5.1 Objectives of the study
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This chapter is a summary of the research study. A recapitulation of the objectives of this research, the methodology, and the major findings of the study are provided. A discussion of managerial implications and the limitations of the study are also included in this chapter. Lastly, direction for future research is suggested.

5.1 Objectives of the study

Literature has shown relationship marketing as an emerging concept given the competitive scenario coupled with convergence of technology and communication. Relationship marketing has been established to impact bottom line positively by retaining customers. There is very less work done in literature on the role of relationship marketing in building customer loyalty through the manifestation of customer loyalty. Hence the main objective of this thesis was to describe and empirically test a comprehensive model of the role of relationship marketing in the manifestation of customer loyalty. Three specific objectives were studied to achieving the main objective. These were:

1) To model the manifestation of customer loyalty;
2) To examine the relationships between current practices, relationship practices and customer responses; and
3) To model the role of CRM in building customer loyalty.

The justification for each of the research objectives is as follows.
Why model manifestation of customer loyalty?
Studies have cited development of customer loyalty through attitudinal and behavioral stages. But no study has empirically tested the manifestation of customer loyalty across cognition, affect, conation and action stages. For the context of the main objective of this research it was required to test the manifestation of customer loyalty in the setting where the research study was conducted.

Why examine relationships between current marketing practices, relationship marketing practices and customer response?
In the context of this research, there emerged a need to understand the relationships between current practices, relationship practices and customer responses in this part of the country from where the sample was drawn. Statements like ‘Sixty percent of the CRM investments are failures’ (Crosby et al., 2000)’ have been haunting CRM Practices in the industry and such information could have an otherwise effect on acceptance of CRM practices. Research has shown that relationship marketing practices impact bottom line. Hence this objective was to cap the linkages between current marketing practices, relationship marketing practices and customer responses.

Why model role of CRM in building customer loyalty?
It is known that one of the main objectives of CRM is to retain customers. And it also stated that customer acquisition costs are much higher than customer retention costs. Retaining customers over a period of time without customer
loyalty is not profitable. Building loyalty through customer retention strategies makes profit sense. Hence the issue before the industry is how relationship marketing can help build loyalty and the issue in literature is how customer retention tool impacts customer loyalty. It is putative that customer loyalty positively impacts the company’s profits.

Methodology
To accomplish the objectives outlined above, the following methodology was adopted. A thorough review of relevant literature was undertaken to arrive at twenty seven hypotheses. These twenty seven proposed hypotheses were to be empirically tested. Churchill (1979) methodology was followed in arriving at the questionnaires. Three hypotheses were tested based on surveying business establishments across twelve sectors. Twenty four hypotheses were tested based on consumer samples across four sectors. A sample of hundred and one business establishments were drawn from the twin cities of Hubli and Dharwad in North Western part of Karnataka State in India. The business establishment survey yielded sixty six effective responses which is sixty five percent hit rate. In the consumer survey the number of effective responses was three hundred and thirty three of the total fourteen hundred questionnaires administered – twenty four percent hit rate. The multiple item scales used in the questionnaires (See Appendix) were subjected to reliability tests. Results indicated high reliability of the multiple item measures. These multiple item measures were also factor analyzed to ensure that they loaded on the right factor. Each of the conceptualized
comprehensive models is a simultaneous system of equations having latent constructs and multiple indicators. LISREL 8.5 version software was used for testing relationships in the proposed model. This required the construction of the measurement model to test the reliability and validity of the multiple item measures of the constructs. Structural equation model was proposed to specify the causal relationship among the latent variables. The choice to use LISREL was for the reason that the objective to predict manifestation of customer loyalty, examine relationships between current practices, relationship practices and customer response and model role of CRM in building customer loyalty was based on a number of constructs. All these proposed frameworks have measures that are conceptual and non accurate. LISREL accounts for the imperfections in the construct measures and consequently reduce bias.

5.2 Conclusions about each research objective and hypothesis

Each of the research objectives and the respective hypotheses are discussed this section.

5.2.1 Research objective 1: Manifestation of customer loyalty

\textit{ROI1H1: Cognition positively influences affect} \rightarrow \text{Full support} \rightarrow \text{Accepted}

This hypothesis supports that cognitive loyalty positively impacts affective loyalty. Efforts to build cognitive loyalty will manifest into affective loyalty, which a step closer to behavioral loyalty.
**R01H2: Cognition positively influences conation** → Full support → Accepted
This hypothesis supports that cognitive loyalty positively impacts conative loyalty directly. Efforts to build cognitive loyalty will manifest into conative loyalty as well. If the understanding and knowledge of the brand positively manifests itself in cognition stage, then the chances of translating that loyalty into positive intentions to buy is very high.

**R01H3: Cognition positively influences action** → Partial support → Rejected
This hypothesis does not support cognition’s direct positive impact on action. But indirect effects of cognition on action are evident with positive impact of cognition on affective and conative stages. This indicates that efforts of building cognitive loyalty alone will not suffice to realize action and action loyalty.

**R01H4: Affect positively influences conation** → Full support → Accepted
This hypothesis supports that affect positively contributes to manifestation of conation. Marketing efforts of inducing liking towards the brand will support preference and intention to buy.

**R01H5: Affect positively influences action** → Partial support → Rejected
This hypothesis does not support affect’s impact on action. Affect supports conation but cannot induce action by itself.
ROH6: *Conation positively influences action* → Partial support → Rejected

This hypothesis does not support conation's impact on action. Conation stage ideally must positively impact action stage. But for the indirect impact on action stage, there is no direct impact of the tri attitudinal stages on behavioral stage.

It can be interpreted that transactional marketing strategies do not seem to be strong enough to translate attitudinal loyalty to behavioral loyalty. This indicates existence of a need for a strategy more than transaction marketing that will provide the push from attitudinal stage to action stage. This also explains to some extent the reasoning of definitions of customer loyalty to contain only behavioral perspective till 1990s as mentioned in the literature review section in chapter 2. Though relationship marketing as a concept appeared in literature in 1980s, the boom of implementing relational strategies emerged with technological intervention that started in 1990s. Technological intervention has made it possible for organizations to practice relationship marketing in a cost effective manner. The question remains to answer if relational marketing strategies can thrust attitudinal loyalty as a propeller to behavioral loyalty.

The results from this objective anyway support the conceptual framework of Oliver (1999). Conation draws support from affect and cognition. Affect draws support from cognition. There is partial support of cognition, affect and conation on action. Cognition does significantly effect action indirectly. It is empirically evident now that attitudinal loyalty impacts behavioral loyalty. Customer loyalty
manifests itself across cognition, affect, conation and action (See ‘Figure 5.1: Path model for manifestation of customer loyalty’).

5.2.2 Research objective 2: Relationship between current marketing practices, relationship marketing practices and customer responses

*RO2H1: Current marketing practices positively influence relationship marketing practices* → Partial support → Rejected

This hypothesis does not fully support the influence of current marketing practices on relationship practices.

*RO2H2: Current marketing practices positively influence customer responses* → No support → Rejected

This hypothesis does not support the positive influence of current marketing practices on customer responses. There could be an indirect effect of current practices on customer responses.

*RO2H3: Relationship marketing practices positively influence customer responses* → Full support → Accepted

This hypothesis supports the positive influence of relationship practices on customer response. This shows that the business establishments in the research context were positively inclined to relationship marketing practices.
Apart from technical limitation which could have caused rejection of the model, the variances across twelve sectors could have led to the current result. All these sectors were reported to have followed some form of relationship marketing practices, the impact of these practices across could vary. Therefore, the hypotheses that show positive impact is accepted.

Relationship marketing practices have a significant direct effect on customer response. But current marketing practices might be having an indirect effect on customer response through their direct effect on relationship marketing practices. Traditional relationship marketing practices weaved into formalized systems of technology generate more results than just relying on technological components of CRM. Traditional CRM practices focus on retaining customers using social, financial and customization bonds.

5.2.3 Research objective 3: To study the role of relationship marketing in building customer loyalty

RO3H1: Financial bonds positively influence cognition → No support → Rejected

Financial bonds do not impact cognitive loyalty.

RO3H2: Financial bonds positively influence affect → Partial support → Rejected

Financial bonds do not fully influence affective loyalty.
**RO3H3: Financial bonds positively influence conation → Partial support →**

Rejected

Financial bonds do not fully influence conative loyalty.

**RO3H4: Financial bonds positively influence action → Partial support →**

Rejected

Financial bonds do not fully support action loyalty.

All the four hypotheses (RO3H1; RO3H2; RO3H3 & RO3H4) above indicate that financial bonds do not support formation of customer loyalty. There is absolutely no impact of financial bonds on cognition stage where as for affective, conative and action stages there is partial impact. This result might be specific for the choice of industries in this study – financial institutions, banks, telecom service and auto sector. All these services have dominance of credence and experience based consumption rather than search based consumption. This could be one of the reasons why financial bonds do not have any positive impact in the manifestation of customer loyalty in this study. This result also supports Neng Pai-Lin et al’s (2003) argument that consumers could perceive a higher risk when purchasing services comprising of more credence properties, because they are not confident of their ability to judge the value of the services. It is possible that consumers look to high price as a cue for high quality, and become lesser price sensitive.
**RO3H5: Social bonds positively influence cognition → Full support → Accepted**

This hypothesis supports that social bonds positively impact cognitive loyalty.

**RO3H6: Social bonds positively influence affect → Partial support → Rejected**

Social bonds do not impact affective loyalty.

**RO3H7: Social bonds positively influence conation → No support → Rejected**

Social bonds do not impact conative loyalty

**RO3H8: Social bonds positively influence action → No support → Rejected**

Social bonds do not have a direct impact on action loyalty.

The hypotheses RO3H6, RO3H7 and RO3H8, indicate no direct support from social bonds to affect, conation and action. But there is indirect effect of social bonds on affect which is reasonably significant and low scores on conation and action. RO3H5 indicates it is evident that social bonds can be used to develop cognitive loyalty.

**RO3H9: Customization bonds positively influence cognition → Full support → Accepted**

This hypothesis supports that customization bonds positively impact building loyalty at cognition stage.
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RO3H10: Customization bonds positively influence affect → Partial support → Rejected
This hypothesis does not support the positive impact of customization bonds on building loyalty on affect stage.

RO3H11: Customization bonds positively influence conation → Full support → Accepted
This hypothesis supports that customization bonds positively impact loyalty building at conative stage.

RO3H12: Customization bonds positively influence action → Partial support → Rejected
This hypothesis does not support the positive impact of customization bonds on building loyalty on action stage.

From RO3H9, RO3H10, RO3H11 and RO3H12, it is evident that customization bonds have a role in building attitudinal and behavioral loyalty.

RO3H13: Cognition positively influences affect → Full support → Accepted
This hypothesis supports that cognition stage positively contributes to manifestation of loyalty through affect stage.
RO3H14: Cognition positively influences conation → Full support → Accepted
This hypothesis supports that cognition stage positively contributes to manifestation of loyalty through conation stage.

RO3H15: Cognition positively influences action → No support → Rejected
This hypothesis does not support cognition stage's positive impact on action stage.

The results of the three hypotheses RO3H13, RO3H14 and RO3H15 are in line with the results of the hypothesis RO1H1, H2 and H3. (See 'Figure 5.3: Path model for role of CRM in building customer loyalty') The intervention of relational bonds on cognitive stage strengthens its positive impact on affect stage. For the sectors such as financial institutions, banks, telecom and auto sectors that display high credence and experience based buying behavior, employing relational bonds at cognition stage helps significantly in building loyalty through cognition to affect stage, given that presence of attitudinal loyalty is a necessary condition for behavioral loyalty to be actual ultimate customer loyalty.

RO3H16: Affect positively influences conation → Full support → Accepted
This hypothesis supports that affect positively impacts loyalty building at conation stage.
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RO3H17: Affect positively influences action \(\rightarrow\) No support \(\rightarrow\) Rejected

This hypothesis does not support the positive impact of affect in building loyalty on action stage.

RO3H16 and RO3H17 indicate that affect stage is not impacted by these relational bonds to directly trigger action loyalty. Indirectly through conative loyalty, affect stage does influence action loyalty.

RO3H18: Conation positively influences action \(\rightarrow\) Full support \(\rightarrow\) Accepted

This hypothesis supports that conation positively impacts loyalty building at action stage. This hypothesis when compared with RO1H6 that is rejected proves that relational marketing fits the need to carry the customer loyalty process from conation stage – attitudinal loyalty to action stage – behavioral loyalty. Customization bonds strongly impact manifestation of attitudinal loyalty to behavioral loyalty.

Cognition, affect and conation impact action with the intervention of customization bonds. Surprisingly there is little support from social bonds and financial bonds in the process of manifestation of customer loyalty. This is essentially because the product/service that was surveyed was from high involvement categories. From research objective 1, RO1H6 has partial support, where as RO3H18 has full support. This is a significant indication of the role of
CRM in the manifestation of customer loyalty. The path between attitudinal loyalty and behavioral loyalty is strengthened by using relationship practices.

Customization bonds and social bonds have significant direct effect on cognition. Financial bonds have significant effect on cognition stage. Customization bonds have significant direct and indirect effects on affect stage. Social bonds do not have significant direct effect on affect stage, but does have a significant indirect effect on affect stage. Again financial bonds have no significant effect on affect stage. Customization bonds have strong significant direct and indirect effects on conation stage. Social bonds have some significant indirect effect on conation stage. Financial bonds do not have any significant effect on this stage as well. In action stage both social bonds and financial bonds have no significant effect, whereas customization bonds have significant direct and indirect effects. (Refer to 'Table 4.2.10: Effect Decomposition among constructs for manifestation of customer loyalty'). It is empirically evident that attitudinal loyalty impacts behavioral loyalty (from research objective 1). Relationship marketing practices have a significant role in the manifestation of customer loyalty across cognition, affect, conation and action. (Refer to 'Table 4.4.12: Effect Decomposition for role of CRM in building customer loyalty' and 'Table 4.4.13: Structural equations for role of CRM in building customer loyalty').

In the service marketing and management literature, services were calibrated as being comprised of more search, experience and credence qualities depending on
the degree of information asymmetry (Stigler, 1961; Nelson, 1970). Search services are those in which the attributes can be known before consumption. Experience services are those that consumers can evaluate after some trial, and credence services are those that are difficult to evaluate even after some trial has occurred (Zeithaml, 1981). Ostrom and Iacobucci, (1995) proposed that consumer evaluations of service attributes are affected by three judgments, satisfaction, value and purchase intentions, as well as the contextual factors, experience and credence properties.

Personnel friendliness and customization are said to be important factors for the experience and credence service categories respectively and it is empirically proved in this study.

5.3 Conclusions about the research problem

Manifestation of customer loyalty

There is a worldwide trend toward loyalty marketing. Companies in most industries are studying, evaluating or implementing loyalty strategies and programs aimed at cultivating strong relationships with their best customers. In this thesis, a foundation for structuring various approaches to customer loyalty strategies is evolved. Ultimately the contribution is a consistent framework for developing a loyalty strategy and program.
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The tri-component attitude model which constitutes the three attitudinal loyalty stages and action stage i.e. behavioral loyalty gives a complete picture of loyalty manifestation. The variables impacting loyalty building might be many more - micro issues and macro issues, but the process of manifestation of loyalty follows a pattern that goes through cognitive loyalty, followed by affective loyalty and conative loyalty and finally reaches action loyalty which is ultimate loyalty since
it is supported by emotional/psychological/attitudinal component of loyalty and not merely repeat purchase. (See ‘Figure 5.1: Path model for manifestation of customer loyalty’). In a context where relationship practices cannot be employed this study does not provide for a direct link between attitudinal loyalty and behavioral loyalty. So this calls for judgment on how much to invest in loyalty building at the respective stages. It then makes sense to focus on behavioral loyalty.

Finally this research objective has outlined the manifestation of customer loyalty in the surveyed sectors. The methodology can be employed to research other sectors for their pattern of manifestation of customer loyalty.

**Relationships between current practices, relationship marketing practices and customer responses**

This research objective has investigated the relationship between current marketing practices, relationship practices and customer responses. This research provides a systematic outline of the different relationship practices followed by companies (see the set of relationship practices as mentioned in the methodology chapter in operationalizing of variables and certain other descriptive statistics of relationship practices in business establishments). Thus, a company could use some of these identified relationship practices to be successful, and an evaluation of the activities can provide a means for comparing their level of implementation with that of competitors and other industries. The results of the hypotheses suggests that there are returns by investing in the implementation of relationship

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marketing processes. The findings from this objective suggest implementation of relationship practices will lead to the desired effect. (See 'Figure 5.3: Path model for relationship between current marketing practices, relationship practices and customer responses').

Therefore, managers need to evaluate the contributions of relationship practices and make necessary investments. Research carried out for this objective has shown positive indicators of relationship marketing such as maintaining customer database, computerizing of data, segmenting/classifying customers for relationship practices, using IT for practicing CRM. Of the total sixty six effective
respondents fifty five of them maintained customer data base, thirty nine of them maintained the database on the computer, forty one of them utilized database in the computer for relationship building and twenty eight of them classified the customers.

**Role of relationship marketing in building customer loyalty**

The results from this research objective support the studies that have revealed that customers in service industries are realizing the benefits of entering into relationships. The results also indicate that the nurturing of relationships using relational bonds lead to loyal customers. See 'Figure 5.3: Path model for role of CRM in building customer loyalty'. Based on type of business, customer relationships can by initiated using one or more types of relational bonds. Customers that have developed a long-term relationship with a service provider could get social, financial and customization benefits than other customers. Therefore relationship performance has a definite role in building customer loyalty. In this research study across financial institution, bank, telecom and auto sectors, it is observed that a strong, direct, and a positive impact existed between social bonds and cognition stage; customization bonds and conation stage; and conation stage and action stage with intervention of relational bonds. This methodology could be employed across other sectors to arrive at the impact of relational performance and invest at various stages accordingly.
5.4 Contributions of the study

Empirically tested models of manifestation of customer loyalty and role of CRM in building customer loyalty (See ‘Figure 5.1: Path model for manifestation of customer loyalty’, and ‘Figure 5.3: Path model for role of CRM in building customer loyalty’) are contributions to literature. This study has empirically tested
the manifestation of customer loyalty through cognition, affect, conation and action stages with observed direct and indirect linkages as explained in the conclusions about each hypotheses earlier in this chapter. This contribution to literature plugs the gap that existed in the literature. This study contributes to literature the manifestation of customer loyalty across the stages of attitudinal development and action in the context of transactional marketing practices. The study also presents the role of relationship marketing practices – relational bonds in the manifestation of customer loyalty stages. A very significant contribution is the role of social bonds positively impacting loyalty development at cognition stage and the role of customization bonds positively impacting loyalty development from an attitudinal stage– conation to action stage. The results are with respect to the four sectors which were covered in this study. The study also contributes the tools and methodology to carry out such a study across other sectors.

5.5 Managerial implications

The focus of relationship marketing on establishing and enhancing a long-term, mutually beneficial relationship between the consumer and the marketer is supported by the results of this research. The role of relationship marketing in manifestation of customer loyalty across attitudinal and behavioral loyalty can be used to weave CRM practices and customer loyalty programs. Such relationship practices will ensure that the marketer is oriented toward customer retention and the development of a unique relationship with each individual customer,
involving the customer in the design, development, and marketing processes of the company. Consequently, relationship marketing is likely to make marketing practices more effective because, on the one hand, the individual consumer's needs are better addressed, and, on the other, consumer involvement in the development of marketing processes and practices leads to greater consumer commitment to the marketer's programs.

Relationship marketing practices in consumer markets will grow in the future. Consumers have always been interested in relationships (that are non intrusive) with marketers. Marketer-initiated approaches to relationship marketing will become more prevalent and their frequency will rise sharply. Technological advances are making it possible and affordable for marketers to engage in and maintain relationships with customers. Marketers now have both the willingness and ability to engage in relationship marketing. The willingness has come from enlightened self-interest and the understanding that customer retention is economically more advantageous than constantly seeking new customers. The ability to engage in relationship marketing has developed primarily because of technological advances that are facilitating the process of engaging in and managing relationships with individual customers. The results of this study will help strategize relationship marketing to ensure attitudinal loyalty and not just behavioral loyalty. Loyalty marketing has been a popular topic among marketers. The Direct Marketing Association, the world's largest and foremost organization for direct marketing professionals, reports that the most heavily attended sessions
at their annual conference and exhibition in 1997 were those sessions described as customer relationship management (Duffy, 1998). Marketers are searching for insight, solutions, examples and guidance. The problems they seek to solve are all the same: improve customer retention and maximize share of customer. The results of the study can be extended to service markets with credence and experience based consumer buying. Companies can be guided on investing in relational bonds to build loyalty through attitudinal stages to behavioral stage.

5.6 Limitations of the study

This work attempts to contribute to the conceptual body of knowledge through a survey-based research done for twelve sectors across services and products. Behavioral and attitudinal theories on Customer loyalty and CRM have been extremely vulnerable to contradictions despite the barrage of authentic research contributions that exist. The current research boundaries its findings based on the twelve sectors chosen for survey. This study does not address sector specific findings. It is restricted to customers using those services and products as outlined in chapter 3. This study has not taken out account purchase data. A study incorporating longitudinal purchase data can be carried out for more specific results. The sample size for studying impact of relationship practices was restricted to twin cities in the north western part of Karnataka, India and hence the sample size across the outlined sectors were not substantial. If more cities are covered, a larger sample size is future scope of study.
5.7 Directions for future research

This research could be extended to wider number of sectors for generalization or sector specific observations.

Structural bonds were not included in the relationship practices of consumer survey. A study on impact of structural bonds in manifestation of attitudinal loyalty and behavioral loyalty can be extended to sectors that employ structural bonds.

This research has empirically established role of CRM in attitudinal loyalty and qualitatively the manifestation of attitudinal loyalty into behavioral loyalty. A study with longitudinal data of recency, frequency and monetary value could be collected and attitudinal loyalty collated with quantified behavioral loyalty.

For the research on relationship practices in consumer markets a larger sample can be accessed by covering more cities.

Any management theory is provisional, in the sense that it is a hypothesis. No matter how many times the results of the experiments agree with some theory, you can never be sure that the next time the result will not contradict theory. On the other hand, you can disprove a theory by finding even a single observation that disagrees with the predictions of the theory. As philosopher of science Karl Popper has emphasized, a good theory is characterized by the fact that it makes a number of predictions and that could in principle be disproved or falsified by observation. Each time new experiments are observed to agree with the predictions the theory survives, and our confidence in it is increased; but if ever a new observation is found to disagree, we have to abandon or modify the theory. In
practice, what often happens is that a new theory is devised that is really an extension of the previous theory. So there is scope to replicate this exercise for results in the same context and in different contexts.