 1.1 Evolution of online retailing and relationship marketing

	<i>Increase in the maximisation of customer utility and satisfaction through the development of online retailing with enhanced technological competence</i>	<i>Develop trust and credibility through a virtual network to validate effective marketplace strategy</i>	<i>The maintenance of successful online retailing strategy based on informal virtual contracts and ethical practices</i>	<i>Moving forward with value co-creation by striking balance with customer privacy</i>
	<i>Pre-1990s</i>	<i>1990s–2000s</i>	<i>2000s–2010s</i>	<i>2010s–2020s</i>
<b>Theories</b>	Utility maximisation theory; resource-based theory	Commitment-trust theory; social network theory	Social contract theory; social exchange theory	Value co-creation; privacy calculus theory
<b>Relationship with the buyer</b>	Customer relationships are developed based on the ability of a product or a service to create the expected satisfaction and utility. The nature and the accuracy of information are crucial for generating customer satisfaction and maximisation of utility since the customer will re-evaluate the offer through an information-filtering process. The capability of the firm to develop a comprehensive internet strategy through technological advancement and effective allocation of resources are vital for success in the online market.	Customer relationships are established primarily based on trust and credibility. The online network should be used by a firm to simplify the interaction with the customer and build a long-term relationship. Transparency of providing information regarding the products and services and the clarity of the website is crucial for developing trust and online engagement with the customer. Higher customer knowledge and understanding of the online retail process will enhance the credibility of a firm.	Social exchange provides a bridge between the customer and the firm in creating effective online transactions. The relationship is built predominantly based on a social contract that operates as an informal foundation for online revenue generation. Mutual understanding is vital to reduce the uncertainty created due to the lack of physical engagement in an online market. Ethical behaviour is critical for a firm to maintain an effective long-term online relationship with customers.	The relationship between the producer and the customer has shifted from a tangible to an intangible exchange based on knowledge and interaction, where a customer is considered as a coproducer. The success of the relationship depends on the willingness of the customer to disclose personal information online. The interaction will ensure the development of mutual opportunities to both parties based on learning, risk minimisation, collaboration and cooperation through an online platform to create a greater performance.

<b>Evolution and revolution</b>	Evolution through rationality and overtime facing a crisis leading to a revolution of technophobia	Evolution through credibility and leading to a crisis of revolution based on insufficient authentication	Evolution through assurance and experiencing a crisis resulting in a revolution of privacy invasion	Evolution through synergy where continuous growth indicating a crisis leading to a revolution of psychological saturation
<b>Key trends and disruptions</b>	Quality of information, value chain, convenience, value for money, core competence, rational choice	Database marketing, trust, credibility of the firm, website quality, market space	Business ethics, reputation, invisible contract, mutual understanding, virtual relationships	Mutual opportunities, risk and return trade-off, disclosure, privacy, synergy, strategic alliance
<b>Key insights</b>	There is a higher emphasis on rational choice since the consumer focuses on maximising utility. The consumer decision-making process is complicated with information overload, and a higher emphasis is stipulated on information filtering. The level of utility is a dynamic function that changes over time and can directly influence the type of retail channel used by the customers. Firms should be able to satisfy the customers by providing comprehensive information through a well-designed website including value-adding services on products, services and delivery to establish a competitive advantage by considering information as a strategic resource.	A shift from the traditional market place to market space with a higher emphasis on the context compared with the content and infrastructure of the firm regarding the offer, where context is developed through a virtual network. Development of customer independence and power is crucial to build trust to ensure growth in online transactions. A firm should develop a customer database with information pertaining to customer needs, preference and demographics to provide a personalised service and create a sustainable online relationship with effective social interaction through a knowledge-driven network.	The informal and invisible contract is important to establish online transactions because the customer is unable to monitor, influence, verify or control the behaviour and action of the firm. The customer will only engage in an online purchase if there is a belief that the firm will honour the contract based on ethical principles and policies. The reputation of the firm is important to create a favourable response from the customers to interact online. The reliability of the website will justify the practice of moral principles and provide a guarantee for the customer regarding the obligation of the firm to deliver the promise.	Customer participation in co-creation will result in information sharing with other customers and as a result, enhance the reputation of a firm. The online channels will enable a firm to obtain direct information on customer experience. A firm can provide a personalised service shifting from mass market to mass customisation. However, disclosure of personal information online can lead to losing privacy and adverse consequences to the customers. Thus, personal information can be manipulated or sold to a third party. A firm should not obtain personal information from customers who demonstrate a very high vulnerability.

(Continued)