The factors contributing to effective relationship management within the banking sector

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ABSTRACT

Four major players, touted as the *Big 4*, dominate the banking industry in Australia. The National Australia Bank (NAB), Commonwealth Bank of Australia (CBA), Westpac Banking Corporation (WBC) and Australia and New Zealand Banking Group (ANZ) dominate the Australian banking industry. However, their products and services are not largely dissimilar. Therefore it is imperative that they differentiate themselves via their service propositions.

Paradoxically however, banks seem to be opting for service models that aim to reduce banker–customer face-to-face interactions so as to free bankers up for new business acquisition. While this is an important activity that banks need to engage in, care needs to be taken not to alienate existing customers in the process.

This thesis examines the relationship between the bank, its relationship manager and the end customer, and studies the dynamics within this relationship and the main factors contributing to the success of the said relationship which is critical to business success.

Three research questions posed are linked to ten hypotheses that aim to understand the statistical relationships between the proposed constructs as well as respondents' perceptions of the issues.

The conceptual framework developed for the purpose of this study illustrates the proposed relationships between the constructs identified as contributing to a long-term value-adding relationship from the dual perspectives of relationship managers and customers. This thesis has identified and adapted several constructs from the extant literature. This research added to the existing theory concerning these constructs which was drawn from the following:

- *Total Trust* – as previously studied by Doney, Barry and Abratt (2007), Ganesan and Hess (1997), Heffernan, O'Neill, Travaglione and Droulers (2008), Lemmink and Mattsson (2002), Mayer, Davis and Schoorman (1995), Ratnasingam (2005) and Sako (1992);
- *Quality Relationship* – as previously reviewed by Athanasopoulou (2009);

- *Sustainability* – as previously researched by Narayandas and Rangan (2004) and Reddy and Czepiel (1999);

- *Crucial Stages* – as conceptualised by Dwyer, Schurr and Oh (1987) and later studied by Andersen (2001), Hsieh, Chiu and Hsu (2008), Jap and Ganesan (2000) and Wong (1998);

- *Identification of Value Accounts* – as previously studied by Gosselin and Bauwen (2006), Gosselin and Heene (2005), McDonald, Millman and Rogers (1997), Millman and Wilson (1995), Napolitano (1997), Ojasalo (2001), Pels (1992) and Wengler, Ehret and Saab (2006);

- *Co-Creation of Value* – as previously studied by Payne, Storbacka and Frow (2008), Prahalad and Ramaswamy (2000, 2004); and

- *Long-term Value-adding Relationship* – as previously studied by de Chernatony, Harris and Dall'Olmo Riley (2000), Eggert, Ulaga and Schultz (2006), Grönroos (1997) and Ravald and Grönroos (1996).

Specifically, this thesis has not only confirmed the relevance of the three dimension construct of *total trust* in a banking context, but has also identified a potentially new phase in the relationship life cycle (*recovery*) which has not yet been recognised. This research proposes that the *recovery* phase is a valid and important stage that needs further understanding as it could potentially assist in the mending of deteriorating relationships. Furthermore, this thesis adds to the under researched topic of *co-creation of value* between bankers and their clients and calls for further research dedicated to this issue.

The research methodology employed was a quantitative one. A questionnaire was designed for both respondent groups, first, the Bank's relationship managers, and second, the Bank's business-banking customers. The results of the survey were analysed via correlations, and regressions. The reliabilities of the measurement scales were confirmed using Cronbach's Alpha scores.

The results of the study confirmed that the factors contributing to effective relationship management were total trust, enjoying a quality relationship, being vigilant through the crucial stages of the relationship and ensuring that the bank is investing in the right customers. It was found that these factors then led to both the sustainability of the relationship as well as the co-creation of value for the relationship participants which was then likely to result in a long-term value-adding relationship.

The study makes significant academic contributions to the existing literature, particularly within relationship marketing, emotional intelligence, value and the co-creation of it, trust, satisfaction and commitment theories.

Furthermore, this thesis provides a crucial and substantial practical contribution to banks, financial institutions and financial services firms as it provides them with an insight into customer long-term relationship orientation considerations. It also provides bank customers with an insight into the value considerations a bank/banker makes when assessing their customers' value to their portfolio.

DECLARATION

I, Luay Khreish, declare that the Doctor of Philosophy thesis entitled *The factors contributing to effective relationship management within the banking sector* is no more than 100,000 words in length, including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously in whole or in part, for the award of any academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

L Khreish
Melbourne, 2014

إلى الأحِبّاءْ ألوالِديْن عاطِف وَحنان خريش، زَوجَتي

ألغالِيَه سيتا وَأطفالي عاطِف وياسمين خريش

وَلِلذِكْرى ألطَيِّبَه لجدّي سَعيد خريش

(أبوُ عاطِف) وَنِمْر بِشارَة (أبوُ عِيسى)

بأخْلاص وَمَحبَّه

لُؤَي خريش

For my parents, Atif and Hanan,

wife, Seta, children, Atif and Yasmeen,

and my dearly departed grandfathers,

Said Khreish (Abu Atif) and Nimer Bishara (Abu Issa).

With love.

شكر وتقدير

... واما منتظرو الرب يجددون قوه، يرفعون اجنحه كالنسور، يركضون ولا يتعبون، يمشون ولايعيون – أشعياء 40:31.

تُتوّج هذه الأطروحة رحلة شخصية امتدت على أكثر من نصف عقد من الزمن.تُمهدهذه الرحله ايضاً الطريق امام رحلة أخرى وُجهتها ما زالت تكتب على يد الزمن. ما يمكن تحديده بالتاكيد هو أنه لم يكن من الممكن إنجاز هذا البحث من دون مساعدة بعض الأفراد الرئيسيين.

أود أن أشكر أفراد عائلتي الذين أكرس لهم هذه الأطروحة.

الى والدي وأفضل صديق لي أبو لؤي الذي اعطاني الإلهام والتحفيز. لقد كنت دائما وستظل دائما كذلك.لقد قدمت الكثير من التضحيات لإعطاء عائلتنا حياة أفضل، أبرزها قرارك بالاستقرار في هذا البلد العظيم (أستراليا)، والذي كان مصدر إلهامي وإصراري على تقديم أفضل ما أستطيع لعائلتنا.

الى والدتي، إم لؤي، كنت لي وما زلتي المربيه والمساندة. بفضلك أؤمن بالله الذي معه لا يحتاج الانسان إلى مصدر أكبر من الأمل والشجاعة. أدعو الله أن أكون قادراً على تمرير روح الرأفة لعائلتي كما فعلتي انت لعائلتنا.

الى زوجتي الجميله واقرب الناس وحامله اسراري سيتا. اشكرك على صبرك خلال هذه الفترة من الدراسة التي كان ضحيتها وقت اسرتنا الثمين. أشكرك على حبك ودعمك ومنحي اجمل هدية الا وهي ابوة طفلينا عاطف و ياسمين.

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> … But they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint – Isaiah 40:31.

This thesis marks the zenith of a personal journey that has spanned more than half a decade. It paves the road to yet another journey to be embarked upon, the destination to which is still being written by the hand of time. What can be determined is that without the assistance of some key individuals, this research could not have been accomplished.

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To my mother, Im Luay, you are my nurturer and my comforter. Because of you I know who God is and one needs no greater source of hope and courage. I pray that I may be able to pass your compassionate spirit to my family as you have done unto our family.

To my beautiful wife Seta, you are my confidant. Thank you for your patience during this period of study for which I have had to sacrifice our precious family time. Thank you for your love and support and for granting me the gift of fatherhood through our children.

Atif and Yasmeen, I hope you will take from this, that whatever you apply yourself to you will succeed in, for success is not determined by whether you pass or fail, but by completing whatever it is that you set out to do and learning from the experience. You come from a long line of strong-willed individuals, use this to your advantage and harness it towards determination and courage.

Finally, to my dearly departed grandfathers Abu Atif and Abu Issa. I thank you both for instilling the value of education and thirst for knowledge into my parents. For without these values I would not have achieved what I have to date. We remember you in happiness and in the values and morals you have instilled in us.

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LIST OF ABBREVIATIONS

ACT	Australian Capital Territory
ANZ	Australia and New Zealand Banking Group
AUD	Australian Dollar
Big 4	Refers to the four largest banks in Australia in terms of market share, these being ANZ, CBA, NAB and WBC
CBA	Commonwealth Bank of Australia
CRM	Customer Relationship Management
EI	Emotional Intelligence
IT	Information Technology
KAM	Key Account Management
MBTI	Myers–Briggs Type Inventory
MSCEIT	Mayer–Salovey–Caruso Emotional Intelligence Test
NAB	National Australia Bank
NAM	National Account Marketing
NSW	New South Wales
QLD	Queensland
RM	Relationship Marketing/Relationship Management
SA	South Australia
SAM	Strategic Account Management
SME	Small to Medium Enterprise
SPSS	Statistical Package for the Social Sciences
TAFE	Technical and Further Education
TAS	Tasmania
TBL	Total Business Limits
VAM	Value Account Management
VIC	Victoria
WA	Western Australia
WBC	Westpac Banking Corporation

CHAPTER ONE
INTRODUCTION TO THE STUDY

1.1 Background

This study firstly, and most importantly, investigates the relationship dyad between a business-banking relationship manager and its customers in an Australian business-banking context. Secondly, the relationship between the bank and its customers is considered at the same time. The relationship dynamics, including trust, relationship quality and stages of the relationship life cycle, forms the central focus of this research.

The study is of academic as well as practical business significance. From an academic perspective, it adds to the relationship marketing literature particularly from an Australian and banking perspective. From a business perspective, this study offers strategies for best practice and the potential for stronger customer relationships, increased market share, an enhanced brand through a more favourable market perception stemming from the strong customer relationships, and the subsequent increased profitability of those relationships.

1.2 The Aims and Objectives of the Thesis

1.2.1 Aim of the Thesis

The aim of this research is to provide a deeper understanding of the relationship dynamics between the relationship manager/customer dyad as well as the bank/customer relationship within an Australian business-banking context. The research investigates the main contributors to relationship success and the various stages of the relationship life cycle from the first stage of the relationship with the client through to the mature stages of the developed long-term value-adding relationship (the end goal).

1.2.2 Research Objectives

The main objective of this research is to ultimately enhance the relationship between a business-banking customer and their relationship manager as well as the customer and the bank. That is to say, not only enhancing the interpersonal relationship but also the organisational relationship, so that when the banker inevitably moves on, the disruption to the relationship between the customer and the bank is minimised through relationship marketing/management best practice as presented in this thesis.

This study enhances practices in relationship marketing/management thus having a favourable impact on the Bank in terms of potentially attracting more new customers and maximising key customer retention and therefore increasing market share and subsequently bottom-line performance.

1.3 Summary of the Main Themes

This study centres on trust and its several antecedents/dimensions. This is because it has been found that loyalty is attached to the trustworthiness of a bank and the quality of a relationship with the same (Ndubisi, Chan & Ndubisi 2007). Secondly, what defines a quality relationship has been scrutinised in order to reinforce the findings emanating from this research and to tie in trust with relationship quality in the hope of achieving the sustainability of the customer relationship.

The identification and acknowledgement of the current phase of the relationship life cycle the relationship is currently in, and being able to determine the appropriate course of action for the particular stage identified, is the next area of focus. New-to-bank customers expect a different level of service to customers whom have been utilising the services of a particular bank/organisation for an extended period of time. They each have expectations as to the varying levels of interdependence each party to the relationship experiences through each phase of the relationship and thus, each phase of the relationship life cycle needs to be approached in the appropriate way.

Understandably, the correct investments are to be made into the appropriate relationships. In that, the key accounts from each portfolio need to be identified in order to go to the extent of determining the correct strategies for the current relationship phase, and therefore add value to the relationship in order to achieve the longevity of the relationship, and its value-add for as long as possible.

1.4 Contribution to Knowledge and Statement of Significance

Four major banks currently dominate the Australian banking industry, National Australia Bank (NAB), Commonwealth Bank of Australia (CBA), Westpac Banking Corporation (WBC) and the Australia and New Zealand Banking Group (ANZ) known collectively as the *Big 4*. The offerings of the Big 4 are largely generic differing mainly in their technology platforms and customer service propositions (which in themselves are largely reminiscent of each others'), and credit appetite.

That is why it is important for the Big 4 to differentiate themselves from each other in any meaningful way possible. The operative word here being meaningful as superficial differences quickly lose their lustre and are forgotten quicker than it took to develop them. This is why focus needs to be centred on relationship centric strategic differences/advantages, as these work to retain the one thing that keeps these banks in business – their customers.

1.4.1 Field of Interest

The field of interest from an academic perspective is relationship marketing, particularly the relationship between trust, relationship quality, stages within a relationship, key account management and the longevity of a relationship.

From a business perspective, the field of interest lies within the Australian banking industry and within commercial-banking in particular. However, it extends to financial services in general and extends to most industries where buyer-seller relationships are concerned.

1.4.2 The Gaps Within the Extant Literature

This study has identified gaps within the extant literature whereby in general terms the existing theory is mainly focussed on the customer's perspective on trust, satisfaction and commitment, whereas this study aims to also understand the bank/banker's perspective.

A further gap has been highlighted in that the interpersonal relationship is the general point of interest that is to say the relationship between people. However, this study also looks at the organisational level relationship, that is the relationship between the customer and the organisation (in this case the bank).

The theory on relationship life cycle stages is quite extensive and well established, however, a gap was identified in that, there was not a stage describing a recovery type phase whereby a damaged relationship can be mended and recovered. This thesis introduces such a phase to the theory and paves the way for further discussion on this topic.

Further gaps within the existing literature were found in the key account management and co-creation of value theory, particularly within a business-banking context. This thesis aims to fill these gaps and add to the theory and discourse of these concepts.

1.4.3 Research Questions

The identification of the gaps within previous research gave rise to the following research questions, which are addressed further in Chapter Four.

1. What are the factors contributing to effective relationship management within the banking sector?

2. What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

3. How are key relationships identified, nurtured, enhanced and retained?

1.4.4 Hypotheses

Hypotheses were then formulated in order to measure the above research questions and are discussed in more detail within Chapter Four:

H_1 Benevolence, Competence and Integrity as displayed by the relationship manager are positively related to Total Trust (from the customer's point of view).

H_{1A} Competence and Integrity as displayed by the customer constitute Total Trust (from the relationship manager's point of view).

H_{1B} Emotional Intelligence (from the customer's perspective) is a critical element of Benevolence Trust and has a positive relationship with Long-term Value-adding Relationships.

H_{1C} Emotional Intelligence (from the relationship manager's perspective) is a critical element of Total Trust and has a positive relationship with Sustainability and Long-term Value-adding Relationships.

H_2 Commitment, Satisfaction and Trust as exhibited by both the customer and the relationship manager in mutuality are positively related to a Quality Relationship.

H_3 Total Trust and a Quality Relationship are positively related to the Sustainability of the relationship.

H_4 Responding appropriately to customer needs at the different stages in the relationship life cycle and identifying the Value Accounts are positively related to Co-Creation of Value.

H_5 Sustainability of the relationship and Co-Creation of Value are positively related to a Long-term Value-adding Relationship.

H_6 The Stages in the Relationship Life Cycle are Exploration, Expansion, Maturity, Dissolution and Recovery; where a dissolving relationship can be recovered; it does not necessarily lead to complete dissolution of the relationship.

H_7 The Identification of Value Accounts and subsequent Value Account Management strategy is positively related to Long-term Value-adding Relationship.

1.4.5 Contribution to Knowledge (Academic Contribution)

Per prominent relationship marketing researcher Grönroos (2004), *relationship marketing* is concerned with identifying, establishing, maintaining, enhancing relationships and when necessary, also terminating relationships with customers (Hawke & Heffernan 2006; Helm, Rolfes & Günter 2006; Kandampully & Duddy 1999) as "there are occasions when on-going relationships could be questioned, re-evaluated and, in some cases, dissolved" (Osarenkhoe & Bennani 2007, p. 148). The same could be said about relationship management. This is a related concept/strategy within the larger subject of relationship marketing which is similarly concerned with the initiation, maintenance and termination of relationships (Reinartz, Krafft & Hoyer 2004). For the purposes of this research, the two terms are used synonymously and referred to henceforth as RM.

Previous research has identified the elements of a quality relationship in various contexts such as banking and finance (Ndubisi et al. 2007; Nielsen, Terry & Trayler 1998), during different phases of development (Andersen 2001; Wong 1998) and at the relationship termination stage (Helm et al. 2006). However, there is no framework that integrates the various streams of research to explain how each of the variables impact relationship longevity. This research fills the gap by proposing a model of the various RM variables and their correlation to relationship longevity.

This research focuses on the questions presented in section 1.4.3, opposite, in order to further contribute and extend the knowledge around this topic. Further research along these parameters would help fill the gaps within extant literature as discovered and discussed in the literature review.

1.4.6 Statement of Significance (Practical Contribution)

This research extends the knowledge of how RM aids in identifying and pursuing potentially productive relationships and how to sustain these relationships over the long term while maximising a bank's market share.

This knowledge is important for most organisations in most industries because effective RM results in continued patronage (Verhoef 2003) and increased investment (Madill, Haines & Riding 2007). Conversely, poor RM more than likely results in increased incidences of business lost to competitors. In this context the proposed research is important for clarifying the effects of relationship management and consequences for business success especially within the banking sector given the dominance of the major four banks in terms of Total Gross Loans and Advances, that is CBA AUD 453,662 million (approximately 24.7% market-share), WBC AUD 409,784 million (approximately 22.3% market-share), NAB AUD 346,426 million (approximately 18.9% market-share) and ANZ AUD 296,530 million (approximately 16.2% market-share). For the purposes of this thesis, gross loans and advances are deemed to be gross of provisions and do not include intra-group loans and advances per Australian Prudential Regulation Authority (2013).

According to the above statistics, the Big 4 collectively control approximately 82.1 per cent of the total gross loans and advances market (total gross loans and advances of all banks equals AUD 1,834,430 million – it is acknowledged that these statistics include all loan types and not just business-banking/commercial loan types, however these statistics are presented in order to give context as to the dominance of the Big 4 in the Australian banking landscape – statistics as at 30 April 2013) and all are vying to be the market leader against competitors which have very similar products. Therefore the enhancement of RM practices will provide the edge over one's competitors in such a lowly product-differentiated competitive market.

Although this research is being conducted within the banking sector, its benefits will extend beyond this particular industry since RM principles are transferable across most industries and sectors.

This research will benefit both RM and the related areas of account management and business development where business-to-customer/business-to-business relations are important.

1.5 Scope of the Study

While this study predominantly researches the literature within the relationship marketing discipline, it also draws upon literature from psychology as the two disciplines appear to complement each other, in that the RM literature suggests for example that trust appears to be closely related to the duration of a relationship (Bejou, Ennew & Palmer 1998). However, the psychology literature gives us more insight into the reasons why this may be the case by studying the human behaviour behind the theory.

1.6 Reasons for the Research

The looming threat of ever more aggressive competitors means that a bank cannot afford to be blasé about its client relationships, especially in the case of clients who are of high value to the organisation. This is due to the fact that there are so many competitors who offer the same or similar products and are willing to match or even undercut prices in order to win over their prospective customers.

The need for superior RM and relationship managers is pivotal to business-banking. This need arises due to the seemingly generic nature of the market and the need to differentiate from the competition. It also arises due to the sometimes seemingly low customer satisfaction levels of the Big 4 Australian banks and thus extra effort is required to build and maintain relationships with clients.

In recent times banks have shifted their culture from customer focus (maintaining existing relationships) to a more sales-based focus (new customer acquisition) in order to increase market share. What this inevitably means is that as focus gets shifted away from customer relationship maintenance, this leaves the door open for competitors to poach dissatisfied customers more freely or for customers, who were used to a certain level and standard of relationship, to start looking elsewhere of their own volition for a better relationship/service proposition.

What is needed is a balance of good customer relationship management as well as effective new customer acquisition strategies so as not to alienate existing customers at the expense of the relentless acquisition of new customers. Strategies for both customer relationship maintenance and relentless acquisition of new customers can coexist. However, customer expectations, needs and relationship dynamics need to first be understood and an effective service model needs to then be formulated which allows for both relationship management and further increased levels of business development.

1.7 Presentation of the Thesis

This section outlines the presentation of the thesis as follows:

Chapter One	Introduction to the study – provides a background and sets out the aims and objectives of the study.
Chapter Two	Literature review – reviews the extant literature on the area of research at hand and then details the gaps within the same.
Chapter Three	Context – puts the study into context in terms of the case study at hand, that is the bank being utilised as the case study.
Chapter Four	Conceptual framework – presents the conceptual model relevant to the study and explains each construct in detail.
Chapter Five	Methodology – explains the way in which the research has been conducted and the methods employed in order to attain then interpret the results.
Chapter Six	Results – provides a summary of the results of the research.
Chapter Seven	Discussion – interprets the results presented within the preceding chapter and presents their implications both to academia and industry.
Chapter Eight	Conclusion and recommendations – provides a summary to the thesis, highlighting its strengths and weaknesses and also provides recommendations to academia in the form of suggestions for future research and to industry in the form of strategic suggestions based on the findings emanating from the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter attempts to review the literature concerning relationship marketing. It also seeks to identify the factors contributing to effective relationship management within the banking sector as well as highlighting the gaps within the reviewed literature.

2.2 Relationship Marketing

Arndt (1979) observed a tendency for business to be undertaken on the basis of long-term relationships. He concluded that "both business markets and consumer markets benefit from attention to conditions that foster relational bonds leading to reliable repeat business" (Grönroos 2004, p. 99).

Relationship marketing has been credited as being a vital tool in increasing an organisation's strategic competitive advantage in obtaining customers; retaining them and creating repeat purchases and referrals (Grönroos 2004; Hawke & Heffernan 2006; Lam & Burton 2006; Yau, McFetridge, Chow, Lee, Sin & Tse 2000). Nielsen et al. (1998) discovered that the most important criterion (within their study) for bank selection was "that the bank has the ability to provide a long-term business relationship" (p. 257).

Relationship marketing/management basically includes establishing, nurturing, sustaining and enhancing client relationships in order to maximise the profit and market share of the organisation (Hawke & Heffernan 2006; Helm et al. 2006; Kandampully & Duddy 1999). More recently, Frow and Payne (2009) have presented their own definition for RM consolidating three schools of thought on RM, that is the *Anglo-Australian, Nordic* and *North American*:

> Relationship marketing is the strategic management of relationships with all relevant stakeholders in order to achieve long-term shareholder value. Critical tasks include the identification of relevant relational forms for different stakeholders and the segments and sub groups within them and the optimal management of interactions within these stakeholder networks (p. 9).

Marketing studies have theorised a number of key underpinnings of RM one of which is trust (Ndubisi et al. 2007). Ndubisi et al. (2007) found that the respondents to their study "anchor loyalty to the trustworthiness of the bank and the quality of the relationship between them and the bank" (p. 230). Clearly, this emphasises the significance of trust in the RM context and as such will be investigated further herewith.

2.3 Trust

In the realm of relationship marketing, trust is described as being a vital factor in developing, maintaining, enhancing and retaining relationships between trading partners (Bejou et al. 1998; Coulter & Coulter 2002; Doney, Barry & Abratt 2007; Mouzas, Henneberg & Naudé 2007; Selnes 1998), particularly in the financial services sector due to the complicated nature of many of the products available (Bejou et al. 1998). Zineldin (1995) found that a high level of trust was the most important factor, for the respondents in his study, in choosing their main bank. Accordingly, Bejou et al. (1998) found a positive correlation between trust in a banking relationship and customer satisfaction.

This literature review has extracted the several types of trust prevalent in the extant literature, which encapsulates the respective authors' definitions of *total* trust (see Table 2.1).

Table 2.1 Compositions of total trust

Researcher(s) by year of publication	Trust constructs
Sako (1992)	competence, contractual, goodwill
Mayer, Davis and Schoorman (1995)	ability, benevolence, integrity
Ganesan and Hess (1997)	benevolence, credibility
Lemmink and Mattsson (2002)	benevolence, honesty
Doney, Barry and Abratt (2007)	benevolence, credibility
Ratnasingam (2005)	competence, goodwill, predictability
Heffernan, O'Neill, Travaglione and Droulers (2008)	dependability, expectations, knowledge

Sako (1992) identified three types of trust: *contractual trust, competence trust* and *goodwill trust.* In a banking context, *goodwill trust* would suggest that the bank can act on behalf of its customer in the absence of detailed instructions (Seal 1998).

Mayer, Davis and Schoorman (1995) posed a three level conceptualisation of trust: *ability, benevolence* and *integrity.*

Ganesan and Hess (1997) pose a two level conceptualisation of trust, that is trust at the *interpersonal* level and trust at the *organisational* level. They also pose two dimensions of trust: *credibility* and *benevolence*. In their paper, they studied the relationship between buyers from department store chains and their sellers. From this they posit that there are four different exchange partners within the buyer-seller relationship: the buying organisation, its representative (the buyer), the vendor organisation, and its representative (the sales-rep).

However, in a business-banking context there are predominantly only three distinct entities as the customers are generally individuals and not large organisations, thus the entities are: the customer, the relationship manager (the bank's representative) and the bank. With this in mind, Ganesan's and Hess' (1997) paper is still deemed relevant to this research, in that interpersonal trust and organisational trust are both experienced between the customer and relationship manager (interpersonal) and customer and bank (organisational). Also the paper poses some important implications for relationship commitment which would be of benefit to banks, in that banks should train their relationship managers to exhibit superior job performance and empower them to be able to use their discretion and judgment where necessary as this will enhance credibility and help engender trust in the relationship manager.

Lemmink and Mattsson (2002) state that in the realm of social psychology there is a consensus that there are two essential elements of trust: *honesty* and *benevolence.* Similarly, Doney et al. (2007) state that a consensus has emerged in the realm of marketing, that trust has two essential components: *credibility* and *benevolence*. Ratnasingam (2005) identified three dimensions for *relationship trust* including: c*ompetence trust, predictability trust* and *goodwill trust.*

Relationship trust was found to "support a positive relationship evidenced in cooperation, positive tone, information sharing, satisfaction, increased reputation, and commitment leading to relationship continuity" (Ratnasingam 2005, p. 6).

Heffernan, O'Neill, Travaglione and Droulers (2008) identified a three-factor solution, which encapsulates total trust specifically in a banking context: *dependability trust, knowledge trust* and e*xpectations trust.* Through the examination of the three-factor trust solution the authors found that total trust, as defined above, will positively influence the financial performance of a relationship manager in a business-banking context. Table 2.2, opposite, lists the various trust constructs and their descriptions.

Evidently, trust has been found to positively affect the financial performance of relationship managers in a business-banking context, relationship quality, customer satisfaction and customer loyalty. "By building trust and quality relationship, banks are able to keep loyal customers" (Ndubisi et al. 2007, p. 233) which implies that trust may also positively affect the length of relationships. In fact, Coulter and Coulter (2002) establish that "trust is a key factor in establishing long-term relationships between service representatives and their customers" (p. 49). From this literature review, one observes ten prevalent trust dimensions throughout the extant literature. That is, the most common trust dimensions referred to are:

Benevolence trust	*Expectations trust*
Competence trust	*Goodwill trust*
Contractual trust	*Honesty trust*
Credibility trust	*Knowledge trust*
Dependability trust	*Predictability trust*

This research aims to identify *total trust* in a business-banking context from the above listed constructs. As previously mentioned, Heffernan et al. (2008) claim to have identified a three factor model encapsulating total trust in a banking context, and it is expected that this research will serve to confirm the make-up of total trust within a business-banking context.

While these ten constructs are recurring throughout the literature, there are some similarities between (see Table 2.2, opposite); for example *benevolence* and *goodwill* may be deemed to be the same. Thus, the ten trust constructs grouped with their similar partners are as follows:

- Benevolence and goodwill – to be referred to henceforth as *benevolence*;
- Ability, competence and knowledge – to be referred to henceforth as *competence*;
- Predictability, dependability, contractual, honesty, credibility and integrity – to be referred to henceforth as *integrity*; and
- Expectations.

The extant literature will now be reviewed in terms of examining the aforementioned trust constructs.

Table 2.2 Trust constructs described

Trust construct	Description	Researcher
Ability	Aptitude within a defined context or domain	Mayer, Davis and Schoorman (1995)
Benevolence	The belief that the trustee (relationship manager) wants to do good to the trustor (customer)	Mayer, Davis and Schoorman (1995)
	The belief that a trading partner is concerned about the welfare of the other partner	Lemmink and Mattsson (2002)
	The belief that a trading partner is concerned about the welfare of the other partner and would not take any unexpected action that will affect the other partner adversely	Doney, Barry and Abratt (2007)
Competence	The expectation that a trading partner will be able to execute its role competently	Sako (1992)
	Focuses on an assessment of a business partners' skills and technical knowledge	Ratnasingam (2005)
Contractual	Based on a trading partner's ability/willingness to keep promises	Sako (1992)
Credibility	The belief that the trading partner keeps its word/ promises, fulfils its obligations and is sincere	Doney, Barry and Abratt (2007)
Dependability	Bank/relationship manager delivering on customer requests	Heffernan, O'Neill, Travaglione and Droulers (2008)
Expectations	Exceeding the customer's expectations	Heffernan, O'Neill, Travaglione and Droulers (2008)
Goodwill	Entails engaging in initiative in the interest of the trading partner and the absence of opportunistic behaviour	Sako (1992)
	The belief that the business partner is honest and benevolent and exhibits affective foundations such as care, concern, sharing and benevolence	Ratnasingam (2005)
Honesty	Belief that a trading partner keeps its word	Lemmink and Mattsson (2002)
Integrity	The trustor's perception that the trustee adheres to a set of principles acceptable to the trustor	Mayer, Davis and Schoorman (1995)
Knowledge	Relationship manager having knowledge of banking products, banking industry in general and customer's business	Heffernan, O'Neill, Travaglione and Droulers (2008)
Predictability	Occurs after a period of time of having been affiliated with a business partner and stems from that partner's consistent behaviour. Predictability trust has also been referred to as integrity/honesty	Ratnasingam (2005)

2.3.1 Benevolence Trust

"Benevolence is based on the qualities, intentions, and characteristics attributed to the focal partner [trustee] that demonstrate a genuine concern and care for the partner [trustor] through sacrifices that exceed a purely egocentric profit motive" (Ganesan & Hess 1997, p. 440). Surprisingly, Ganesan and Hess (1997) found that *interpersonal benevolence* was not a significant predictor of customer commitment as had been expected. However, it was found that *organisational benevolence* was a predictor of customer commitment.

> This suggests that … organisations create commitment by demonstrating a genuine concern for their partners through sacrifices that exceed a purely selfish profit motive. The implication is that … firms should be willing to make short-term sacrifices and consider other parties' interests in order to engender benevolence based trust (Ganesan & Hess 1997, p. 447).

Evidently, the organisation's representative and the organisation play different roles in the development of customer commitment through trust (Ganesan & Hess 1997).

Ratnasingam (2005) states that *goodwill trust* occurs when the trustor believes that the trustee is honest and benevolent, this comes after expectations of reliability and dependability are met, at which point "trust moves to affective foundations that include emotional bonds such as care, concern, sharing, and benevolence" (p. 4).

Mayer et al. (1995) proposed that "the effect of perceived benevolence on trust will increase over time as the relationship between the parties develops" (p. 722). This implies that the perceived benevolence of the trustee is more important towards the latter stages of the relationship rather than at the initial stages (Lee, Park, Lee & Yu 2008).

2.3.1.1 Emotional Intelligence

Emotional intelligence (EI) is considered an integral component of benevolence trust as part of this research, as one not only needs to be benevolent, but more importantly needs to know when to be benevolent so as to be perceived by the trustor as being sincerely benevolent. It is believed that EI is the necessary element that enables awareness of moments that require extra sensitivity.

Salovey and Mayer are credited with conceptualising, the theory and measurement of EI (Dulewicz & Higgs 2000; Goleman 1996; Mayer, Salovey & Caruso 2004). They defined the concept of EI as:

> the ability to perceive accurately, appraise, and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth (Mayer & Salovey 1997, p. 10).

One may safely credit Goleman (1996, 1998) with popularising and commercialising EI as a vital determinant in the selection process of employees and even the selection of executives. Goleman (1996) defined EI as including "self-control, zeal and persistence, and the ability to motivate oneself" (p. xii), he later revised his definition to be:

> … the capacity for recognising our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships (Goleman 1998, p. 317).

Although Mayer's and Salovey's (1997) and Goleman's (1996, 1998) definitions bear some similarities, there is a distinct difference between them as highlighted by Mayer and Salovey (1997), which is that Goleman's definition "focuses on motivational characteristics such as zeal and persistence rather than on emotion" (p. 5). However, there seems to be a general consensus that EI seems to positively influence customer relations and service (Goleman 1998; Mayer et al. 2004).

Mayer and Salovey (1997) divided EI into what they refer to as the *four-branch* model which consists of the following abilities and skills: *perception of emotion; use of emotion to facilitate thought; understanding of emotions;* and *management of emotions*, this approach was maintained by Mayer et al. (2004). Goleman (1998), however, adapted Mayer's and Salovey's (1997) model into a five competency version which he believes provides an understanding as to how EI relates to work life: *self-awareness, self-regulation, motivation, empathy* and *social skills.*

In addition to EI being ascribed with positively influencing customer relations (Goleman 1998; Mayer et al. 2004), Deeter-Schmelz and Sojka (2003) found a probable association between sales performance and EI which was later validated by Higgs (2004) in a United Kingdom call centre study and then by Heffernan et al. (2008) who found that "the higher the level of EI a relationship manager possesses, the higher their profitability for the bank" (p. 194). Moreover, higher levels of EI in service-providers have been found to lead to greater customer satisfaction (Kernbach & Schutte 2005), in fact it was found that participants of the study who observed the lowest level of EI in the service-provider were found to be less satisfied.

Lemmink and Mattsson (2002) studied the impact of emotion on customer satisfaction and loyalty, using warmth as an emotional construct. Warmth was defined as "a positive, mild, volatile emotion involving physiological arousal and precipitated by experiencing directly or vicariously a love, family, or friendship relationship" (p. 19). They found that "emotions seem to have a dual effect on customer loyalty. First, it increases the intention to stay with the service; and second, it leads to a higher willingness to pay more for the same service" (Lemmink & Mattsson 2002, p. 31).

More support for the postulation that EI has a positive relationship with long-term value-adding relationships can be found in Andersen and Kumar (2006), where it is claimed that "a lack of positive personal 'chemistry' or negative emotions may prolong trust building or terminate relationships" (p. 523). Furthermore, they state that "emotions play a crucial role in the initiation, the development and the sustenance of relationships over time" (Andersen & Kumar 2006, p. 523).

2.3.2 Competence Trust

"Competence is defined as the degree to which customers perceive that the service representative possess the required skills and knowledge to supply the basic service product" (Coulter & Coulter 2002, p. 37).

Similarly, Mayer et al. (1995) suggest that *ability* is a group of skills, competencies and characteristics that enable the trustee to hold influence within a specific field and context, which then affords the trustee trust on tasks related to that area. It is important to note that ability is relative to a specific domain, and just because a trustee's ability is trusted in a particular domain that does not necessarily mean that its ability will be trusted in another if it is not up to a certain standard.

Likewise, Heffernan et al. (2008) suggest that knowledge relates to that which the relationship manager possesses about the banking industry in general and the customer's business. This study was an example of a specific domain in which knowledge/competence is integral to trust. Competence is regarded as crucial to relationship commitment in the later stages of a relationship (Lee et al. 2008).

2.3.3 Integrity Trust

Integrity refers to the extent to which the trustor perceives the trustee to be acting within a set of principles that the trustor finds acceptable (Gill, Boies, Finegan & McNally 2005; Lee et al. 2008; Mayer et al. 1995) and "it reflects fulfilment of written and spoken promises" (Lee et al. 2008, p. 458). Similarly, Sako (1992) defines *contractual trust* as that which is based on the willingness of trading partners to keep promises whether written or verbal. The confidence placed in verbal promises is considered to express more contractual trust, as there is nothing binding the fulfilment of the promise except for a moral and ethical code.

Dependability trust relates to the relationship manager delivering on customer requests. It is about honouring a contract between the manager and the customer, written or verbal, big or small, with the expectation that the relationship manager follows through on the request (Heffernan et al. 2008).

Predictability trust has been referred to as the "quality of integrity (or *honesty*) which mitigates opportunistic behaviours (such as cheating, lying, misleading, and providing inaccurate information) as partners can now be relied and depended upon" (Ratnasingam 2005, p. 4).

It is interesting to note that honesty looks to be applicable to both the benevolence and the integrity trust constructs. This is interesting as it draws the two constructs together and implies that they are both necessary parts of the equation with integrity taking priority. In fact, Ganesan and Hess (1997) found that *interpersonal credibility* was a stronger predictor of relationship commitment than was *interpersonal benevolence*. They imply that relationship managers should be trained to be perceived to be credible via superior job performance as the findings suggested that they "engender commitment through their role prescribed behaviours" (Ganesan & Hess 1997, p. 447).

Furthermore, Mayer et al. (1995) proposed that "the effect of integrity on trust will be most salient early in the relationship prior to the development of meaningful benevolence data" (p. 722). This implies that the perceived integrity of the trustee is more important regardless of the stage of the relationship (Lee et al. 2008).

2.3.4 Expectations Trust

Heffernan et al. (2008) define *expectations trust* as "going the extra yard" (p. 191) for the customer, doing things outside the norm and exceeding their expectations. This construct was not found to be as prevalent as the other constructs throughout the literature. Furthermore, little research was found to support the view that exceeding a customer's expectations would lead to increased trust. On the contrary, Marshall's (2003) study based on Peruvian–American export–import relationships found that:

> Matching, rather than exceeding, expectations appears more important for creating higher levels of trustworthiness … Managers need to understand expectations rather than simply exceeding the stipulations of an agreement in the hopes of building a cooperative atmosphere … Offering too much too soon, or simply offering an unexpected form of cooperation, could actually harm rather than help build the relationship (p. 439).

Moreover, Rust, Inman, Jia and Zahorik (1999) found that exceeding customer expectations does not necessarily lead to increased preference.

2.4 Relationship Quality

"Relationship quality is considered as an overall assessment of the strength of a relationship and captures the essence of relationship marketing. It plays a critical role in the study of long-term relationship maintenance. A strong relationship is an intangible asset, which cannot be easily duplicated by competitors" (Rajaobelina & Bergeron 2009, p. 360), whereas products/services can be replicated. Companies have strived for relationship continuity as research has shown that it costs five times more to attract new customers than it does to retain existing ones (Athanasopoulou 2009).

Although there seems to be agreement within the extant literature in terms of the key dimensions of relationship quality, that is *trust, satisfaction* and *commitment* (Athanasopoulou 2009), assessing the quality of a relationship has proven to be a difficult task as there are different perspectives to consider (Naudé & Buttle 2000) such as the customer's perspective versus the seller's perspective. Moreover, contextual divides have further added to this difficulty (Athanasopoulou 2009).

Reeves and Bednar (1994) highlight the lack of a general definition for quality and assert that "different definitions of quality are appropriate under different circumstances" (p. 419). However, Athanasopoulou's (2009) paper reviewed 64 studies conducted between 1987 and 2007 on the literature of relationship quality and claims to have developed a general conceptual framework for relationship quality which can be applied in all contexts. This framework is discussed in detail in the subsections that follow.

2.4.1 Antecedents of Relationship Quality

Athanasopoulou (2009) identifies four main categories of antecedents of relationship quality and these are listed in Table 2.3 overleaf. Rajaobelina and Bergeron (2009) identify three main antecedents of relationship quality:

- Client knowledge – knowing the customer and the customers' business;
- Customer orientation – understanding the customers' needs, expectations and concerns; and
- Expertise – the level of knowledge and experience a service provider exhibits.

A fourth antecedent (*similarity*) was not supported and thus contradicts its inclusion as an antecedent in Athanasopoulou's (2009) framework. However, Rajaobelina and Bergeron (2009) do suggest that this may be due to the average length of the relationships analysed in their research being four years and that similarity may be an important factor in the early stages of a relationship but not so important in the later stages.

In fact, similarity to customers has been noted as being one of the most effective relationship-building strategies (Palmatier, Dant, Grewal & Evans 2006) and further, allows customers to relate to their service provider on a personal level (Coulter & Coulter 2002). Coulter and Coulter (2002) go so far as to even suggest that firms may try to match target market demographics, sociographics and psychographics to their sales force, as "these strategies not only facilitate the establishment of trust, but also enhance the marketer's ability to understand the needs of a particular group of people due to personal familiarity" (p. 45). Thus, similarity was still measured as part of this research.

It should be noted, that Rajaobelina's and Bergeron's (2009) study was conducted within a financial services context and is thus quite applicable to this research. Although Athanasopoulou's (2009) proposed general relationship quality framework may have its merits, it is deemed too broad for the purposes of this research. Therefore, this research draws on aspects of Athanasopoulou (2009) which are deemed pertinent to this context, namely the three dimensions of relationship quality, that is *trust, satisfaction* and *commitment* as "there is general agreement that customer satisfaction with the service provider's performance, trust in the service provider, and commitment to the relationship with the service firm are key components of relationship quality" (Hennig-Thurau, Gwinner & Gremler 2002, p. 234). This research then proposes a definition/conceptualisation of what a *quality relationship* is in a business-banking context that is between a customer and their relationship manager.

Table 2.3 Antecedents of relationship quality

Category	Antecedents per Athanasopoulou (2009)	
Characteristics of the buyer and seller	• Bilateral communication • Courtesy • Ethical behaviour and orientation • Explanation and cooperative intentions • Goal congruity • Interaction frequency • Level of formalisation and centralisation of firms • Manufacturer strengths	• Relationship orientation/relationalism/ relational selling behaviour • Reputation and size of supplier • Seller expertise • Service provider attributes • Similarity • Suppliers' perceived reseller market orientation and adaptive selling behaviour
Environment	• Economic • Legal	• Political • Technical
Offer characteristics	• Product performance and after sales service • Service quality	
Relationship attributes	• Commitment and relationship investment • Communication barriers • Conflict handling or harmonisation of conflict • Cooperation • Dependence and power • Distance • Fairness (distributive and procedural)	• Length or duration of the relationship • Less opportunistic behaviour • Relationship benefits • Relationship switching costs • Relationship termination costs • Structural or social bonds • Trust • Uncertainty

2.4.2 Dimensions of Relationship Quality

2.4.2.1 Trust

As identified in the preceding section, *total trust* as comprised of integrity, competence and benevolence, is positively associated with relationship commitment. In fact, trust has been noted as being an integral factor in encouraging a customer to establish and continue a relationship with a service provider (Rajaobelina & Bergeron 2009). Thus, trust will not be analysed further as it already has been in the preceding section.

2.4.2.2 Satisfaction

Anderson and Narus (1984) define *satisfaction* as "a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm" (p. 66) a definition that has been retained in recent research, for example Walter, Müller, Helfert and Ritter (2003). An alternative definition is; "a customer's judgement that the consumption of a product or service is providing a pleasurable level of fulfilment of the customer's needs, desires, and goals" (Johnson, Sivadas & Garbarino 2008, p. 355).

The construct has also been conceptualised into two dimensions, that is *non-economic,* for example communication skills and expertise and *economic,* for example sales and return on investment (Rajaobelina & Bergeron 2009). Customer satisfaction is generally influenced by the quality of the interpersonal interaction between the customer and the service provider and is usually reached post comparison of service performance with preconceived expectations of the service proposition (Shamdasani & Balakrishnan 2000).

It has been found that higher levels of customer satisfaction lead to increased levels of commitment, that is “the greater the level of satisfaction with the relationship, the greater the amount of investment into the relationship, and the lower the number of available alternatives, the greater the level of commitment a buyer will have to a relationship” (Hocutt 1998, p. 195), and loyalty (Chandrashekaran, Rotte, Tax & Grewal 2007). Furthermore, Hennig-Thurau et al. (2002) found that not only was the effect of satisfaction on loyalty the strongest out of the three dimensions of relationship quality (trust, satisfaction and commitment), its effect was both direct and indirect (through confidence).

The literature often refers to satisfaction from the customer’s perspective, that is to say customer satisfaction, consumer satisfaction and buyer satisfaction (Hennig-Thurau et al. 2002; Naudé & Buttle 2000; Walter et al. 2003), which erroneously implies that only the customer needs to be satisfied with the relationship and does not consider the service provider’s satisfaction with the relationship. However, if the service provider is dissatisfied with the relationship between itself and the customer, it may seek to dissolve the relationship (Hocutt 1998).

Not many studies have investigated the seller’s perspective on satisfaction (Athanasopoulou 2009; Hocutt 1998; Rajaobelina & Bergeron 2009). Therefore, it would make sense that satisfaction as a dimension of relationship quality takes into account both customer and seller perspectives. Thus, this research takes this view.

Although customer satisfaction is an important dimension of relationship quality, it is not its sole determinant, that is, satisfied or even very satisfied customers might leave and dissatisfied customers may stay loyal (Chandrashekaran et al. 2007; Hocutt 1998; Johnson et al. 2008; Naudé & Buttle 2000; Rust et al. 1999). Furthermore, it has also been suggested, in contradiction to Hocutt (1998), that satisfaction does not increase commitment but it is commitment that influences satisfaction (Johnson et al. 2008), it should however be noted that this suggestion was made in a study which was based in a theatre context. This therefore indicates that although an integral part of relationship quality, satisfaction alone is not sufficient to promote customer retention (Naudé & Buttle 2000) and that perhaps the constructs are both interdependent.

2.4.2.3 Commitment

In a relationship marketing context, commitment has been defined as "an implicit or explicit pledge of relational continuity between exchange partners" (Dwyer, Schurr & Oh 1987, p. 19) implying that both buyer and seller (or customer and service provider) need to be committed to a relationship. It has been conceptualised into four dimensions by Johnson et al. (2008, pp. 353–4):

- *affective commitment* – customer's emotional bonding to a firm as well as their sense of belonging and identification with the firm;
- *normative commitment* – commitment based on obligations;
- *continuance commitment* – commitment because of high switching or exit costs; and
- *calculative commitment* – commitment based on self-interest.

While Walter et al. (2003) conceptualises *commitment* into three dimensions:

- *affective commitment* – positive attitudinal outlook towards the future existence of the relationship;
- *instrumental commitment* – whenever some form of investment is made in the relationship; and
- *temporal commitment* – indicates that the relationship exists over time.

Needless to say, affective commitment is the type of commitment, which would be expected to be apparent in a quality relationship, as it is commitment, which is not based on self-interest or compulsion. Notwithstanding, levels of normative, continuance, instrumental and temporal commitment would be expected in a quality relationship also, whereas calculative commitment should be minimised due to its self-centred nature. However, it is acknowledged that some levels of calculative commitment are inevitable and does not necessarily mean that the relationship may be compromised in its presence. After all, working relationships exist because exchange partners foresee potential personal gain.

"To achieve customer 'commitment', a company's strategy must be customer centred, long term, and be based on mutual relationship benefits" (Adamson, Chan & Handford 2003, p. 348). Furthermore, trust has been found to positively influence commitment (Ganesan 1994; Ganesan & Hess 1997; Lee et al. 2008; Morgan & Hunt 1994; Naudé & Buttle 2000).

> [Similarly,] a high level of satisfaction provides the customer with a repeated positive reinforcement, thus creating commitment-inducing emotional bonds. In addition, satisfaction is related to the fulfilment of customers' social needs, and the repeated fulfilment of these social needs is likely to lead to bonds of an emotional kind that also constitute commitment (Hennig-Thurau et al. 2002, p. 237).

However, the influence of satisfaction over commitment has been more recently questioned by Johnson et al. (2008) who believe that it is commitment which has the influence over satisfaction.

Wong and Sohal (2002) found that customer commitment is positively related to relationship quality. Committed customers are less prone to switching to competitors due to minor price increases and are more likely to spend more than customers who are not committed to a relationship (Kim & Cha 2002). Furthermore, "committed customers are dedicated and faithful … the totally committed customer says, 'we have developed interdependencies, shared values and strategies to the extent that our separate needs can best be met through long-term devotion and loyalty to each other'" (Ulrich 1989, p. 19), this still holds appeal today as noted by Naudé and Buttle (2000).

> Since, commitment is higher among individuals who believe that they receive more value from a relationship, highly committed customers should be willing to reciprocate effort on behalf of a firm due to past benefits received … and highly committed firms will continue to enjoy the benefits of such reciprocity (Ndubisi 2007, p. 100).

Moreover, commitment has been found to be strongly correlated with customer loyalty, positively related to the frequency and duration of customer patronage, negatively influence risk perceptions, directly influencing positive word-of-mouth (Hennig-Thurau et al. 2002), and predicting future customer purchase frequency (Ndubisi 2007).

There appears to be a lack of consensus over which dimension of relationship quality influences the other, as can be seen from the presented literature. However, Hennig-Thurau et al. (2002) have found that "in relationship quality research, the three core variables of satisfaction, trust, and commitment are treated as interrelated rather than independent" (p. 234).

2.4.3 Consequences of Relationship Quality

Athanasopoulou (2009) identified three main categories of the consequences of relationship quality listed in Table 2.4, below.

Table 2.4 Consequences of relationship quality

Category	Antecedents	
Performance	• Export performance • Increase in sales or incremental business • Market research utilisation • Purchasing efficiency	• Sales effectiveness • Service quality • Supply chain performance
Relational benefits	• Actual or perceived value of the relationship for both parties • Anticipation of future interaction • Customer loyalty (attitudinal/purchase intentions/destination loyalty) • Customer retention • Future intentions regarding the relationship • Less opportunistic behaviour	• Propensity to leave the relationship • Relationship enhancement and continuity • Relationship longevity • Relationship strength • Social, economic, psychological and customisation benefits • Some aspect or aspects of voluntary partnership
Satisfaction	• Buyer's satisfaction with supplier • Economic and non-economic satisfaction • Salesperson satisfaction	

Rajaobelina and Bergeron (2009) identified loyalty, word-of-mouth and purchase intention as the most common consequences of relationship quality. However, they only consider purchase intention and word-of-mouth as consequences in their study.

While the previously mentioned studies are acknowledged and drawn upon herewith, the consequences deemed most pertinent to this study are:

- *Positive word-of-mouth* – existing customers generating referrals and warm leads to prospective customers usually inaccessible to the sales person (Rajaobelina & Bergeron 2009) or in this case the relationship-banker, and free advertising (Hocutt 1998);

- *Purchase intention* – the degree of perceived certainty of a customer's propensity to repurchase or reutilise a service providers product/service (Rajaobelina & Bergeron 2009); and

- *Attitudinal loyalty* – refers to a measure of the customers' intention to stay with and level of commitment to the firm (Auh, Bell, McLeod & Shih 2007). The importance of loyalty has been identified by Jobling, Walker and Heffernan (2009) as:

  the ability to develop loyalty in customers is perceived as a key factor in maintaining and improving market share and increasing the value of a firm … lower costs of servicing existing customers, reduced customer acquisition costs, and increased revenue … Loyal customers are also more likely to engage in positive word of mouth and act as enthusiastic advocates of firms … [furthermore] customer loyalty represents an important source of competitive advantage that offers firms an opportunity for increased profitability (p. 13).

Drawing from the literature, a definition for a *quality relationship* in the context of this research is now proposed:

> A quality relationship is a relationship in which the customer has total trust in the relationship manager/bank, and the relationship manager has trust in the competence and integrity of the customer, where both parties are satisfied with the economic and non-economic value of the relationship, where both parties are committed to the long-term orientation of the relationship and where the customer is loyal to both the relationship manager and the bank.

2.5 Sustainability

It is important to understand how relationships are sustained so that they are continued indefinitely where required. Reddy and Czepiel (1999) studied the effect of the customer's past usage of the supplier's service/product, the supplier's knowledge of the customer's business/industry, the perceived performance of the supplier and the supplier's sales behaviour on the longevity of a relationship. Their study found that the "The longevity of the relationship is most strongly a function of the extent to which the supplier knows the client's business and, second, selling behaviour" (p. 242). However, interestingly enough, the relative perceived performance of the supplier was not found to have an effect on the longevity of a relationship but together, relative perceived performance and relationship longevity were found to be positively related to future usage (Reddy & Czepiel 1999).

Narayandas and Rangan (2004, pp. 73–4) contend that relationship sustainability can be achieved when the following five processes are followed:

1. Leveraging relative position and power to define initial agreement terms;
2. Evaluating performance and converting it to interpersonal trust and inter-organisational commitment;
3. Transferring interpersonal trust to inter-organisational commitment;
4. Increasing interpersonal trust to balance initial contract terms; and
5. Increasing inter-organisational commitment to balance initial power asymmetries.

From this they found that relationships could be sustained in spite of possible initial power asymmetries. However, Narayandas and Rangan (2004) recommend that the results they found be empirically verified.

2.6 Crucial Stages

Business relationships offer a competitive advantage as they minimise the uncertainty associated with dealing with new or unfamiliar service providers. This provides controlled dependence between the parties which aides in the continuity of the relationship, exchange efficiency, social satisfaction from the association and also restricts mobility in terms of switching between alternate service providers which protects the service provider from price competition (Dwyer et al. 1987).

Understanding the life cycle of a business relationship better equips the service provider to be able to identify their customers' needs at a particular stage in the relationship. Therefore, firms should utilise strategies relative to the different stages of the relationship (Hsieh, Chiu & Hsu 2008). "Dwyer et al. (1987) were the first to propose a multi-stage life cycle model depicting consecutive stages through which buyer–supplier relationships progress" (Autry & Golicic 2010, p. 89). Over the last two decades there have been various studies which analyses and proposed alternative relationship life cycle models. These are discussed in the next section and summarised later in the chapter in Table 2.5.

2.6.1 Stages in the Relationship Life Cycle

Dwyer et al. (1987) developed a five-phase model of the relationship life cycle:

- *Awareness* – where the parties have not yet interacted but may have been positioning themselves in order to look attractive to the prospective business partner.

- *Exploration* – which is somewhat of a fragile trial phase where the parties may make small purchases/interactions to test the other party, however any investment made will be minimal in order to ensure that termination of the interaction/future interactions is/are not costly.

- *Expansion* – in this phase, the parties start to engage in increased risk taking by increasing their investment in the newly formed relationship. This increases the parties' interdependence and is a result of emerging trust and satisfaction with each other.

- *Commitment* – this is where the parties are most interdependent, are satisfied with the relationship and are now loyal to their association.

- *Dissolution* – here the parties may have felt that the relationship is unattractive and that the costs of continuation may be greater than the benefits. Dissolution can occur at any phase of the relationship, is not necessarily a mutual decision and is more easily initiated unilaterally after private evaluation of the relationship by one of the parties.

The *exploration* and *expansion* phases are conceptualised into five sub-processes:

- *Attraction* – the initiating process of the exploration/expansion phases, which results from the degree to which both exchange parties achieve an investment-return outcome in excess of the minimum anticipated from their interactions with one another.

- *Communication and bargaining* – "bargaining is defined as the process whereby in the face of resistance parties rearrange their mutual distributions of obligations, benefits, and burdens. Perceived willingness to negotiate may be a significant aspect of attraction which, by itself, signals that the potential exchange partner sees possible value in an exchange relationship" (Dwyer et al. 1987, p. 16)

- *Power and Justice* – power is defined as the ability to achieve one's desired results or goals and is determined by how much dependence one party has on the other i.e. the less dependent the more power held. Justice is conceived as exercising one's power for the achievement of the mutual goals of the exchange partners.

- *Norm development* – the establishment of standards and rules of conduct to govern future exchange between the parties.

- *Expectations development* – "relational expectations concern conflicts of interest and the prospects for unity and trouble. These expectations may either enhance or diminish contractual solidarity" (Dwyer et al. 1987, p. 18)

The *Commitment* phase is conceptualised into three measurable criteria:

- *Inputs* – the parties contribute high levels of inputs into the relationship whether they are economic and/or emotional exchanges.

- *Durability* – there should be some stability of the relationship over time.

- *Consistency* – there should be consistency in the level of inputs made into the association by both parties, as one-sided effort could be interpreted as low commitment levels on behalf of the inconsistent party.

This model has its advantages, in that it has been structured such that it covers both inter-firm and consumer relationships. Furthermore, it has added to the under-researched area of relational elements of buyer–seller exchange (Dwyer et al. 1987). However, it also has its disadvantages, in that "the model is presented abstractly. It lacks conceptual detail and obvious ways to operationalise key variables" (Dwyer et al. 1987, p. 20).

Wong (1998) presents a four-stage relationship model based on the *Outsider* and *Insider* relationships concept, whereby "*outsider* relations imply the interaction of parties outside any mutually defined group or network. In this case, the exchange of information may well be very inhibited (p. 218). "*Insider* relations imply the understanding of both parties involved that they share a common network, group or party of some kind. The result is often the uninhibited exchange of information" (p. 218). The model consists of four phases, being:

- *Fencer* – here both parties are testing each other's intentions or reactions, and both consider each other as *outsiders*, this phase appears to sit somewhere between Dwyer's et al. (1987) *awareness* and *exploration* phases.

- *Fiancé* – in this phase, the parties begin bargaining in the attempt to try and evaluate their dependence on the other party. This phase is similar to Dwyer's et al. (1987) *exploration* phase as, just and unjust power plays are anticipated and depending on mutually favourable outcomes in this phase, trust may emerge which may lead into the next phase and acceptance as an *insider*.

- *Friend (new)* – here both parties have accepted each other as *insiders* and have entered the *expansion* phase as described by Dwyer's et al. (1987).

- *Friend (old)* – when the parties enter into this phase, they have done so mutually and as a result of trust and satisfaction with each other. Here they have increased their risk by investing substantially in the relationship and are now committed to the relationship's continuity. This final phase is similar to the *commitment* phase of Dwyer's et al. (1987) model.

It is important to note that in Wong's (1998) model, parties do not have to progress through each phase as per its sequential order, for example, if parties were in the *fencer* stage, took an immediate liking to one another and perceived value in establishing a relationship, they may both progress into the *friend (new)* stage and accept each other as *insiders*. Conversely, should things not work out as planned, they may back track a stage and go back into the *fiancé* or *fencer* stages depending on the severity of the disagreement or unfavourable event.

This model suggests that parties are empowered to progress through the relationship stages according to the speed with which the relationship strengthens, as opposed to Dwyer's et al. (1987) model which suggests that relationships progress through each stage of their model without deviation unless the relationship is dissolved prior to advancement into the next phase.

Andersen (2001) poses a three phase relationship life cycle model:

- *Pre-relationship* – this phase is similar to the *awareness* and *fencer* phases outlined by Dwyer et al. (1987) and Wong (1998) respectively, when the parties may engage in positioning and posturing in order to enhance their image. It is also suggested that the social distance between the parties is large as both parties are still unfamiliar with one another.

- *Negotiation phase* – during this phase, bargaining takes place as it does in the *exploration* and *fiancé* stages per Dwyer's et al. (1987) and Wong's (1998) models respectively. In this phase, parties are initially reluctant to bargain, preferring to hint at their own preferences while still maintaining a perceived interest in the other party's aspirations (Andersen 2001; Dwyer et al. 1987).

- *Relationship development* – this phase is equal to Dwyer's et al. (1987) *expansion* phase, in which parties increase their investment in the relationship as a result of emerging trust and satisfaction with one another and grow more interdependent.

Jap's and Ganesan's (2000) model entails a four stage life cycle consisting of the following stages:

- *Exploration* – this phase is clearly modelled on the exploration phase described by Dwyer et al. (1987).

- *Build-up* – during this stage, the partners experience continued benefits and interdependence. Norms and values start to be developed as the partners start to have a long-term orientation towards the relationship. This phase is similar to Dwyer's et al. (1987) *expansion* phase.

- *Maturity* – here the partners have committed to the relationship either explicitly or implicitly and highly input tangibly or intangibly into the relationship. The partners trust each other and are satisfied with the relationship. This phase is similar to the *commitment* phase in Dwyer's et al. (1987) model.

- *Decline* – in this stage, at least one of the partners is unsatisfied and considering dissolving the relationship and looking at alternative partners. The intent to dissolve the relationship is communicated and the parties take a short-term orientation toward the association.

Hsieh's et al. (2008) relationship life cycle model is based on Jap's and Ganesan's (2000) model, that is the stages in their model are exploration, build-up, maturity and decline. Their reason for adopting this model over Dwyer's et al. (1987) model is that the latter model incorporates an awareness phase in which the parties have not yet interacted, and thus they have adopted Jap's and Ganesan's (2000) four stage model which does not incorporate the awareness stage but starts at the exploration stage in which the parties make their first interactions. A summary of the models and the stages in the relationship life cycle is provided in Table 2.5, overleaf.

Table 2.5 Stages in the relationship life cycle

Stage	Description	Researcher(s)
Awareness	Awareness refers to party A's recognition that party B is a feasible exchange partner.	Dwyer, Schurr and Oh (1987, pp. 15–9)
Exploration	Exploration refers to the search and trial phase in relational exchange.	
Expansion	Expansion refers to the continual increase in benefits obtained by exchange partners and to their increasing interdependence.	
Commitment	Commitment refers to an implicit or explicit pledge of relational continuity between exchange partners.	
Dissolution	Disengagement with or termination of the relationship.	
Fencer	Here, both parties are testing the intentions or reactions of the other. Both parties regard the other as an 'outsider'.	Wong (1998, pp.218–20)
Fiancé	Both parties bargain with their power, which depends on how each party evaluates their dependence on the other party.	
New Friend	If the two parties mutually accept each other as 'insider' friends, then they are in a 'new friend' situation ...	
Old Friend	If a strong ... relationship has been established after parties enter the 'new friend' quadrant, they may go to a higher stage and enter an 'old friend' stage ... with substantial relationship-specific investment.	
Exploration	A search and trial phase in which the potential obligations, benefits, and burdens of continued exchange are considered.	Jap and Ganesan (2000, pp. 231–2)
Build-up	During the build-up phase, firms experience a continual increase in benefits and interdependence. Socialisation processes transform transactions by infusing them with norms and values that enable the relationship to be perpetuated into the long run.	
Maturity	During the maturity phase, the parties have implicitly or explicitly made a pledge to continue the relationship on a regular basis.	
Decline	In the decline phase, at least one party is experiencing dissatisfaction, contemplating relationship termination, exploring alternative relationships, and beginning to communicate intent to end the relationship. The parties are short term-oriented in their dealings toward each other.	
Pre-relationship	This involves the process of evaluating the utility of new potential suppliers and comparing these against the present alternatives.	Andersen (2001, pp. 172–6)
Negotiation	This is usually described as a matching and negotiation phase, during which wants, issues, inputs and priorities are exchanged.	
Relationship development	This phase is characterised by the continued increase in benefits obtained by the exchange partners and their increasing interdependence ... the critical distinction between the phases is that the rudiments of trust and joint satisfaction established in the exploration phase now lead to increased risk taking within the dyad. Consequently, the range and depth of mutual dependence increase. [This stage is also] characterised by the increasing experience of the [exchange] partners, which reduces the uncertainty and distance between them.	

continued opposite ...

Stage	Description	Researcher(s)
Exploration	The exploration phase involves search and trial, during which the potential obligations, benefits, and burdens of continued exchange are considered, with the central goals of reducing uncertainty and assessing the potential value of continued interactions.	Hsieh, Chiu and Hsu (2008, pp. 383–4)
Build-up	During the build-up phase, firms experience a continual increase in their benefits and interdependence.	
Maturity	In the maturity stage, the parties have implicitly or explicitly made a promise to continue their relationship on a regular basis, with a high level of investments in the relationship.	
Decline	In the decline phase, at least one party is contemplating terminating the relationship, exploring alternative relationships, or communicating its intent to end the relationship.	

For the purposes of this research, it was deemed appropriate to remove the awareness phase from the relationship life cycle and adopt a four stage model as this research will concentrate on the relationship life cycle itself rather than the pre-relationship/awareness phase in which exchange partners have not had any interaction yet (Hsieh et al. 2008). Nevertheless, while this research does not propose to incorporate the aforementioned stage in the relationship life cycle model, it is still a relevant and important stage to consider as it may pose potentially integral issues to consider in the development of relationships within other contexts.

Accordingly, this research utilises a relationship life cycle model based on that of Dwyer et al. (1987) not incorporating the awareness phase (i.e. exploration, expansion, commitment and dissolution). However, the *commitment* phase is renamed *maturity* as per the Jap and Ganesan (2000) model in order to avert any confusion, as commitment already plays a substantial role in this research in previous sections. Thus, the relationship life cycle model utilised henceforth for the purposes of this research will entail the following phases: exploration, expansion, maturity and dissolution, and is depicted in Figure 2.1, overleaf.

A further phase is added for the purposes of this research that has not been included in any of the relationship life cycle models that have been reviewed: *recovery.* This phase is placed between any phase and dissolution, as a declining relationship does not necessarily always result in dissolution.

This research proposes that a declining relationship may recover. Andersen and Kumar (2006) suggest a similar stage – *re-establishment*. "Although firms may discontinue their relationships, it is conceivable that they may try to re-establish the relationship at a later state" (p. 532). However, this applies to terminated relationships rather than declining ones. It is proposed that the recovery phase will apply to both declining and terminated relationships.

This proposed model of the relationship life cycle illustrates the progression of the relationship through the exploration, expansion, maturity and dissolution phases. It also suggests that a declining relationship may recover and avoid dissolution. The solid navy lines represent healthy progression through the phases, whereas the dotted navy lines represent a relationship in decline. The royal blue lines represent recovery after a damage control strategy is engaged. It is important to note that a relationship does not have to progress to the maturity phase in order to start declining, it can decline from any of the earlier stages (Dwyer et al. 1987). Nor does it necessarily dissolve immediately after beginning to decline, as it may recover. The maturity phase is represented in a circle that denotes perpetuity/continuity as it is expected that a mature quality relationship will be long lived.

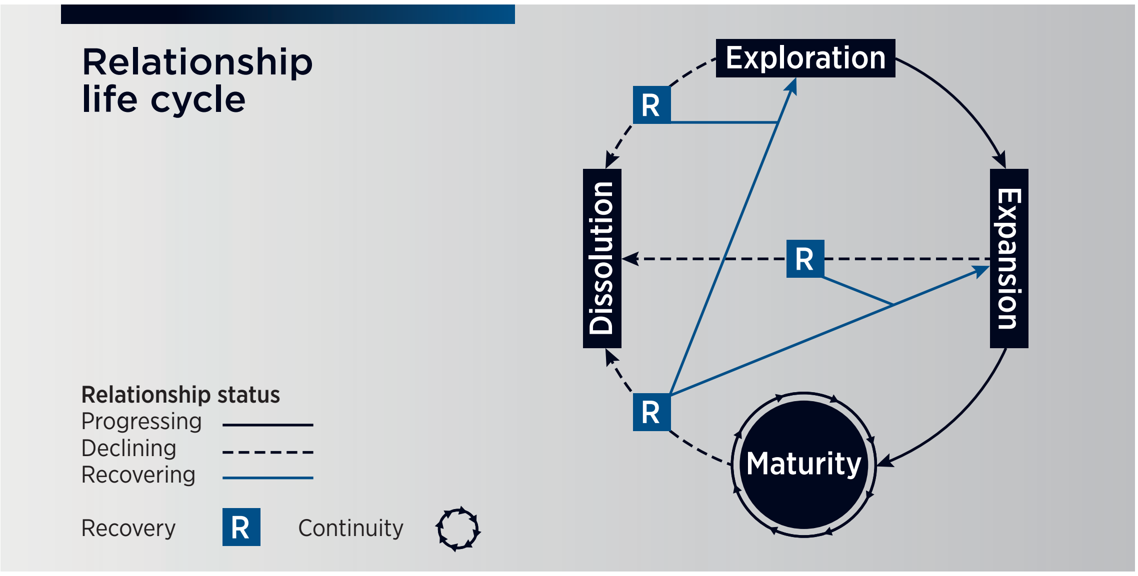

Figure 2.1 The relationship life cycle

2.7 Identification of Key Relationships

The literature addressing the identification of key relationships with customers can be found within the under-researched subject of *key account management* (KAM). The concept has been researched since the late 1970s and is deeply rooted in the personal selling literature and has also been referred to as *national account marketing* (NAM), *strategic account management* (SAM) and several other variations (Gosselin & Bauwen 2006; Gosselin & Heene 2005; Ojasalo 2001; Wengler, Ehret & Saab 2006).

Key account management has been defined as:

- "... the selling company's activities including identifying and analysing their key accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-lasting relationships with them" (Ojasalo 2001, pp. 200–1),

- "an approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs" (McDonald, Millman & Rogers 1997, p. 737),

- "a way of achieving maximum sales from an identified specified group of external and internal customers" (Wong 1998, p. 215) and,

- "according to Diller (1992) ... a management concept, including both organisational and selling strategies, to achieve long-lasting customer relationships" (Ojasalo 2001, p. 200).

Gosselin and Bauwen (2006, p. 377) identified three sources of confusion clouding KAM and hampering the enhancement of organisations' capabilities to create competitive advantages based on the creation of customer value. These sources of confusion are:

- *Purpose* – is account management a sales or a marketing activity? This boils down to the question: is account management responsible for relationship building and coordination with important customers or mainly responsible for (transactional) sales generation?

- *Geographical Scope* – does account management show the same characteristics on a local, regional or global level, or does change in geographical scope imply corresponding changes in the organisational concept of account management?

- *Universal Applicability* – is it possible to design and implement a single best account management organisation structure, applicable to most types of companies and independent of the complexity of: products; services or systems; customer organisation; supplier organisation; or environment?

It is important that these questions are answered in order to effectively implement a successful KAM strategy.

Purpose – the purpose of account management is to create strategic alliances with both sides of the customer–seller dyad (Gosselin & Heene 2005). This emphasises the relationship aspect and not purely the transactional sales aspect, which is more a function of key account selling rather than the relationship orientated marketing approach that is account management.

Geographical Scope – “geographical dimensions drive complexity within companies as well as between them in the buyer/seller relationship” (Gosselin & Bauwen 2006, p. 379). Therefore, changes in geographical scope imply corresponding changes in the organisational concept of account management.

Universal Applicability – the principles of *congruity* and *fit* suggest that account management strategies depend on the key value criterion drivers within an organisation which work to create or enhance the customer value proposition within that organisation (Gosselin & Bauwen 2006). Therefore, this suggests that there is not an one-size-fits-all account management strategy and such a strategy should be tailored to specific contexts.

With this in mind, now one must understand what a *key account* is and then how to identify the same.

2.7.1 What is a Key Account?

Similar to KAM, to date, there has been no consensus reached on the definition of a *key account*. However, one that is predominant throughout the extant literature is that of Millman and Wilson (1995) where they define a key account as “a customer in a business-to-business market identified by a selling company as of strategic importance” (p. 9).

However, Gosselin and Heene (2005) note and argue that Millman and Wilson (1995) have omitted an important dimension from their definition, that being the customer’s perspective, that is, the customer should also perceive the selling company as being of strategic importance.

Thus, Gosselin and Heene (2005) proposed a revised definition and relabelled the term key account to *strategic account.* “Strategic accounts are potential or existing customers which are of strategic importance to the supplier and where the supplier is recognised as strategic for the customer” (Gosselin & Heene 2005, p. 188).

> The difference with previous definitions of key accounts is that we define a strategic account not only by criteria used by a supplier but by criteria involving the customer as well. We believe that it is required for a key account to become a strategic account that the customer is not only of strategic importance to the supplier, but that the customer as well is committed to a long-term strategic relationship based on long-term investments (Gosselin & Heene 2005, p. 188).

Their revised definition of a key account, (i.e. strategic account) gave rise to the ensuing definition of *strategic account management* (SAM); "The process that identifies and selects strategic accounts and develops through competence-building and leverage a set of specific and unique value propositions in partnership with a strategic account" (Gosselin & Heene 2005, p. 189).

The importance of the customer's perspective in the long-term orientation of the relationship is deemed an integral component of the SAM/strategic account concept. This is because mutual proneness is required in order to establish a stable long-term relationship (Gosselin & Bauwen 2006). Notwithstanding, the KAM/key account concept should not be ignored, as it seems to be more widely researched than the related concept of SAM/strategic accounts.

Therefore, for the purposes of this research, the literature on KAM was applied to SAM as the later is deemed to be a similar concept, only taking into account mutual considerations of the buyer–seller dyad as opposed to the traditional reliance on the seller perspective. Subsequently, a new term is proposed to represent the amalgamation of the terms KAM/key accounts and SAM/strategic accounts – *value account management* (VAM)/*value accounts.* This new term will be used henceforth in lieu of the terms KAM/key accounts and SAM/strategic accounts.

2.7.2 Identifying Value Accounts

Ojasalo (2001) poses a two part question in order to aid in the identification of key accounts: "What are the criteria that determine which customers are strategically important?" (p. 201) and which existing or potential accounts are of strategic importance to the company now and in the future?

Traditionally, the criteria most often used in determining strategically important customers have been *volume*, *profit* and *status/prestige* (McDonald et al. 1997; Pels 1992; Spencer 1999; Wengler et al. 2006). Other criteria have also been used such as *market share* (Wengler et al. 2006), *size* (Spencer 1999), *know-how* and *networks* (Pels 1992), *criticality*, *quantity* (*volume*), *replacability* and *slack* (Krapfel, Salmond & Spekman 1991), and the *Pareto Principle (80/20 rule)* (Gosselin & Bauwen 2006; Gosselin & Heene 2005; McDonald et al. 1997; Weinstein 2002). While from the customer's perspective, *ease of doing business*, *quality in products and services*, and *quality in people* have been used as the criteria for selecting partnership suppliers/sellers (McDonald et al. 1997).

From the various criteria posed previously, one would not be remiss in thinking that the criteria for value account selection should depend on the context within which the customer–seller relationship exists. Perhaps this is the reason the literature lacks consensus in this subject. Thus, this research will also aim to develop criteria for the identification of value accounts in a business-banking context.

2.7.3 Value Account Management Strategy Implementation

Given that the three sources of confusion posed by Gosselin and Bauwen (2006) have been addressed, key/strategic accounts *(value accounts)* have been defined and the identification of the same has been discussed, one now turns to the implementation process of a VAM strategy.

Ojasalo (2001) outlines a four-stage implementation process:

- *Identifying the value accounts:* as discussed previously.
- *Analysing the value accounts:* this includes activities such as analysing the basic characteristics of the account, the relationship history, the level of commitment to the relationship, goal congruence of the parties and switching costs.
- *Selecting suitable strategies for the value accounts:* which depends on the power situation of the customer and seller, because if the customer was in fact in a position of greater power than the seller, this may limit the seller's ability to implement a strategy. Some alternatives to such a situation are power dominance on behalf of the seller based on certain competitive advantages, collaboration, negotiation or submission, to name a few.
- *Developing operational level capabilities to build, grow, and maintain profitable and long-lasting relationships with them:* "This refers to customisation and development of capabilities related to products and services, organisational structure, information exchange, and individuals. In improving the quality of products/services, the focus is on product/service performance, economic competitiveness, measures improvement, reduction of the costs of poor quality, and performance of macro-processes in the organisation".

Millman and Wilson (1995) identify three main areas of focus when formulating/implementing VAM strategies:

- Evaluation of the strategic importance of a portfolio of current and potential [value] accounts;
- Formulation/implementation of strategies for each [value] account which are consistent with those of the many other customers which are not designated [value] accounts and consistent with achieving overall business objectives; and

- Allocation of resources to the relational mix appropriate to the stage in the [relationship] (p. 10).

Notwithstanding the importance of these implementation factors, Napolitano (1997) argues that another factor, which is arguably more important, must be considered, and that is that a strategy must have the support of the executive team, otherwise its implementation and success may be severely hindered if not guaranteed to fail.

Napolitano's (1997) VAM strategy implementation process includes this factor amongst three others:

- Secure top management support and involvement;
- Have a well defined mission and role;
- Choose the right accounts and select the right account executives.

2.7.4 The Role of the Relationship Manager

In a relationship-banking context (within business-banking), a relationship manager is appointed to manage a portfolio of customers. Not all of these customers will be deemed *value accounts* – nor should they. Some accounts may be dormant in nature whereby (for example) they have their banking facilities that are being systematically amortised and will probably not need any further facilities or a continuing banking relationship once full amortisation has occurred. Alternatively, there are accounts which may be deemed *valuable* and the relationship manager becomes the value account manager who nurtures and develops these relationships. Thus, the terms *relationship manager* and *value-account manager* shall be used interchangeably and synonymously henceforth.

Millman and Wilson (1995) suggest that the relationship manager has many roles and is responsible for four main functions:

- Sales/profit growth concerning his portfolio of value accounts;
- Co-ordination and tailoring of the seller's suite of products to suit the value account;
- Facilitation of multi-level, multi-functional exchange; and
- Promotion of the VAM concept within his organisation.

In carrying on with their description, Millman and Wilson (1995) state that a relationship manager is not only the relationship builder, but also a negotiator, consultant, interpreter of customer needs/values, mediator, customer's advocate/friend and an information broker.

Napolitano (1997) states that the relationship manager "must have the conceptual and analytical ability to understand the customer's key profit/productivity goals, identify problems, and provide solutions based on his/her company's resources and creativity" (p. 7). She goes on to say that while excellent sales skills are integral to the role, the most successful relationship managers are those who possess superior relational skills.

Similarly, Pels (1992) described the relationship manager as being responsible for the successful development of the relationship, while also suggesting that the relationship manager should hold sufficient status to manage all facets of the organisation's relationship with the client.

McDonald et al. (1997) also describe the skills required by a relationship manager, and emphasise that the relationship manager needs far more skills than a sales person. The attributes and skills described consist of: integrity, product/service knowledge, communication, understanding the customer's business and business environment, and sales and negotiation skills. They also suggest that top account managers command high levels of authority and status.

Similarly, Gosselin and Heene (2005) believe that the relationship manager, a *political entrepreneur*, must also possess a broader skill set than a sales person and "must be positioned and viewed in the company as a senior executive, responsible for participating in shaping the business strategy through his competence and knowledge of [value] customers" (p. 190).

2.8 Co-Creation of Value

The traditional value creation process entailed the production of a product/service by the seller and the subsequent consumption by the consumer. Here the roles of the seller and buyer were clearly defined. However, now the consumer demands more input into the production of products/services as they now have the means to gather information and conduct research with the advent of technologies such as the Internet. These clearly defined roles became somewhat blurred. By interfering in the production/formulation of products and services, consumers are actually engaging in the process of defining value and creating value along with the seller. Thus co-creation of value (CCoV) occurs (Prahalad & Ramaswamy 2000, 2004).

Prahalad and Ramaswamy (2004) clearly stipulate what co-creation of value is not: "it is neither the transfer nor outsourcing of activities to customers nor a marginal customisation of products and service. Nor is it a scripting or staging of customer events around the firm's various offerings" (p. 6). They go on to say that the aforementioned customer–seller interactions are no longer satisfactory to today's consumer and that the co-creation of value involves customer specific personalised interactions. They go on to emphasise that it is the co-creation *experience,* and not the offering, which is the basis of unique value for each customer.

The difference between customisation and personalisation is highlighted by (Prahalad & Ramaswamy 2000) where customisation "assumes that the manufacturer will design a product to suit a customer's needs" (p. 83) whereas personalisation "is about the customer becoming a co-creator of the content of their experiences" (p. 84). It is here where value is created, that is, via experiences (Payne, Storbacka & Frow 2008).

There are two focal frameworks for the co-creation of value presented first by Prahalad and Ramaswamy (2004) and then by Payne et al. (2008). Prahalad and Ramaswamy (2004) formulated what they call the DART model which consists of the following *building blocks of co-creation*:

- *Dialogue* – interactivity, engagement, and a propensity to act – on both sides of the customer–seller dyad;
- *Access* – to information and tools;
- *Risk assessment* – probability of harm to the consumer. Should consumers bear some of the risk considering that they are co-creators?
- *Transparency* – sellers must aim to have a heightened level of transparency in terms of pricing and product/service information. The nature of the market these days is such that most of this information is available in some form or another and trying to mask it will only contribute to disengaging consumers.

Prahalad and Ramaswamy (2004) suggest that by coupling their building blocks of co-creation in various ways, that this will develop new and important capabilities such as:

- *Access* and *transparency* – enhancement of consumer ability to make informed choices;
- *Dialogue* and *risk assessment* – enhancement of the ability to engage in debate and co-develop public and private policy choices;
- *Access* and *dialogue* – enhancement of the ability to develop and maintain thematic communities; and
- *Transparency* and *risk assessment* – enhancement of the ability to co-develop trust.

Payne et al. (2008) present a three part process-based framework, which is based on the notion that the buyer–seller dyad is a long term, dynamic and interactive set of experiences and consists of the following three components:

- *Customer value-creating processes* – the processes which the customer engages in, in order to manage its business and its relationship with its supplier;
- *Supplier value-creating processes* – the processes which the supplier engages in, in order to manage its business and its relationship with its customer;
- *Encounter processes* – "the processes and practices of interaction and exchange that take place within customer and supplier relationships and which need to be managed in order to develop successful co-creation opportunities" (pp. 85–6).

The concept of co-creation of value appears to be under-researched and is in need of further study and clarification. Very little is known about how the consumer engages in co-creation of value (Payne et al. 2008). Therefore, this research addresses this concept within a business-banking context in order to add to the literature.

2.9 Long-term Value-adding Relationship

It is hoped that the combination of the previously reviewed constructs will lead to a long-term *value-adding* customer–banker/bank relationship. However, one first needs to determine what *value-adding/added-value* is as there appears to be some confusion and a lack of consensus within the extant literature as to what the term actually means (de Chernatony, Harris & Dall'Olmo Riley 2000).

In order to determine this, *value* must first be defined. De Chernatony et al. (2000) reviewed the literature on *pricing, consumer behaviour* and *strategy* and the respective definitions given to *value* within those contexts:

- *Pricing literature* – the trade-off between customers' perceptions of benefits received and sacrifices incurred;
- *Consumer behaviour literature* – value is defined in terms of customer needs and what is desirable; and
- *Strategy literature* – "what buyers are willing to pay" and meeting or exceeding customers' expectations in product quality, service quality and value-based prices (pp. 40–1).

Evidently, the *value* literature also exhibits a lack of consensus in defining this concept. Perhaps the reason for this could be that value is actually individual, product/service, situation and context specific (de Chernatony et al. 2000; Ravald & Grönroos 1996) thus making it extremely difficult to adopt a generic definition. Furthermore, traditionally value assessment research has mainly focused on the value of the firm's offering rather than the value derived from the relationship between the firm and its customer (Eggert, Ulaga & Schultz 2006) and thus it has been suggested that when value is being assessed, the relational aspects should also be considered (Ravald & Grönroos 1996).

Ravald and Grönroos (1996) suggest that we should take a step back and establish what it is in fact that the customer actually is seeking from the seller's offering. This, they propose, should be the basis of delivering the correct value-providing benefits as perceived by the customer. "The aim must always be to identify what a customer is trying to do with the firm's offering at a particular time and place. We can then draw conclusions about what is valued and why, which subsequently will help the firm to deliver an offer that conforms with the customer's own value chain" (Ravald & Grönroos 1996, p. 22).

Added-value/value-add has been described by de Chernatony et al. (2000) as:

- Additional services to the firm's core service.
- Achievement of over-satisfaction with the firm's offering.
- Customer delight whereby the customer's expectations have been exceeded.
- Augmentation of the firm's core offering adding things that the customer never considered.
- Attributes that are deemed both relevant and welcomed by customers, increasing the benefits of an offering by decreasing the sacrifices a customer needs to make.
- Surrounding the tangible features of an offering with distinguishing benefits which the customer perceives as adding value to the firm's core offering.

The perceived relevance of added-value as posed by de Chernatony et al. (2000) is an interesting consideration because a bona fide attempt at adding value to a firm's core offering may in some cases take away from that core offering by diminishing it (Grönroos 1997). Similarly, attempting to add value without considering the customers' needs, that is adding more to a core offering for the sake of adding more and not necessarily because adding more will result in a benefit to the customer, can be considered a short-term strategy which does not increase the likelihood of a long-term relationship between the customer and the firm. This only increases the expectations of the customer in terms of extras, and the costs of the firm in terms of providing the redundant extras (Ravald & Grönroos 1996).

In fact, some of the extras provided by the firm may not even be usable by some customers for whatever reason (de Chernatony et al. 2000). This is not value-adding. "The ultimate aim of adding more value to the core product, that is to enhance customer loyalty, will hardly be reached if the value-added is not customer oriented" (Ravald & Grönroos 1996, p. 21).

2.10 Gaps within the Extant Literature

The preceding literature review has revealed some gaps within the extant literature. Namely, that there is little representation of the reviewed constructs within a business-banking context. Notwithstanding that while some of these concepts have been studied with some depth, this research is required in order to fill the presented gaps and adequately study their effect on buyer–seller relationships within a business-banking context.

Moreover, the lack of consensus in areas such as defining value and KAM/SAM (to name a few) means that confusion on these topics will remain prevalent. Therefore it is important that this research attempts to contextually clarify, and where possible, consolidate the prevailing differences in order to minimise or if possible eliminate any remaining confusion on these topics so that a better understanding of the relationship and its underlying mechanisms can be achieved.

Furthermore, the extant literature predominantly analyses the buyer–seller relationship mainly from the buyer's perspective. While this view is crucial, it does not complete the dyadic picture and should address the seller's (in this case the banker's) perspective.

Arguably, RM strategies that only address the buyer's view and not the seller's are potentially flawed and will most probably not produce the desired results. Thus, this research takes into account perspectives from both sides of the dyad.

Finally, it is hoped that this research will also have practical implications and serve as a relationship development/maintenance guide for banks/financial services institutions as well as adding to the knowledge and theory in RM.

CHAPTER THREE
CONTEXT

3.1 Relationship-Banking

In the 1990s, banks established business-banking units to specifically look after their business clients as historically, business clients were serviced by local branches which had high management turnover (as governed by the policy of the time) therefore impeding the ability of the banks to maintain relationships with their business clients. This new phenomenon was called *relationship-banking* whereby bankers became more customer focused (Nielsen et al. 1998). In fact, scholars called for a new orientation from a bank focus to a customer focus as early as the 1980s as customers were beginning to lose faith in banks' abilities "to serve them in the manner and with the products they want" (Day & Wills 1985, p. 5).

Furthermore, due to the generic and easily replicated nature of banking products, the saturation of branches in local markets, and the same money markets being accessed by the Big 4 banks, that is National Australia Bank (NAB), Commonwealth Bank of Australia (CBA), Westpac Banking Corporation (WBC) and Australia and New Zealand Banking Group (ANZ) dictating rather generic prices, the 4Ps in the marketing mix (place, product, promotion and prices) were no longer proving an effective marketing strategy within the banking industry.

The point of difference became customer service, defined as "the long-term person-to-person relationship between a financial institution, its distributors and its customer" (Wong & Perry 1991, p. 12). Moreover, "… poor customer service is like a cancer within an organisation. Good customer service cures this cancer. Furthermore, good customer service fosters growth because each satisfied customer will tell at least five other people about the business, some of whom will become customers" (Wong & Perry 1991, p. 11).

3.2 The Subject Bank

The subject bank (which does not wish to be identified, and referred to henceforth as 'the Bank' or 'the subject Bank') traces its history back over 170 years. It is one of the Big 4 and employs over 40,000 people in Australia and overseas.

Its business-banking department provides a full range of traditional banking services including risk management, to metropolitan based small to medium sized business clients with a turnover from AUD 5–45 million.

The business-banking service model structure currently offered by the Bank (which is the focus of this research) is one that offers small to medium enterprise (SME) customers, as well as small corporate customers, direct access to a relationship manager and an assistant manager – both form the relationship team. This relationship team owns a portfolio of (on average) 50 customer lending groups which they service and provide all the customers' business-banking needs (in conjunction with product specialists), from lending solutions, typically within the ranges of AUD 1–15 million, transactional banking solutions, foreign exchange, trade finance, interest rate risk management and asset finance to name a few.

It is this relationship, between the relationship manager and the customer that is the focus of this research as this market segment is an integral part of the Bank's offering (as it is for the rest of the Big 4 banks for that matter). Getting it right is essential for the growth and subsequent maintenance of market share and the ultimate success of the banks as commercial lenders. For this reason, the enhancement of the *frontline* (the collective term often used to refer to all the relationship teams across business-banking which are located in different districts/regions across Australia) and its processes are typically under constant review by the leadership team.

There have been many strategic projects focusing on the enhancement of frontline process and service model efficiencies and it is safe to say that there will be many more to come in the hope of achieving best practice in this area.

3.3 International and Inter-Industry Implications

While this research is a case study of one major Australian bank, it may be of interest to other banks both locally and internationally. Zineldin (1995) studied the major factors influencing the relationships and interactions between banks and their corporate clients in Sweden where it was found that the major factors which influenced the choice of a customer's principal bank were "trust and confidence, price competitiveness on loans, flexibility in tailoring services (adaptations), contacts with bank decision makers, and the speed of the decision and of processing transactions" (p. 38).

In Hong Kong, a long-term customer orientation is seen as fundamental to enduring corporate banking relationships that could withstand the test of time" (Adamson et al. 2003, p. 350). Another study found that SME customers in Hong Kong were disloyal and tended to split their banking requirements due to their reluctance to rely on one bank, spending on average 12.3 years with their main bank. It was suggested that a banking strategy which focuses on service and long-term customer orientation increases the likelihood of maximising share-of-wallet (i.e. the proportion of banking a bank enjoys from a particular customer or the market as a whole) within this market (Lam & Burton 2006). Furthermore, it was found that effective relationship management has the potential to increase both share-of-wallet and retention of customers (Lam & Burton 2006).

An American study of 384 small, medium and large enterprises and 305 commercial banks found that customers generally place more importance on product and service delivery, competitive prices, willingness of bank to accommodate credit needs of the customer, financial health of the bank, and long-term relationship as the five main factors when selecting their main bank (Nielsen, Trayler & Brown 1994). However, the banks in the study thought that customers valued recommendations from friends, the bank's ability to make quick decisions, the bank's community reputation, and providing a personal relationship.

This study highlighted the disconnect between the banks' perceptions of their customers' desires and raised questions as to the veracity of the numerous customer surveys that banks undertake suggesting that bankers are either asking the wrong questions or are asking questions that may be self-serving.

It seems that the American banks were not the only ones to get it wrong. A later study by Nielsen et al. (1998) showed that Australian banks had also missed the mark when it came to the issues of competitive prices and service delivery.

> Australian bankers do not have a good understanding of the needs of their business customers. In general, business firms place far more importance on the bank's willingness to accommodate their credit needs, the efficiency of bank operations, and the fact that the bank has knowledge of their specific business. On the other hand, banks felt it was more important for them to offer competitive prices, offer a full range of products and services, and provide a personal banking relationship (Nielsen et al. 1998, p. 257).

Therefore, while this research entailed a case study of a major Australian bank and focused on its business-banking proposition, it is believed that it may also bear relevance to an international context, financial services institutions in general, corporate or institutional banking and perhaps to some other industries. However, care should be taken to adapt some of the intricate detail to the context of the particular case being analysed.

CHAPTER FOUR

CONCEPTUAL FRAMEWORK

4.1 Defining the Variables

The review of the literature revealed that the major variables that affect RM are total trust, relationship quality, sustainability, stages in the relationship life cycle, identification of value accounts, co-creation of value, and long-term value-adding relationship.

In a business-banking context:

- Total trust – is deemed to be comprised of:
  - Benevolence;
  - Competence; and
  - Integrity.

- Quality relationship – is deemed to be comprised of:
  - Commitment;
  - Satisfaction; and
  - Trust.

- Stages in the relationship life cycle – are thought to entail the following phases:
  - Exploration;
  - Expansion;
  - Maturity;
  - Dissolution (or decline); and
  - Recovery.

- Identification of value accounts – is a process which entails:
  - Defining value accounts as relevant to the firm;
  - Subsequently identifying them;
  - Implementing a value account management strategy; and
  - Highlighting and setting the expectations for the role of the relationship manager who will be responsible for the maintenance of relationships with the value accounts and customer relationships in general.

While these variables have been defined by various researchers as presented in previous chapters, definitions generated from an Australian business-banking perspective are presented in this chapter.

4.1.1 Total Trust

For the purposes of this research, *total trust* is comprised of *benevolence*, *competence* and *integrity* as exhibited by the relationship manager towards the customer and as such shall be taken to mean the following:

> total trust is where the relationship manager exhibits benevolence, competence and integrity, thus enabling the customer to rely completely on the sense of compassion, professional judgement and honesty of the relationship manager, leaving the customer entirely comfortable that the relationship manager will preserve the best interest of the customer, and where the relationship manager deems the customer to be competent and to have integrity thereby instilling confidence in both parties that each party may be relied upon to tell the truth and act caringly, knowledgeably and honestly.

4.1.1.1 Benevolence

As suggested in the literature review, *benevolence* and *goodwill* are arguably the same and therefore the subsequent definition for benevolence is a hybrid of the two terms drawn from the extant literature:

> benevolence is where the relationship manager exhibits compassion towards the customer in difficult times, is concerned with the wellbeing (general and financial) of the customer, is proactive in the best interest of the customer and does not engage in any opportunistic behaviour or behaviour that may otherwise adversely affect the customer.

Emotional Intelligence. Mayer's and Salovey's (1997) definition of EI will be utilised for the purposes of this paper:

> the ability to perceive accurately, appraise, and express emotion; the ability to access and or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth (p. 10).

4.1.1.2 Competence

As previously identified, *competence*, *ability* and *knowledge* are synonymous terms as evidenced by their similar definitions (Coulter & Coulter 2002; Heffernan et al. 2008; Mayer et al. 1995; Sako 1992). While Coulter and Coulter (2002), Mayer et al. (1995) and Sako (1992) use general definitions, Heffernan et al. (2008) give a business-banking context specific definition, that is:

> the relationship manager having a knowledge of financial business, banking products, the banking industry in general and the customer's business.

This definition is deemed appropriate and relevant to this research and thus will be adopted as the definition of *competence*. Where a general definition for this construct is required, the following definition is proposed:

> the perception that the service provider has an aptitude within a particular domain and their customer's business.

Further to this, where a definition of competence is required on the customer level, the following is proposed:

> the perception that the customer has an aptitude within their business/ occupational domain.

4.1.1.3 Integrity

Gill et al. (2005), Lee et al. (2008) and Mayer et al. (1995) provide a simple description of *integrity* which is used as the definition of the said construct for the purposes of this research. The suggestion of Ganesan and Hess (1997) that relationship managers should be trained to be perceived to be credible via superior job performance will also form part of the ensuing definition:

> Integrity refers to the extent to which the trustor perceives the trustee to be acting within a set of principles that the trustor finds acceptable. In a business-banking context, this means that the relationship manager will engage in superior job performance and both parties will honour written agreements, verbal promises, are honest and do not engage in opportunistic behaviour (such as cheating, lying, misleading, and providing inaccurate information).

4.1.2 Quality Relationship

A quality relationship is a relationship in which the customer has total trust in the relationship manager/bank, and the relationship manager has trust in the competence and integrity of the customer, where both parties are satisfied with the economic and non-economic value of the relationship, where both parties are committed to the long-term orientation of the relationship and where the customer is loyal to both the relationship manager and the bank.

4.1.2.1 Commitment

Dwyer's et al. (1987, p. 19) definition of commitment is deemed to be an appropriate one for the purposes of this research. However, it will be added to from the discussions of Johnson et al. (2008) and Walter et al. (2003) in terms of their classification of the different forms of commitment as detailed within the literature review:

> An implicit or explicit pledge of relational continuity between the customer and relationship manager over time based on, a customer's emotional bonding to, belonging and identification with a bank, either party's obligations to and investments made in the relationship, high costs associated with the termination of the relationship and the absence of opportunistic self-interest.

4.1.2.2 Satisfaction

Drawing from previous research (Anderson & Narus 1984; Johnson et al. 2008; Rajaobelina & Bergeron 2009; Shamdasani & Balakrishnan 2000) satisfaction was taken to mean:

> *From the customer's perspective* – a favourable appraisal of a product, service or service provider and that that product, service or service provider has performed within preconceived expectations and fulfilled the customer's needs and desires (both economic and non-economic).
>
> *From the banker's perspective* – a favourable appraisal of the working relationship between the customer and the relationship manager and that the customer has performed within preconceived expectations and fulfilled the relationship manager's needs and desires (both economic and non-economic).

4.1.3 Sustainability

While a definition for *sustainability* has not been identified in the literature review, one that is relevant to this context is proposed herewith drawing upon Narayandas' and Rangan's (2004) five process model for the achievement of relationship sustainability:

> Relationship sustainability is where a relationship can be maintained over time capitalising on total trust and the quality of the relationship. It is achieved by leveraging power in the initial definition of contract terms, evaluating performance subsequent to the contract terms being effected and if favourable thereby converting the positive evaluation into interpersonal trust and subsequently customer–bank commitment (as opposed to customer–banker commitment), transferring interpersonal trust (customer–banker trust) into customer–bank commitment, increasing interpersonal trust to balance initial contract terms, and increasing customer–bank commitment to balance initial power asymmetries.

4.1.4 Crucial Stages – Stages in the Relationship Life Cycle

The crucial stages within the relationship life cycle are those phases at which the relationship is most vulnerable. Figure 2.1, presented in Chapter Two, is the author's representation of the relationship life cycle and the respective phases, as drawn upon from extant literature, and may appear to suggest that all the phases within the model are vulnerable points and therefore, there are no points in the relationship life cycle that are not vulnerable. However, this is not the intention.

What this research is proposing is that vigilance and knowledge are required in order to identify these phases and address them precisely so that the customer's needs are satisfied in that particular point of the relationship. In doing so, it is suggested that this will enable an easier progression of the relationship from one phase to the other in its own due course with a lesser degree of vulnerability experienced between phases as opposed to the initial onset of each particular phase.

This does not mean that the relationship manager will be able to set-and-forget the relationship between phases, as they will still need to maintain a degree of vigilance in order to address potential hiccups or deterioration along the way and the onset of subsequent phases.

Although Dwyer's et al. (1987) model has been adopted in terms of the different phases in the relationship life cycle, the definitions of Andersen (2001); Hsieh et al. (2008); Jap and Ganesan (2000); and Wong (1998) will also be drawn upon in defining the various phases as most have ultimately been derived from Dwyer's et al. (1987) definitions. The definitions of all the aforementioned researchers are deemed appropriate and in some cases have been adopted in their entirety. The researcher formulated the definition of the *recovery* phase.

4.1.4.1 Exploration

A search and trial phase, during which each party evaluates the dependence and bargaining power of the other with the view to reduce the uncertainty of a potential relationship, the potential obligations, benefits, and burdens of continued exchange are considered and potential value of continued interactions is assessed.

4.1.4.2 Expansion

A phase in which mutual benefits and interdependence (as a result of favourable relational exchange) continue to increase, uncertainty is reduced and risk taking is increased due to the emerging mutual confidence within the dyad.

4.1.4.3 Maturity

A phase in which the parties exhibit commitment to the relationship by way of implicit or explicit pledges of relational continuity and substantial relationship-specific investments.

4.1.4.4 Dissolution

A phase in which at least one party is experiencing dissatisfaction, disengagement, is exploring alternative relationships and beginning to communicate an intent to terminate the relationship. Any ensuing dealings are viewed with a short-term orientation and ultimately end in a dissolved relationship.

4.1.4.5 Recovery

An interim phase whereby a declining relationship is revived after reasons for the decline have been addressed to the satisfaction of all parties thereby restoring the relationship to a mutual long-term orientation.

4.1.5 Identification of Value Accounts

For the purposes of this research, the definition that is assigned to *value accounts* is that which was drawn from Gosselin's and Heene's (2005) definition for *strategic accounts*. The main difference, being the word *strategic*, is replaced with the word *value* which is used in lieu of the words *strategic* and *key* as stated in the literature review. Also, the context with which this definition is written is that of business-banking and looks to cover the bank's perspective as well as the customer's:

> Value accounts are potential or existing customers which are, or maybe of strategic importance to the Bank and/or relationship manager and where the Bank and/or the relationship manager is/are recognised as, or may be strategically important for the customer.

It is proposed within this revised definition that a value account need not necessarily already be of strategic importance but may also be classified as a value account if it *may* be one, that is if there is potential for strategic importance. Gosselin's and Heene's (2005) definition however, seemed to imply that the account had to already be of strategic importance in order to achieve this status.

Similarly, Ojasalo's (2001) definition of key account management is drawn upon for the definition of value account management:

> The Bank's activities including identifying and analysing their value accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-term relationships with them.

4.1.5.1 Define

Defining value accounts in the particular context of the subject organisation and industry. This is done by establishing and fulfilling criteria for important attributes desired in a customer or bank. Within a business-banking context from the banker's/bank's perspective a value account generally possessing the following attributes:

- Profitability;
- Whole-of-wallet potential;
- Large volume of lending/deposit limits;
- Accessible business networks;
- Credit worthiness; and
- Status.

4.1.5.2 Identify

Identifying value accounts by implementing the aforementioned criteria.

4.1.5.3 Implement

Implementation of the value account management strategy involves the following processes as drawn from Millman and Wilson (1995); Napolitano (1997); and Ojasalo (2001):

- Secure top management support and involvement;
- Develop operational level capabilities to build, grow, and maintain profitable and long-lasting relationships with value accounts;
- Select the right account executives;
- Choose the right accounts;
- Analyse each value account in terms of characteristics, history, commitment to the relationship, and switching costs;
- Allocate resources to the relational mix appropriate to the stage in the relationship;
- Tailor suitable strategies for each value account; and
- Periodically evaluate the strategic importance of a portfolio of current and potential value accounts.

4.1.5.4 Role of the Relationship Manager

As drawn from Millman and Wilson (1995); Napolitano (1997); and Pels (1992) the role of the relationship manager is to:

- Develop, nurture, manage and enhance the relationships within his portfolio, which are comprised of the Bank's customers and their businesses.
- To tend to their banking requirements.
- Co-ordinate and tailor the Bank's suite of products to suit them.
- To understand the customers' business, business environment and their goals.
- Provide solutions to their problems based on the Bank's resources.
- Sell them the Bank's products/services and negotiate terms.
- Provide banking and finance advice.
- Grow the portfolio and increase its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills.

4.1.6 Co-Creation of Value

With Prahalad's and Ramaswamy's (2004) considerations in mind, co-creation of value involves customer specific personalised interactions. It is the co-creation experience, not the offering, which is the basis of unique value for each customer. Therefore, within the context of this research:

> Co-creation of value is where both the customer and the banker, in their dealings together, create what they perceive to be value thereby satisfying their individual and collective needs.
>
> *For the customer* – this means that they are able to leverage off the knowledge/experience and network of the relationship manager to the customer's benefit.
>
> *For the banker* – this means that they may have been granted access to the customer's full banking requirement as opposed to sharing part of the banking requirement with a competitor and commitment to the relationship.

4.1.7 Long-term Value-adding Relationship

A relationship which enjoys longevity is deemed of value to those party to the relationship and where the relationship is continually proving to be a source of value-add to the parties.

4.2 The Conceptual Model

The diagrams presented overleaf (Figures 4.1 and 4.2) illustrate the variables of RM (relevant to both sample groups i.e. relationship managers and customers) and how they are interdependent in terms of arriving at the desired outcome, that being a *long-term value-adding relationship*.

It is the researcher's contention that the factors presented throughout this chapter complement each other in so far as *total trust* and a *quality relationship* lead to the *sustainability* of the relationship. Understanding the *crucial stages* within the relationship's life cycle, along with identifying which customers are in fact *valuable* to the bank enables the *co-creation of value* which when combined with sustainability, it is believed that this will lead to a long-term value-adding relationship.

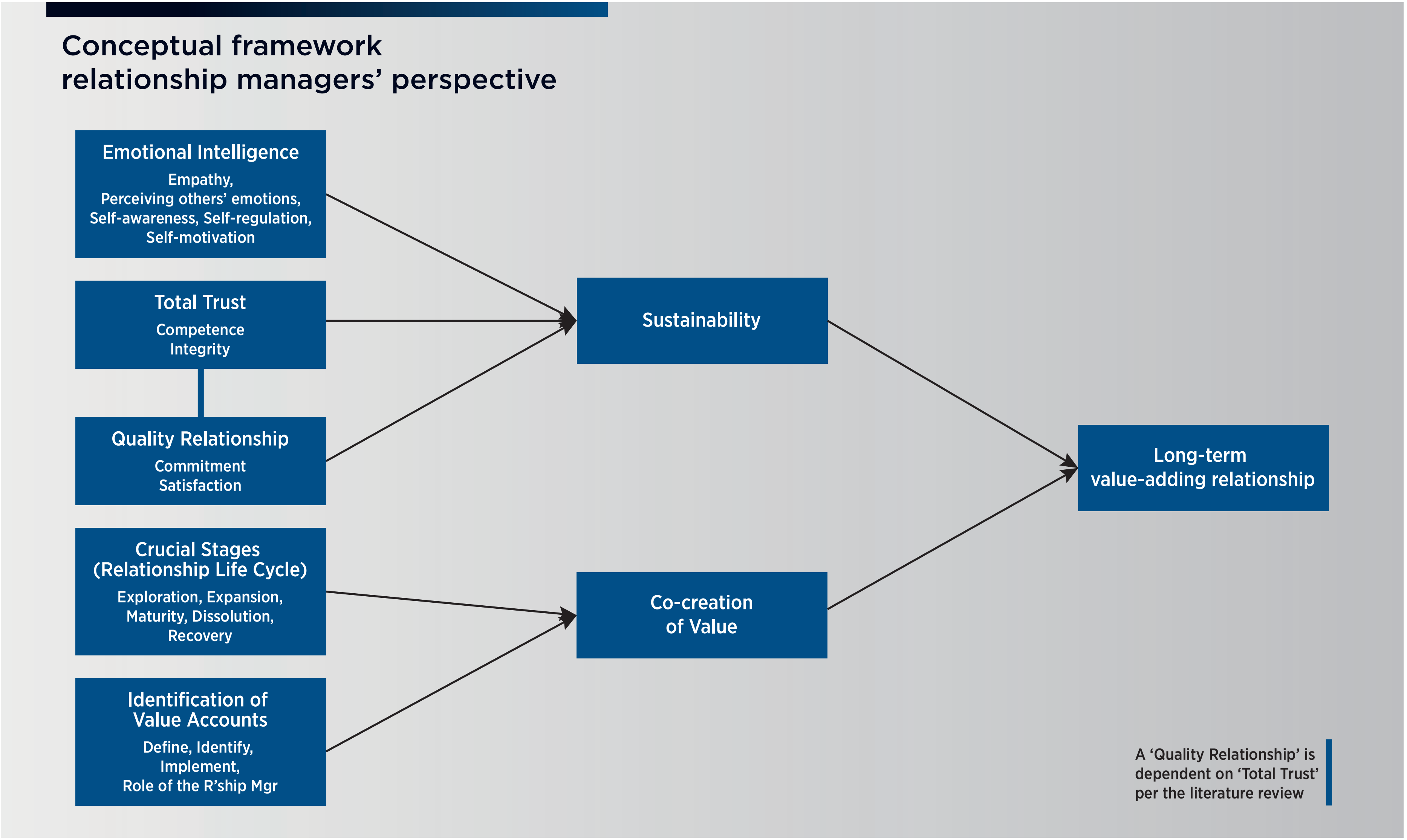

Figure 4.1 Conceptual framework – relationship managers' perspective

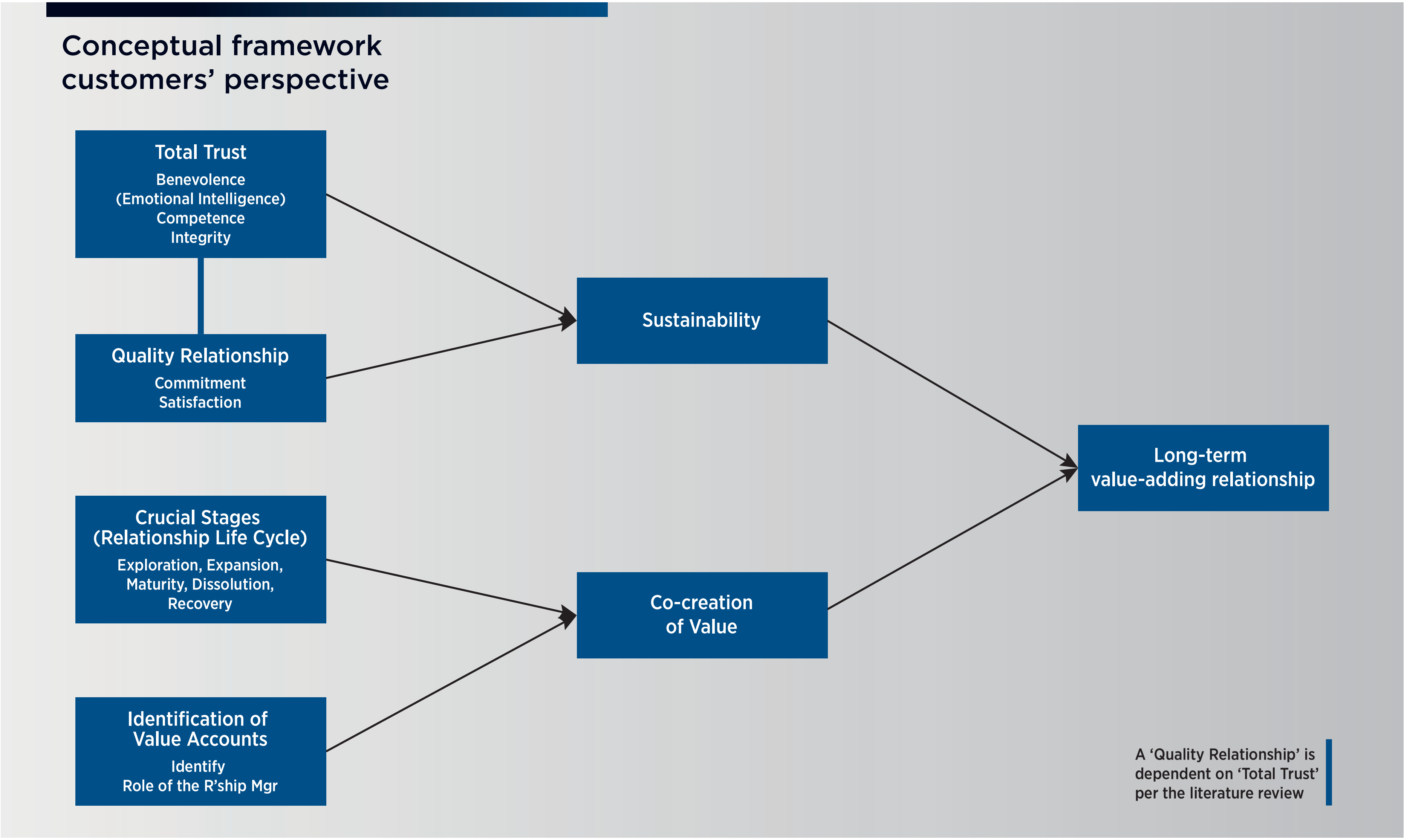

Figure 4.2 Conceptual framework – customers' perspective

4.3 The Hypotheses

From the review of the extant literature and the subsequent development of the conceptual model, three research questions were posed, the following hypotheses were tested in order to answer the research questions:

4.3.1 Hypotheses to Measure Research Question One

What are the factors contributing to effective relationship management within the banking sector?

As previously stated, the factors considered to be integral to effective relationship management are total trust, relationship quality, sustainability, knowledge of the stages in the relationship life cycle, identification of value accounts and co-creation of value. Emotional intelligence is also thought to be an important factor that may contribute to the enhancement of one's ability to exhibit benevolence at the appropriate times thereby increasing the probability of effectively managing a relationship.

While there appears to be a favourable theoretical link between these variables and a long-term value-adding relationship, this research aims to empirically test this favourable link and therefore makes the following hypotheses:

H_1 Benevolence, Competence and Integrity as displayed by the relationship manager are positively related to Total Trust (from the customer's point of view).

H_{1A} Competence and Integrity as displayed by the customer constitute Total Trust (from the relationship manager's point of view).

H_{1B} Emotional Intelligence (from the customer's perspective) is a critical element of Benevolence Trust and has a positive relationship with Long-term Value-adding Relationships.

H_{1C} Emotional Intelligence (from the relationship manager's perspective) is a critical element of Total Trust and has a positive relationship with Sustainability and Long-term Value-adding Relationships.

H_2 Commitment, Satisfaction and Trust as exhibited by both the customer and the relationship manager in mutuality are positively related to a Quality Relationship.

H_3 Total Trust and a Quality Relationship are positively related to the Sustainability of the relationship.

H_4 Responding appropriately to customer needs at the different stages in the relationship life cycle and identifying the Value Accounts are positively related to Co-Creation of Value.

H_5 Sustainability of the relationship and Co-Creation of Value are positively related to a Long-term Value-adding Relationship.

4.3.2 Hypothesis to Measure Research Question Two

What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

As adapted from Dwyer et al. (1987) and Jap and Ganesan (2000), the crucial stages within the life cycle of a relationship as identified by this research are exploration, expansion, maturity, dissolution and recovery. This research seeks to empirically validate the proposed relationship life cycle in a business-banking context and thus poses the following hypothesis:

H_6 The Stages in the Relationship Life Cycle are Exploration, Expansion, Maturity, Dissolution and Recovery; where a dissolving relationship can be recovered; it does not necessarily lead to complete dissolution of the relationship.

Nurturing the relationship through these vulnerable stages is essential if the relationship is to progress and strengthen. The question of *how* to nurture the relationship through each phase is one of great importance, however it depends on the particular situation and context of the relationship. Here, the relationship manager will be guided by the behaviour of their client throughout each phase and should act accordingly to ensure that the client is comfortable with the relationship, how it is progressing and the direction it is progressing in.

For example, a relationship in the exploration phase entails the customer and banker making small investments in the relationship. However, given that this is a fragile trial phase, any investment made will be minimal in order to ensure that the potential termination of the interaction/future interactions is/are not costly (Dwyer et al. 1987). Therefore, the relationship manager should bear this in mind and not be perceived to come on too strong in terms of the long-term inflexible nature (although potentially lucrative) of an initial offer. This could possibly scare off the target customer who may only be interested in testing the waters at this stage and not want to make a long-term commitment despite any perceived potential benefits to them. Above all, common sense should prevail.

4.3.3 Hypothesis to Measure Research Question Three

How are key relationships identified, nurtured, enhanced and retained?

Relationship management is integral to business success in the business-banking space. However, over-investing time and effort in relationships of little current or potential value is wasteful and precious resources could be better utilised in investing in value accounts, the profitability of which will be much greater and longer lasting.

Thus, the value accounts need to be identified and set apart from the ordinary and low/non-value accounts so that the right amount of resources can be allocated based on the perceived value of each connection. Subsequently, the relationship is nurtured when the value account is receiving the appropriate allocation of resources from the relationship manager who should be adding value wherever possible to the relationship therefore enhancing it and making the customer *sticky* and as a result, increasing the longevity of the connection.

H_7 The Identification of Value Accounts and subsequent Value Account Management strategy is positively related to Long-term Value-adding Relationship.

The presented hypotheses, enable the empirical testing of which factors contribute to effective relationship management within the banking sector. They will also identify what the crucial stages of the relationship life cycle are and how they are nurtured effectively with the view to creating and sustaining a long-term value-adding relationship.

CHAPTER FIVE

METHODOLOGY

5.1 Research Method

The research method was a quantitative methodology that involved development of structured questionnaires and a survey of the subject Bank's business-banking relationship managers and their customers. A literature review drawing on extant theory was conducted via the Victoria University Electronic Journal Data Base, Google Scholar, peer reviewed journal articles and books. Electronic journal databases frequently drawn on consisted of Emerald, Business Source Complete and ScienceDirect.

While the focus was on peer reviewed marketing journals, peer reviewed journals from other related/complementary disciplines such as management and psychology were also reviewed as it was deemed necessary to broaden the review of extant knowledge and where necessary study certain constructs from their origins, for example, studying emotional intelligence from a psychology perspective rather than a business application perspective. It is believed that by employing this strategy, the literature review would remain true to the constructs being studied and would provide the reader with a better understanding of the origins of the constructs being studied and therefore the present research and its objectives.

A quantitative methodology was adopted as the most appropriate because of its ability to provide an objective view. Furthermore, this methodological approach has been used in similar studies identified in the literature review (Bejou et al. 1998; Coulter & Coulter 2002; Ganesan 1994; Higgs 2004; Zineldin 1995).

A quantitative methodology is a research strategy that espouses objective data, value and measurement and the use of statistical methods. A quantitative methodology was selected as the appropriate data collection method because this approach will enable the surveying of a much larger sample, which will be more likely to be representative of the banking sector in general (Veal 2005).

This methodology however, has been criticised by qualitative researchers, examples of such criticisms include:

- Lacks depth – in that qualitative methods enable the detailed explanation of the *rich* data whereas quantitative methods have been criticised for providing superficial evidence;

- Static view of subject – quantitative data is usually collected from a particular point in time whereas qualitative methods enable the examination of changes over time, that is longitudinal studies;

- Spurious sense of precision and accuracy – just because information is presented in numerical form and may be based on a large sample, it does not mean that the results are accurate as questionnaire surveys for example rely on information from respondents which may be exaggerated (Bryman 1984; Veal 2005).

Despite these disadvantages, quantitative methodology has its advantages when applied to the right cases. For example:

- More useful for testing hypotheses – numerical evidence is collected in order to allow for the validation of hypotheses;

- Useful in tracking trends – using comparable methodology, change over time can be studied via methods such as longitudinal and/or annual surveys;

- Structured data collection technique – provides a means of quantifying data;

- High concern for representativeness – results of quantitative studies generally aim to represent a wider population;

- Large samples – generally mean that the results have a higher probability of being reliable;

- Ease of response from respondents – questionnaire surveys for example, can be administered via the Internet, making the process seamless for participants. Rather than the respondents having to print out, complete then mail the questionnaire, now the only need to access it online and submit it via a macro or email (Veal 2005);

- Objectivity – "objectivity is maintained by the distance between observer and observed along with the possibility of external checks upon one's questionnaire" (Bryman 1984, p. 77)

This research is considered exploratory in nature and thus deductive as it is based on prior logical reasoning and collects empirical evidence to test the research propositions. The quantitative paradigm is described as positivist, in contrast to the qualitative research which stresses an understanding of the social world through an examination and interpretation of the participants (Veal 2005).

The case study method was deemed to be most appropriate for the purposes of this investigation as a case study will enable the investigation of RM within its real-life context (Veal 2005). As Simons (2009) concluded:

> Case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a 'real-life' context. It is research-based, inclusive of different methods and is evidence-led. The primary purpose is to generate in-depth understanding of a specific topic (as in a thesis), programme, policy, institution or system to generate knowledge and/or inform policy development, professional practice and civil or community action (p. 21).

5.2 Case: The Subject Bank

The subject Bank has been chosen as the case in this research for two main reasons; one, it has provided support to the researcher in conducting this research, and two, the Bank is deemed to be a typical representation of the Big 4 banks in Australia – in so far as all of the Big 4 have a similar RM strategy whereby business-banking clients are assigned a relationship manager. This research will be centring on relationship specific factors rather than organisation specific factors. Therefore it is believed that this research although conducted as a case study of the subject Bank, will produce results that may be useful to the other Big 4 banks as well as banks and financial institutions in general where a relationship-banking strategy is employed.

5.3 Sample

There were two questionnaires, one targeting the Bank's business-banking relationship managers and the other targeting the Bank's business-banking customers. The questionnaires were targeted at the total population of the respondent groups (for whom we have correct contact details i.e. valid email addresses) that is, 319 relationship managers and 5,662 business-banking customers (note that the survey was sent to 7,952 business-banking customers, however 2,290 emails were not received due to invalid email address information).

These two groups of targeted respondents were chosen, as it is the relationship between these two groups (i.e. the relationship manager and the customer) that is the focus of this research. Therefore, the aim was that every relationship manager and every customer within the Bank's business-banking business would be surveyed as part of this research.

5.4 Procedure

A great deal of planning was involved in the preparation and administration of this study. Firstly, the research had to be found to be of benefit to the subject Bank and therefore the researcher was required to present the proposed study to the General Manager (Business-Banking).

Secondly, the survey administration department of the Bank (referred to henceforth as Group Surveys) were enlisted as the expert panel in order to build, test, distribute and retrieve the questionnaires. They gave advice (along with a senior research manager) as to the length of the questionnaires, considerations as to the items being relevant to the target audiences and the best time of year for distribution of the questionnaires, which would attract a higher response rate.

Thirdly, the survey needed to be coordinated so as not to clash with or directly precede/ follow other bank surveys so as not to hinder, nor be hindered by, the same.

Finally, potential legal and reputation issues were considered by the Bank's legal team with issues such as privacy, spam and the potential effects on the Bank's reputation should the study uncover some adverse findings in terms of responses from their customers and what the commercial ramifications of the same may be. Thus, the Bank's legal team decided not to authorise the publication of the Bank's identity.

The researcher first formally approached the General Manager (Business-Banking) with a proposal to conduct this research at the subject bank in April 2011. Permission was granted during the meeting and confirmed in writing the same day. The process of attaining the appropriate permission was quite lengthy. The impact of this meant that the questionnaires were not able to be distributed until early December 2011. Thus, the survey took approximately eight months to pass through the Bank's procedural and legal formalities before distribution was permitted. The survey ceased approximately ten business days after initial distribution of questionnaires.

5.4.1 Project Objectives

The project objectives were identified firstly by formulating the research questions:

- What are the factors contributing to effective relationship management within the banking sector?

- What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

- How are key relationships identified, nurtured, enhanced and retained?

From these questions, the project objectives quickly became apparent:

- Identify the factors contributing to effective relationship management;

- Identify the crucial stages within a relationship's life cycle;

- Identify the behaviour required in order to ensure the progression and continuity of a relationship;

- Identify the key to relationship longevity; and

- Identify how to arrive at a long-term value-adding relationship.

5.5 Design of the Questionnaires

Given the type and size of the study, it was deemed that the most appropriate survey design would be that of a quantitative descriptive nature. This is because this research aimed to identify and describe the factors of effective relationship management and, a descriptive research design seemed most appropriate (Veal 2005).

The survey questionnaires were formulated by drawing from extant literature and other previous survey questionnaires from similar research topics. The literature review identified the key concepts of this study and also certain instruments to measure the same. These instruments were then adapted to this research in order to achieve their maximum potential. Appendix A details the constructs and how previous researchers have measured them.

There were two structured questionnaires (one for relationship managers and the other for customers) that were then formulated in order to collect the quantitative data, which in part replicated the measures found within the extant literature, or adapted them from the same (whereby the only changes were to contextualise the measure into a banking context, e.g. identifying the buyer and seller as customer and relationship manager/bank or to make the measure compatible with a five-point Likert system). The researcher developed measures where measures were unavailable within the extant literature.

The relationship manager questionnaire contained 62 questions (plus an additional eight profile questions) and took a volunteer relationship manager approximately 15 minutes to complete. The customer questionnaire on the other hand, contained 121 questions (plus an additional 12 profile questions) and took a volunteer approximately 35 minutes to complete.

Expert advice was sought from Group Surveys as they were given the questionnaires with the task of distributing them electronically to the total population of the Bank's business-banking relationship mangers and business-banking customers. Expert advice was also sought from a senior research manager within the Bank who gave advice as to questionnaire length and relevance to the proposed audience.

The *Information to Participants* and instructions for completing the survey were included in the front page of the survey and the participants signified their consent to taking part in the research by proceeding with and completing the questionnaires. Participants were also assured of their privacy and anonymity via the front page of the survey.

The Bank ensured data security and privacy by organisational design – their Group Surveys department is locked-down, meaning that all data is kept confidentially under secured encrypted systems, and no external employees are permitted to access the data. Furthermore, the data were released to the researcher and then destroyed immediately by Group Surveys.

Due to the sensitivities around contacting customers for non-bank related matters, the Bank was reluctant to follow up customer responses. However, the relationship manager respondent group was followed up once towards the end of the designated survey open period.

5.6 Measures

The constructs illustrated within the conceptual models (Figures 4.1 and 4.2) were measured via the questionnaires, as part of this research, and the data analysed for their validity in contributing to the predicted *long-term value-adding relationship*. Constructs, as measured by previous researchers and discussed in the literature review, are summarised in Appendix A.

This chapter will now detail how each construct was measured as part of this research. As there were two questionnaires (one targeting relationship managers, the other targeting customers), each measure will be preceded with either an R or a C (representing relationship managers and customers respectively) in order to signify the intended audience.

The questionnaire design was a product of systemic process of construction and evaluation. The process commenced with a review of previous research to ascertain how the constructs identified in the conceptual framework had been measured previously. The following items were measured via a five-point Likert scale that is strongly disagree/ strongly agree, poor/excellent or very unimportant/very important.

5.6.1 Total Trust

5.6.1.1 Benevolence

It should be noted that *benevolence* was referred to as *goodwill* in the survey as the latter was thought to be more easily understood by participants.

Interpersonal benevolence

Thinking about your current Relationship Manager (or last Relationship Manager if you do not know who your current one is) ...

C001 I feel the relationship manager has supported me
C002 This relationship manager has often gone out of his/her way to help me
C003 This relationship manager is genuinely concerned about my business success
C004 When making important decisions, this relationship manager considers my welfare as well as his/her own
C005 I am more likely to trust a relationship manager that is concerned about my financial and general welfare

Organisational benevolence

C006 This bank considers our interests when problems arise
C007 The Bank is genuinely concerned about our business success
C008 When making important decisions, this bank considers our welfare as well as its own
C009 I am more likely to trust a bank that is concerned about my financial and general welfare

Measures have been adapted from Doney et al. (2007); Ganesan (1994); and Ganesan and Hess (1997).

Emotional Intelligence.

Empathy

R01 I usually know what a customer is thinking
R02 I usually know what a customer is feeling
R03 It is important for a successful relationship manager to be able to empathise with his or her customers

Perceiving Others' Emotions

R04 I can usually read my customers' moods
R05 Understanding your customer's mood enhances your sales call
R06 It is important for a successful relationship manager to be able to perceive his or her customers' emotions

Self-Awareness

R07 It is important for a successful relationship manager to be aware of the image he or she projects
R08 I prefer action over reflection
R09 I talk things over in order to understand them
R10 I think things through in order to understand them
R11 I prefer written communication over oral communication
R12 I enjoy working in groups
R13 I enjoy working alone or with only one or two others

Self-Regulation

When a customer says something that makes you really angry, would you usually …

R14 Leave the room immediately
R15 Tell the customer how it made you feel
R16 Pretend it doesn't affect you
R17 Continue on as if nothing happened
R18 React with the same hostility
R19 I control my emotions during a sales call
R20 It is important for successful relationship managers to control their emotions during a sales call

Self-Motivation

R21 How self-motivated do you consider yourself to be?
R22 How important is self-motivation for a successful relationship manager?

Sales Performance

C010 I am more likely to trust a relationship manager who reacts understandingly to my feelings and moods
C011 I am more likely to trust a relationship manager who has control over their emotions
C012 Whether a relationship manager is emotionally aware or not does not concern me
C013 I am more likely to like a relationship manager who has values and beliefs which are similar to mine
C014 I am more likely to like a relationship manager who has tastes and preferences similar to mine

R23 How would you rate yourself as a relationship manager relative to your peers?
R24 How would you rate the Bank's performance relative to competitors?
R25 Have you won any performance-based sales awards or bonuses?
R26 What was the customer satisfaction score from your latest Performance Management Review?

Where it was not possible to replicate EI measures, they have been adapted for use in this study from Coulter and Coulter (2002) and Deeter-Schmelz and Sojka (2003). The internal/external scales (R008–R013) have been derived from (Hirsh 1991).

5.6.1.2 Competence

C015 My relationship manager is an experienced banker
C016 My relationship manager has a good knowledge base of the Bank's products
C017 My relationship manager understands my business and is knowledgeable about the industry I am engaged in
C018 I am more likely to trust an experienced and knowledgeable relationship manager who understands my business

R27 I am more likely to trust my customers if they are knowledgeable within their own industry

Measures have been adapted from Coulter and Coulter (2002) and Heffernan et al. (2008).

5.6.1.3 Integrity

Interpersonal credibility

C019 Promises made by this relationship manager are reliable
C020 If problems such as funding delays arise, the relationship manager is honest about the problems
C021 This relationship manager is always on top of things related to his/her job
C022 This relationship manager follows up on customer requests
C023 I believe the information that this relationship manager provides me
C024 I am more likely to trust my relationship manager if they act with integrity

R28 I am more likely to trust my customers if they are honest with me and keep to their word
R29 I am more likely to trust my customers if the information they provide me with is accurate

Organisational credibility

C025 Promises made by this bank are reliable
C026 This bank has been frank in its dealings with me
C027 If problems such as technological glitches arise, this bank is honest about the problems
C028 This bank has been consistent in terms of its policies
C029 I believe the information that this bank provides me
C030 I am more likely to trust the bank if it acts with integrity

The above measures have been adapted from Doney et al. (2007); Ganesan and Hess (1997); and Heffernan et al. (2008).

5.6.2 Quality Relationship

5.6.2.1 Commitment

Interpersonal commitment

C031 My relationship with this relationship manager is something that I am very committed to
C032 My relationship with this relationship manager deserves my maximum effort to maintain
C033 I am willing to invest time and other resources into the relationship with this relationship manager

Organisational commitment

C034 My relationship with this bank is something that I am very committed to
C035 My relationship with this bank deserves my maximum effort to maintain
C036 I am willing to invest time and other resources into the relationship with this bank

Relationship continuity

C037 I will continue the relationship with this bank
C038 I believe that in the future my relationship with my relationship manager will continue to improve
C039 I will utilise this bank's services again in the future
C040 This Bank is the first bank that comes to my mind when making purchase decisions for bank services
C041 I focus on long-term goals in this relationship

Word of mouth

C042 I will recommend this bank to others
C043 I defend this bank when outsiders criticise it

Affective commitment

Note this item is referred to simply as *commitment* in the survey in order to simplify it for the audience

C044 I feel a sense of belonging to this Bank
C045 I am a loyal customer of this Bank
C046 I am loyal to my relationship manager
C047 I consider my relationship manager as my trusted advisor
C048 I consider my relationship manager like a friend

R30 I put the long-term cooperation with my customers before my short-term profit
R31 My relationship with my customers is something that I am very committed to
R32 My relationship with my customers is something I really care about
R33 My relationship with my customers deserves my maximum effort to maintain
R34 I seek to expand my dealings with my customers into the future
R35 I consider my customers as friends

The above measures have been adapted from Hennig-Thurau et al. (2002); Johnson et al. (2008); Kim and Cha (2002); Ndubisi (2007); and Walter et al. (2003).

5.6.2.2 Satisfaction

Interpersonal satisfaction

C049 I am always delighted with my relationship manager's service
C050 I am not happy with how my relationship manager handles my complaints
C051 I am satisfied with the information provided to me by my relationship manager
C052 Overall, I am satisfied with my relationship with my relationship manager
C053 I am more likely to maintain a long-term relationship with my relationship manager if I am satisfied with the relationship
C054 How would you rate your overall satisfaction with your relationship manager?
C055 In general, how satisfied are you with the competence of your relationship manager as a business banker?

Organisational satisfaction

C056 I am always delighted with this bank's service
C057 I think I did the right thing when I decided to use this bank
C058 I am satisfied with the bank's employees in general
C059 I am not completely satisfied with the performance of this bank
C060 I am not happy with how the bank handles my complaints
C061 I am generally satisfied with the rates of interest I pay and receive
C062 Overall, I am satisfied with my relationship with this Bank
C063 I am more likely to maintain a long-term relationship with this Bank if I am satisfied with the relationship between myself/company and my relationship manager
C064 In general, how satisfied are you with the choice of products and services at this Bank?
C065 How would you rate your overall satisfaction with this Bank?
C066 How would you rate this Bank compared to other financial institutions in your overall satisfaction?

R36 Overall, I am satisfied with my relationship with my clients
R37 I am more likely to maintain a long-term orientation in terms of relationships with clients if I am satisfied with the relationship

The previous measures have been adapted from Chandrashekaran et al. (2007); Hennig-Thurau et al. (2002); Johnson et al. (2008); Kim and Cha (2002); Rajaobelina and Bergeron (2009); and Walter et al. (2003).

5.6.3 Sustainability

C067 I am more likely to maintain my relationship with my relationship manager if I can trust him/her
C068 I am more likely to maintain my relationship with my relationship manager if we share a quality relationship
C069 I am more likely to maintain my relationship with the bank if I can trust it
C070 I am more likely to maintain my relationship with the bank if I can trust the relationship manager
C071 I am more likely to maintain my relationship with the bank if I share a quality relationship with my relationship manager

Future usage

C072 What is the likelihood of you using this bank's services in the future?

Long-term relationship

C073 How important is a long-term relationship as a reason for choosing and judging financial institutions?

Pricing

C074 How important is competitive pricing when choosing your main bank?

Relative perceived performance

C075 What is your overall impression of this bank's capabilities?
C076 What is your overall impression of this bank's performance?

Seeks my business

C077 How important is it that your relationship manager actively seeks your commercial-banking business?
C078 My relationship manager actively seeks my commercial-banking business

R38 I actively seek my customers' commercial-banking business
R39 I actively seek all of my customers' general banking business
R40 I am more likely to maintain my relationship with my customers if I can trust them
R41 I am more likely to maintain my relationship with my customers if we share a quality relationship

The above measures have been adapted from Reddy and Czepiel (1999).

5.6.4 Crucial Stages – Stages in the Relationship Life Cycle

The crucial stages within the relationship life cycle are those phases at which the relationship is most vulnerable.

This research proposes that vigilance and knowledge are required in order to identify these phases and address them precisely so that the customer's needs are satisfied in that particular point of the relationship. The following statements, once addressed, aim to provide an understanding as to the behaviour of relationship managers and customers during each stage of the relationship life cycle.

C079 How long have you been a customer of this Bank?
C080 How long have you been a customer of your current relationship manager?
C081 How old is your business?

5.6.4.1 Exploration

C082 Your relationship manager has enticed you to do business with them
C083 Your relationship manager has left a favourable first impression on you
C084 You are happy to continue progressing your relationship with your relationship manger after a favourable first impression
C085 You are happy to continue progressing your relationship with the Bank after a favourable first impression
C086 You use small initial transactions to test the relationship manager's performance
C087 You use small initial transactions to test the Bank's performance
C088 You use small initial transactions to test the future viability of your relationship with the relationship manager
C089 You use small initial transactions to test the future viability of your relationship with the Bank

R42 You use small initial transactions to test the future viability of your relationship with a new customer
R43 You use small initial transactions to test whether you would like to pursue and maintain a relationship with a new customer

5.6.4.2 Expansion

C090 I feel like the relationship benefits have increased since I first began dealing with my relationship manager
C091 I feel like the relationship benefits continue to increase since I first began dealing with my relationship manager
C092 I feel like there is a growing interdependence between my relationship manager and myself

R44 I feel like the relationship benefits tend to increase after successful initial transactions with customers
R45 I feel like there is a growing interdependence between my customers and myself post successful initial transactions

5.6.4.3 Maturity

C093 You are committed to the relationship between your relationship manager and yourself
C094 You are committed to the relationship between the Bank and yourself

R46 You are committed to the continuity of the mature relationships within your portfolio

5.6.4.4 Dissolution

C095 You wish to terminate your relationship with your relationship manager
C096 You wish to terminate your relationship with the Bank
C097 You feel that your relationship with your relationship manager is declining
C098 You feel that your relationship with the Bank is declining

R47 You wish to terminate your relationship with a particular customer within your portfolio
R48 You feel that your relationship with a particular client is declining

5.6.4.5 Recovery

C099 Even if you wanted to terminate your relationship with your relationship manager, you believe the relationship could be saved
C100 Even if you wanted to terminate your relationship with the Bank, you believe the relationship could be saved
C101 Even if you felt that your relationship with your relationship manager was declining, you believe the relationship could be saved
C102 Even if you felt that your relationship with the Bank was declining, you believe the relationship could be saved

R49 Even if you wanted to terminate your relationship with a customer, you believe that in most cases the relationship could be saved
R50 Even if you felt that your relationship with a customer was declining, you believe that in most cases the relationship could be saved

In order to provide a contextual perspective, all of the above measures were formulated by the researcher and based on the constructs and definitions provided by Andersen (2001); Dwyer et al. (1987); Hsieh et al. (2008); Jap and Ganesan (2000); and Wong (1998). However, *recovery* was absent from the literature and thus the researcher formulated scales to measure the same.

5.6.5 Identification of Value Accounts

5.6.5.1 Define

The following definition of value accounts was provided in the questionnaire as defined in Chapter Four:

> value accounts are potential or existing customers which are, or may be of strategic importance to the Bank and/or relationship manager and where the Bank and/or the relationship manager is/are recognised as, or may be strategically important for the customer.

Customers and relationship managers alike were asked to answer questions with the preceding definition in mind.

5.6.5.2 Identify

C103 I feel like I am of strategic importance to my relationship manager
C104 I feel like I am a value account as per the above definition from the Bank's perspective
C105 I feel like I am a value account as per the above definition from my relationship manager's perspective
C106 This Bank is or has the potential to be of strategic importance to me
C107 My relationship manager is or has the potential to be of strategic importance to me
C108 My bank is of strategic importance to me when it possesses the following attributes:
- C108a Ease of doing business,
- C108b Quality in products and services,
- C108c Quality in people

C109 My relationship manager is of strategic importance to me when they possess the following attributes:
- C109a Ease of doing business,
- C109b Is well connected in the Bank,
- C109c Is well connected in my industry,
- C109d Is well regarded by their peers/superiors

R51 Please select the boxes of the following attributes that you think comprise a *Value Account*:
- R51a Profitability
- R51b Whole-of-wallet potential
- R51c Large volume of lending limits
- R51d Large volume of deposits
- R51e Accessible business networks
- R51f Credit worthiness
- R51g Status
- R51h All of the above

The attributes desired by customers in items C108 and C109 were derived from McDonald et al. (1997) while those described in R51 were predominantly derived from McDonald et al. (1997); Pels (1992); Spencer (1999); Wengler et al. (2006) and the researcher.

5.6.5.3 Implement

The following definition of value account management was provided in the questionnaire as defined in Chapter Four:

> The Bank's activities including identifying and analysing their value accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-term relationships with them.

Relationship managers were asked to answer questions with the above definition in mind.

R52 The implementation of a Value Account Management strategy is dependant on the following process:

- R52a Securing top management support and involvement
- R52b Selecting the right account executives
- R52c Choosing the right accounts
- R52d Analysis of each value account in terms of characteristics, history, commitment to the relationship, and switching costs
- R52e Allocation of resources to the relational mix appropriate to the stage in the relationship
- R52f Tailoring suitable strategies for each value account
- R52g Periodically evaluating the strategic importance of a portfolio of current and potential value accounts
- R52h All of the above

The implementation strategy described in R52 has been derived from Millman and Wilson (1995); Napolitano (1997); and Ojasalo (2001).

5.6.5.4 Role of the Relationship Manager

C110 Please select all the roles that you think best describe the role of the relationship manager:

- C110a Develops the relationship between you
- C110b Tends to your banking requirements
- C110c Understands your business environment
- C110d Negotiates terms with you
- C110e Co-ordinates and tailors the Bank's suite of products to suit you
- C110f Understands your goals
- C110g Provides you with banking and finance advice
- C110h Understands your business
- C110i Sells you the Bank's products/services
- C110j Manages the relationship between you
- C110k Provides solutions to your problems based on the Bank's resources
- C110l All of the above

R53 Please select all the roles that you think best describe the role of the relationship manager:

- R53a Develop the relationships within their portfolio
- R53b Tend to their customers' banking requirements
- R53c Understand their customers' goals
- R53d Provide banking and finance advice to their customers
- R53e Co-ordinate and tailor the Bank's suite of products to suit their customers' needs
- R53f Provide solutions to their customers' problems based on the Bank's resources
- R53g Grow their portfolio and increases its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills
- R53h Understand their customers' business
- R53i Sell the Bank's products/services to their customers
- R53j Understand their customers' business environment
- R53k Negotiate terms with their customers
- R53l All of the above

The roles of the relationship manager presented in C110 and R53 have been adapted from Millman and Wilson (1995); Napolitano (1997); and Pels (1992).

5.6.6 Co-Creation of Value

C111 You and your relationship manager create value together when you are able to leverage off the knowledge/experience and network of your relationship manager to your benefit while the relationship manager enjoys full access to your banking requirements and your commitment to the relationship

R54 You and your customer create value together when you enjoy full access to your customer's banking requirements and their commitment to the relationship, and they are able to leverage off your knowledge/experience and network

The above measures have been adapted from Prahalad and Ramaswamy (2004).

5.6.7 Long-term Value-adding Relationship

C112 A long-term relationship that adds value to your business is one that is there for the long-run, and continues to be a source of value to those in the relationship
C113 Compared to other banks we may be involved with, our relationship with this Bank is more valuable
C114 Compared to other banks we may be involved with, this Bank creates more value for us when comparing all costs and benefits in the relationship
C115 This Bank adds value to our relationship because it has an effective system for evaluating its core strengths and applying them in ways that add the most value to my business
C116 This Bank has an effective process for thoroughly understanding my needs, organisation structure, and vital success factors
C117 Communications and information flows from the Bank are fast, knowledgeable and accurate
C118 Communications and information flows between my relationship manager and I are fast, knowledgeable and accurate
C119 The Bank is driven by a mind-set to add value to me and to help me achieve the continual and rapid improvement of my business
C120 My relationship manager is driven by a mind-set to add value to me and to help me achieve continual, rapid improvement in all aspects of quality and operations
C121 I work with my relationship manager to achieve their targets (e.g. by giving them all my banking and by referring others to them where I can)

Do you agree that the relationship that adds the best value to both the bank and customers is when ...

R55 You have full access to a customer's banking requirements
R56 Customers are able to leverage off your knowledge and experience and network
R57 It continues over a long time period
R58 It continues to add value over the long term
R59 It contributes to my financial targets
R60 It contributes to my career aspiration
R61 It contributes to my personal aspirations
R62 I add value to the customer

C112 was formulated by the researcher, C113 and C114 were adapted from Eggert et al. (2006). C115–C121 and R57 were adapted from Napolitano (1997). The researcher formulated R55, R56 and R58–R62.

5.7 Data Analysis

The data analysis used the Statistical Package for the Social Sciences (SPSS) software to produce multivariate and univariate statistics (means, frequencies, correlations and regressions) to confirm the proposed framework and the relationships between the variables. The data were analysed using Pearson's correlation coefficients (r) and multiple regression. The acceptable level of significance was $p<0.05$. Unrotated exploratory factor analysis was used to analyse the factor structure of the measures. Cronbach's alpha was utilised in order to test the reliability of the scales and determine the appropriateness of the variables measured. Hair, Black, Babin, Anderson and Tatham (2006) suggests that the acceptable range for alpha is 0.60 to 0.70.

5.8 Ethics Approval and Confidentiality of Participant Information

The Faculty of Business and Law Human Research Ethics Committee, Victoria University granted ethics approval on 30 June 2011 (see Appendix B).

Respondent confidentiality and anonymity was achieved via the aggregation of the data. The hard copy data was stored in a locked filing cabinet in the Principal Supervisor's office and soft copy data stored under the password encrypted computers of the Principal Supervisor and researcher.

Information to participants and consent of participants disclosures were contained in the front pages of the online questionnaires and by completing the survey, respondents' consent was implied.

5.9 Summary

It was expected that the answers to the questions provided would reinforce/reiterate the central factors contributing to sustained relationships as a result of RM, subsequently providing the foundations for a workable relationship model based on the relationship life cycle for banks to follow. It was hoped that this would better equip relationship managers within any industry to engage customers with superior RM thereby differentiating themselves and their employer from its competitors.

To summarise, the aim of this investigation was to develop a model emanating from the conceptual framework leading to the desired product, that being a long-term value-adding relationship. The variables presented in the conceptual framework were analysed with the view to understanding whether they affect the final outcome and desired result, that is a long-term value-adding relationship, and if so what kind of affect they each have on that result.

CHAPTER SIX
RESULTS

6.1 Introduction

This chapter presents the results of the survey questionnaires distributed to business-banking relationship managers and customers at the subject bank. In order to maintain the requested anonymity of the subject bank, its name has been masked and referred to henceforth as 'X' Bank.

Data has been extrapolated into various tables for ease of reference for each construct and data set being studied. The vast majority of these tables can be found in Appendices D–K where this occurs, tables will be labelled using an alpha numeric style, for example, *Table A.1* indicates the table is presented in Appendix A.

6.2 Response Rates

Of the 319 relationship managers invited to complete the survey, 149 complete responses were captured resulting in a 47 per cent response rate. From the 5,662 customers invited to complete the survey, 68 complete responses were captured resulting in a one per cent response rate. It should be noted that the survey was sent to 7,952 business-banking customers, however 2,290 emails were not received due to invalid email address information.

While it is regrettable that only 68 responses were received, it is generally considered acceptable for a minimum of 30 participants for correlational research (Creswell 2008). Furthermore, de Winter, Dodou and Wieringa (2009) found that good quality exploratory factor analysis results can still be achieved from sample sizes below 50. Therefore, while the response rate is low at 68 captured responses, it is still deemed acceptable as per the aforementioned references and worthy of the following discussion.

6.3 Respondent Demographics

This section presents the demographics of the two respondent groups. In particular, Relationship Manager and Customer demographics have been extracted into Tables 6.1 and 6.2 respectively. Customers' industry segmentations are presented in Table 6.3 and their business information is summarised in Table 6.4. Each of the aforementioned tables is presented in the pages overleaf.

6.3.1 Relationship Manager Sample Demographics

Males comprised the vast majority of the relationship manager sample (82.6% Table 6.1) and the predominant age group of the sample was between the ages of 28–37 years old (36.9%). The largest cohorts of this sample were also living in Victoria (28.2%), have undergraduate qualifications (41.6%), are married (71.8%), born in Oceania (66.4%), are Christians (53.0%) and had between 10–19 years of experience within the banking industry (30.9%).

Table 6.1 Relationship manager demographics

Sex	%	n	Age group	%	n	Highest Education Level	%	n
Male	82.6	123	18–27	4.0	6	School	16.8	25
Female	14.8	22	28–37	36.9	55	TAFE	9.4	14
			38–47	30.2	45	Undergraduate	41.6	62
			48–57	22.1	33	Postgraduate	26.2	39
			58–67	3.4	5	Other	2.7	4
Total	97.4	145	Total	96.6	144	Total	96.7	144

Place of Birth	%	n	Relationship Status	%	n	Religion	%	n
Oceania	66.4	99	Single	8.7	13	Buddhism	1.3	2
NW Europe	4.0	6	Married	71.8	107	Christianity	53.0	79
S & E Europe	2.0	3	De facto	9.4	14	Hinduism	0.7	1
SE Asia	6.7	10	Other	2.7	4	Islam	1.3	2
NE Asia	0.7	1				Sikhism	0.7	1
Sub-Saharan Africa	1.3	2				None	26.2	39
Other	10.1	15				Other	6.7	10
Total	91.2	136	Total	92.6	138	Total	89.9	134

State of Abode	%	n	Experience in banking industry	%	n
ACT	2.7	4	1–9 years	23.5	35
NSW	22.1	33	10–19 years	30.9	46
QLD	20.1	30	20–29 years	22.1	33
SA	6.7	10	20–29 years	14.8	22
TAS	2.7	4	40+ years	4.0	6
VIC	28.2	42			
WA	13.4	20			
Total	95.9	143	Total	95.3	142

6.3.2 Customer Sample Demographics

Males comprised the vast majority of the customer sample (77.9%, Table 6.2) and the predominant age group of the sample is much higher (than the relationship manager sample), between the ages of 58–67 years old (39.7%). The majority of this sample live in New South Wales (NSW) (25.0%), have postgraduate qualifications (35.3%), are born in Oceania (60.3%) and are also predominantly Christians (67.6%). The majority of the sample was within the Professional, Scientific & Teaching (13.2%) and Construction (13.2%) industry categories as noted overleaf in Table 6.3.

Table 6.2 Customer demographics

Sex	%	n	Age group	%	n	Highest Eduation Level	%	n
Male	77.9	53	28–37	2.9	2	School	10.3	7
Female	13.2	9	38–47	20.6	14	TAFE	17.6	12
			48–57	32.4	22	Undergraduate	23.5	16
			58–67	39.7	27	Postgraduate	35.3	24
			68–77	2.9	2	Other	7.4	5
Total	91.1	62	Total	98.5	67	Total	94.1	64

Place of Birth	%	n	Religion	%	n	State of Abode	%	n
Oceania	60.3	41	Christianity	67.6	46	NSW	25.0	17
NW Europe	5.9	4	Hinduism	1.5	1	QLD	20.6	14
S & E Europe	4.4	3	Islam	1.5	1	SA	13.2	9
SE Asia	2.9	2	Judaism	1.5	1	TAS	4.4	3
S & Central Asia	1.5	1	None	13.2	9	VIC	22.1	15
N America	1.5	1	Other	5.9	4	WA	13.2	9
Sub-Saharan Africa	1.5	1						
Other	17.6	12						
Total	95.6	65	Total	91.2	62	Total	98.5	67

Customer of the X Bank	%	n	Customer of current R'ship Manager	%	n
0–5 years	13.2	9	0–5 years	75.0	51
6–10 years	23.5	16	6–10 years	19.1	13
11–15 years	10.3	7	11–15 years	5.9	4
16–20 years	5.9	4	16–20 years	–	–
21–30 years	20.6	14	21–30 years	–	–
31–40 years	13.2	9	31–40 years	–	–
41–50 years	7.4	5	41–50 years	–	–
50+ years	5.9	4	50+ years	–	–
Total	100.0	68	Total	100.0	68

Table 6.3 Customer industry segmentation

Industry sector	%	n	Industry sector	%	n
Accommodation & Food Services	4.4	3	Manufacturing	10.3	7
Administrative & Support Services	1.5	1	Mining	1.5	1
Agriculture, Forestry & Fishing	1.5	1	Other	5.9	4
Construction	13.2	9	Professional, Scientific & Teaching	13.2	9
Education & Training	2.9	2	Rental, Hiring & Real Estate	8.8	6
Financial & Insurance Services	4.4	3	Retail Trade	10.3	7
Healthcare & Social Services	1.5	1	Transport, Postal & Warehouse	4.4	3
Information Media & Telecommunications	7.4	5	Wholesale Trade	5.9	4

Response rate = 97.10%, n=66

The predominant turnover levels of the sample fell between the AUD 1–9 million bracket (Table 6.4). The majority of respondents, 45.6 per cent, fell within the less than AUD 1 million Total Business Limits (i.e. debt, working capital facilities, bank guarantee lines etc.) bracket with AUD 1–4.9 million bracket coming in a close second (32.4%) with only a nine respondent difference. Respondents claiming not to split their banking service utilisation amongst other financial institutions (*split-bank*) equalled 52.9 per cent and 80.9 per cent claim that the subject bank is their main bank. Seventy nine per cent of the respondents are the Owner/Director of their respective business that is to say they hold positions of authority/responsibility.

The mean length of customers' relationship with the bank was 3.96 suggesting an average length of between 15–20 years, while relationship with their relationship manager recorded a 1.31 mean suggesting an average relationship length of 0–5 years. Finally, the average age of the customers' respective businesses recorded a mean of 4.07, suggesting an average business age of 16–20 years.

Table 6.4 Customer business information

Turnover Range of Your Business (in millions of AUD)	%	n	**Total business limits (in millions of AUD)**	%	n	**Business age**	%	n
<1	22.1	15	<1	45.6	31	0–5	11.8	8
1–9	55.9	38	1–4.9	32.4	22	6–10	11.8	8
10–19	11.8	8	5–9	7.4	5	11–15	19.1	13
30–39	1.5	1	10–14	1.5	1	16–20	10.3	7
80–89	1.5	1	20–24	1.5	1	21–30	26.5	18
>119	2.9	2	25–29	1.5	1	31–40	10.3	7
			>34	1.5	1	41–50	2.9	2
						50+	7.4	5
Total	95.7	65	Total	91.4	62	Total	100	68

Please Indicate Your Role Within the Business	%	n	**Do you split bank?**	%	n	**Do you consider X Bank to be your main bank?**	%	n
Owner/Director	79.4	54	Yes	44.1	30	Yes	80.9	55
Director	11.8	8	No	52.9	36	No	17.6	12
Finance	2.9	2						
Administration	2.9	2						
Total	97.0	66	Total	97.0	66	Total	98.5	67

Note: *figures have been rounded to the nearest whole decimal point.*

6.4 Results of the Survey of the Relationship Manager Sample

This section tables and discusses the results of the survey questionnaire for the relationship manager sample. The results are presented into categories relevant to the various constructs detailed within the conceptual model (i.e. total trust, quality relationship, sustainability, crucial stages, identification of value accounts, co-creation of value and long-term value-adding relationship). They are further grouped into the various dimensions of said constructs as detailed opposite.

6.4.1 Relationship Manager Questionnaire

Relationship managers were asked to complete a 62-item questionnaire measuring the constructs within the conceptual framework. A five-point Likert scale was used that is *strongly disagree, disagree, neither agree nor disagree, agree* and *strongly agree*, which were represented in the data set as numbers one to five respectively. Therefore, where a mean was greater than three, it leaned towards agree/strongly agree. Conversely, where a mean was less than three, it leaned towards disagree/strongly disagree.

The relationship manager questionnaire measured trust, relationship quality and sustainability, the stages in the relationship life cycle, the definition and identification of value accounts, co-creation of value between the relationship manager and the customer and what constitutes a long-term value-adding relationship within a business-banking context. The following discussion draws on the main standout results.

6.4.2 Emotional Intelligence

Empathy. When it came to empathy, 99.3 per cent (Table D.1) of the relationship managers were in agreement that it is important for a successful relationship manager to be able to empathise with their customers (mean 4.63) while 73.8 per cent professed to usually knowing what their customer was thinking and feeling (78.5%).

Perceiving Others' Emotions. Similarly, 90 per cent claimed that they were usually able to read their customers' moods and thought it important for a relationship manager to be able to do so (94.6%). Ninety-three per cent believed that understanding customers' moods enhances a sales call.

Self-Awareness. Furthermore, 98.7 per cent believed it important for a successful relationship manager to be aware of the image they project. Sixty-seven per cent of relationship managers preferred to work alone or with only one or two others. However, when asked whether they prefer to work in groups 51 per cent agreed.

Self-Motivation. The majority of respondents (99.3%, Table D.3) believed it was important for a successful relationship manager to be self-motivated with 98.6 per cent claiming that they were self-motivated (55.0% self-motivated versus 43.6% very self-motivated, see Table D.2).

6.4.3 Total Trust

Total trust for the relationship manager sample was comprised of *integrity* and *competence*.

Interpersonal Credibility. As expected, the vast majority of relationship managers said that they would more likely trust their customers if they were honest, kept their promises (98.0%) and provided information that was accurate (97.3%, Table D.7).

Competence. When it came to *interpersonal credibility*, 89.2 per cent of relationship managers agreed that they were more likely to trust their customers if their customers were knowledgeable within their own industries.

6.4.4 Sales Performance

Four items were used to measure sales performance, as detailed in Tables D.4, D.5 and D.6. When asked to rate themselves on a scale of very poor to excellent, 70.5 per cent of the relationship managers gave themselves a rating of *good* (Table D.4) as compared with their peers and 84.6 per cent claim to have received performance-based sales awards or bonuses (Table D.5).

When asked what their customer satisfaction score was from their last performance management review (1 out of 5, where 1=Best and 5=Worst as per the subject bank's performance review system, see Table D.6), the relationship managers responded as follows: 59.7 per cent did not know what their customer satisfaction rating was and of the 40.2 per cent that did, 6.7 per cent achieved a rating of 1; 14.8 per cent achieved a rating of 2; 15.4 per cent achieved a rating of 3; 2.0 per cent achieved a rating of 4 and 1.3 per cent achieved a rating of 5.

6.4.5 Quality Relationship

The majority of respondents (95.3%, Table D.8) felt that to maintain their relationship with their customers deserves their maximum effort. Furthermore, 91.2 per cent agreed that they were more likely to maintain long-term relationships with their clients if they were satisfied with the relationship.

6.4.6 Sustainability

When it came to actively seeking their customers' commercial-banking business, 97.3 per cent (Table D.9) of relationship managers agreed that they did, as well as actively seeking their customers' general banking business (93.9%).

6.4.7 Crucial Stages – Stages in the Relationship Life Cycle

Exploration. Less than half of the respondents (43.0%, Table D.10) agreed that they use small initial transactions to test the future viability of a relationship with a new customer or to pursue and maintain a relationship with the same (40.2%).

Expansion. The relationship managers largely felt (89.3%) that the relationship benefits tend to increase after successful initial transactions with customers and 81.9 per cent felt a growing interdependence between themselves and customers post successful initial transactions.

Maturity. The vast majority of relationship managers (95.3%) were in agreement that they are committed to the mature relationships within their respective portfolios.

Dissolution. Under half of the relationship managers (34.9%) agreed that they wish to terminate their relationship with a particular customer within their respective portfolios, and 40.9 per cent felt that their relationship with a particular customer within their portfolio is in decline.

Recovery. However, while they may wish to terminate their relationship with a particular client, 65.1 per cent believed that in most cases, the relationship can be saved and 71.2 per cent believed that it could be saved if simply in decline.

6.4.8 Identification of Value Accounts

Definition of Value Accounts in a Business-banking Context. When asked which attributes they think comprise a value account (profitability, whole-of-wallet potential, large volume of lending limits, large volume of deposits, accessible business networks, credit worthiness and status) 66.4 per cent selected all of the above (see Table D.11).

Role of the Relationship Manager. When it came to identifying the role of the relationship manager, the relationship managers were presented with the following roles:

- Develop the relationships within their portfolio;
- Tend to their customers' banking requirements;
- Understand their customers' goals;
- Provide banking and finance advice to their customers;

- Co-ordinate and tailor the Bank's suite of products to suit their customers' needs;
- Provide solutions to their customers' problems based on the Bank's resources;
- Grow their portfolio and increases its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills;
- Understand their customers' business;
- Sell the Bank's products/services to their customers;
- Understand their customers' business environment; and
- Negotiate terms with their customers

Seventy-nine per cent of the relationship managers selected all of the above.

6.4.9 Co-Creation of Value

The majority of the relationship managers agreed (96.0%, Table D.12) that they create value together with their customers when they enjoy full access to their customers' banking requirements and commitment to the relationship and where the customers are able to leverage off the relationship manager's knowledge/experience and network.

6.4.10 Long-term Value-adding Relationship

Ninety-eight per cent of relationship managers felt that a relationship that adds the best value to both the Bank and customers is when they add value to the customer themselves (Table D.13).

6.5 Results of the Survey of the Customer Sample

This section discusses the results of the survey questionnaire for the customer sample. The results are presented in categories relevant to the various constructs detailed within the conceptual model (i.e. total trust, quality relationship, sustainability, crucial stages, identification of value accounts, co-creation of value and long-term value-adding relationship). They are further grouped into the various dimensions of said constructs as detailed in the following subsections.

6.5.1 Customer Questionnaire

Customers were asked to complete a 121-item questionnaire. Similar to the Relationship Manager questionnaire, a five-point Likert scale was used (e.g. *strongly disagree, disagree, neither agree nor disagree, agree* and *strongly agree*) which were represented in the data set as numbers one to five respectively. Therefore, where a mean was greater than three, it leaned towards agree/strongly agree. Conversely, where a mean was less than three, it leaned towards disagree/strongly disagree.

Similar to the relationship manager questionnaire, the customer questionnaire measured trust, relationship quality and sustainability, the stages in the relationship life cycle, the definition and identification of value accounts, co-creation of value between the relationship manager and the customer and what constitutes a long-term value-adding relationship within a business-banking context. The tables discussed in the following section present all the results in detail hence the discussion draws on the main results.

6.5.2 Benevolence Trust

Interpersonal. When it came to interpersonal benevolence less than half (47.1%, Table H.1) of the customer respondent group agreed that their relationship manager was genuinely concerned about their business success while 27.9 per cent did not agree and 25 per cent were neutral on the matter. However, 92.6 per cent agreed that they were more likely to trust a relationship manager that is concerned about their financial and general welfare.

Organisational. On the other hand, organisational benevolence scored quite low with a mean of 2.81 (Table H.1) in terms of the customers' perception of the Bank considering its customers interests when problems arise, 2.94 in terms of the customers' perception of the Bank having a genuine concern for its customers business success and 2.76 in terms of the Bank considering its customers welfare as its own when making important decisions. However, customers did appear to be in agreement that they were more likely to trust a bank that was concerned for their financial and general welfare (89.7%, mean 4.18).

Emotional Intelligence. When it came to emotional awareness, 48.6 per cent (Table H.1) of customers preferred that their relationship manager was emotionally aware.

6.5.3 Competence Trust

Those of the customer respondent group in agreement that their relationship manager understands their business and is knowledgeable about the industry the customer is engaged in, numbered 42.6 per cent (Table H.1), while 91.2 per cent would more likely trust an experienced and knowledgeable relationship manager who understands their customers' business.

6.5.4 Integrity Trust (Interpersonal and Organisational)

Customers that believed that promises made by their relationship manager are reliable numbered 58.9 per cent (Table H.1), while 51.5 per cent believed that promises made by this bank are reliable.

6.5.5 Quality Relationship – Commitment

Interpersonal Commitment. Forty-nine per cent (Table H.2) of customers professed their commitment to their relationship manager. Sixty-three per cent of customers professed loyalty to their relationship manager.

Organisational Commitment. Similarly, 45.6 per cent of customers professed their commitment to the Bank, would continue their relationship with this bank (61.7%) and would recommend this bank to others (51.4%). Those professing to be loyal customers of the Bank numbered 72.1 per cent.

6.5.6 Quality Relationship – Satisfaction

Interpersonal Satisfaction. Overall satisfaction with the relationship manager equated to 57.4 per cent (Table H.3) as did satisfaction with the competence of the relationship manager as a business banker (57.4%), while only 45.6 per cent considered their relationship manager as their trusted advisor (Table H.2).

Organisational Satisfaction. On an organisational level, 54.4 per cent of customers were satisfied with the Bank (46.6% satisfied versus 8.8% very satisfied, Table H.3) however overall satisfaction (of this bank) as compared with other financial institutions was only 36.8 per cent (see Table H.4).

6.5.7 Sustainability

The majority of customers agreed that they were more likely to maintain their relationship with the bank if they can trust their relationship manager (94.1%, Table H.5) and that they were likely to use this Bank's services in the future (70.6%, Table H.6). Amongst the majority of customers (91.2%, Table H.7), a long-term relationship was an important factor as a reason for choosing and judging financial institutions, while pricing as a factor was equally as important (91.1%). Those customers that thought it important for their relationship manager to actively seek their commercial-banking business numbered 67.7 per cent, while only 38.3 per cent reported that their relationship manager actually did seek their commercial-banking business (see Table H.5).

6.5.8 Crucial Stages

Only 42.7 per cent (Table H.10) of customers agreed that the relationship benefits have increased since they first began dealing with their respective relationship managers and just 33.8 per cent felt that the benefits continue to increase with 22 per cent feeling a growing interdependence between themselves and their relationship manager. 50 per cent of customers are committed to the relationship between themselves and their relationship manager while 54.4 per cent were committed to the relationship between themselves and the Bank. The majority of customers do not wish to terminate their relationship with their relationship manager (60.3%) or with the Bank (63.2%).

6.5.9 Identification of Value Accounts

Only 25 per cent (Table H.11) of customers felt as though they were of strategic importance or a *value account* (42.7%) in the eyes of their relationship manager or a value account in the eyes of the Bank (32.4%). However, 58.8 per cent of customers believed that the Bank is or has the potential to be of strategic importance to them and 63.3 per cent felt the same about their relationship manager.

6.5.10 Co-Creation of Value

The majority of customers agreed (61.8%, Table H.13) that they create value together with their relationship manager when they are able to leverage off the relationship manager's knowledge/experience and network (to their benefit) while the relationship manager enjoys full access to their customers' banking requirements and commitment to the relationship.

6.5.11 Long-term Value-adding Relationship

The vast majority of customers (91.1%, Table H.14) feel that a long-term relationship that adds value to their business is one that is there for the long-run, and continues to be a source of value to those in the relationship but only 48.6 per cent believed that their relationship with this Bank is more valuable to them compared to other banks with which they may be involved.

Only 33.8 per cent felt that, compared to other banks they may be involved with, this Bank creates more value for them when comparing all costs and benefits in the relationship. Twenty-one per cent felt that the Bank is driven by a mind-set to add value to them and to help them achieve the continual and rapid improvement of their business (35.3% felt the same about their relationship manager's mind-set).

Customers thought that communication and information flows between their relationship manager and themselves were fast, knowledgeable and accurate (51.5%) whereas only 33.9 per cent thought the same of the Bank's communication and information flows.

6.6 Factor Analysis and Scale Reliability – Relationship Manager Data

Exploratory factor analysis was undertaken given the study's exploratory nature. An Eigenvalue (λ) of greater than one (1) was deemed to confirm the scale item as being an appropriate measure of the construct being measured. Cronbach's alpha (α) is also presented herein as a measure of the scales' reliability to measure a particular construct. Alpha values greater than 0.60 will be considered as reliable (Hair et al. 2006).

6.6.1 Emotional Intelligence

In relation to the relationship manager sample, EI was considered to be a construct in its own right as opposed to being a dimension of *benevolence* as proposed for the customer sample. The various dimensions of EI are analysed individually in the following subsections.

6.6.1.1 Empathy

As can be seen from Tables E.1 and E.2, one component has been extracted for the *empathy* construct, which recorded $\lambda=1.836$ (see Table E.1). This principal component accounted for 61 per cent of the variability of the three items. Table E.2 explains that the first two items are almost equally represented whereas the third is not as heavily loaded.

6.6.1.2 Perceiving Others' Emotions

There was one clear component across the items measuring *perceiving others' emotions* with $\lambda=2.065$ being recorded (Table E.3). The first principal component explains almost 70 per cent of the variability of the three items. Table E.4 explains that the three items are almost equally represented.

6.6.1.3 Self-Awareness

Three components were extracted for the *self-awareness* sub-construct. Eigenvalues of $\lambda=2.184$, $\lambda=1.333$ and $\lambda=1.013$ were recorded (see Table E.5). The first component explained 32 per cent of the variability while the second and third components explained an additional 32 per cent of the variation combined. It is difficult to categorise the three extracted components in Table E.6 due to the cross-loadings evident. However, it does appear that this sub-construct may be multi-dimensional.

6.6.1.4 Self-Regulation

Again, three components were extracted for the *self-regulation* sub-construct (as for self-awareness) with λ=2.233, λ=1.810 and λ=1.019 recorded (see Table E.7). This indicates that this scale is possibly multi-dimensional, although the Eigenvalue for the third component is only just above λ=1.000, therefore arguably only two components albeit SPSS has extracted three.

It is difficult to categorise the three extracted components in Table E.8 due to the cross-loadings evident.

6.6.1.5 Self-Motivation

A factor analysis was not conducted on the *self-motivation* dimension of EI given that it only had two measures and therefore to conduct the same would have been of little value.

6.6.1.6 Reliability of the Emotional Intelligence Construct

The reliability of the EI scale measures was confirmed with α=0.732, as presented in Table F.1 which also indicates that all the sub-constructs, if removed, would reduce Cronbach's alpha. One exception was noted and that is *self-regulation*, which if removed, would marginally increase the reliability of EI by 0.005.

6.6.2 Total Trust

Total trust per the relationship manager model was only comprised of two dimensions, being *competence* and *integrity.* The results of the analysis and reliability statistics for this construct are presented in Appendices E and F. As can be seen from Table E.9, one component was extracted which scored λ=2.177 and accounted for 73 per cent of the variability. The three components were almost equally represented (see Table E.10).

6.6.2.1 Reliability of the Total Trust Construct

The *total trust* construct for the relationship manager model was measured using three items, two for *integrity* (*interpersonal credibility*) and one for *competence*.

To overcome the lack of measures for competence, the measures for both integrity and competence were combined in order to attain an overall reliability score total trust which resulted in α=0.797 (Table F.2). Interestingly, when the measure for *competence* is removed α=0.845, representing an increase (see Table F.2).

6.6.3 Quality Relationship

A quality relationship was measured by commitment and satisfaction (per the relationship manager model).

6.6.3.1 Commitment – Affective

One component was extracted from the data, with $\lambda=3.498$, which accounted for 58 per cent of the variability of the six items (see Table E.11). As can be seen from Table E.12, the first and last items are not as heavily loaded as the other four, which were more equally represented.

6.6.3.2 Satisfaction – Interpersonal

Given there were only two measures for *satisfaction*, a factor analysis was not conducted.

6.6.3.3 Reliability of the Quality Relationship Construct

Overall, the reliability of the *quality relationship* construct was good with $\alpha=0.777$ (see Table F.3). Because there were only two dimensions of the said construct, rather than testing the reliability of the construct as a sum of its two dimensions, their scale items were combined in order to provide a more robust analysis of the construct (see Table F.3).

It is noted that if the following scales were removed, Cronbach's alpha would have been increased accordingly (see Table F.3):

- I consider my customers as friends – if deleted, $\alpha=0.818$
- Overall, I am satisfied with my relationship with my clients – if deleted, $\alpha=0.780$
- I am more likely to maintain long-term relationships with clients if I am satisfied with the relationship – if deleted, $\alpha=0.783$

6.6.4 Sustainability

One component was extracted in the factor analysis for this construct recording $\lambda=2.452$ (see Table E.13). This component accounted for approximately 61 per cent of the variability of the four items. Table E.14 suggests that the loadings of the four items are equally represented.

6.6.4.1 Reliability of the Sustainability Construct

Cronbach's alpha equalled $\alpha=0.781$ (Table F.4), which was reinforced by the fact that if any of the scales were removed, it would have decreased.

6.6.5 Crucial Stages – The Stages within the Relationship Life Cycle

The stages within the relationship life cycle have been identified as being exploration, expansion, maturity, dissolution and recovery. Due to there only being two measures for each of the sub-constructs, it was deemed more appropriate to conduct a factor analysis on all the measures of *crucial stages* collectively to achieve a more robust analysis.

As can be seen from Table E.15, four components were extracted recording λ=2.394, λ=1.821, λ=1.568 and λ=1.365 with the first component accounting for approximately 27 per cent of the variability, the second 20 per cent, the third 17 per cent and the fourth 15 per cent.

This was to be expected as the multiple dimensions of the stages in the relationship life cycle have been analysed together for the purposes mentioned above.

6.6.5.1 Reliability of the Crucial Stages Construct

The reliability of the *crucial stages* scales only scored α=0.564 (see Table F.5) with the below scales if removed would have increased Cronbach's alpha marginally:

- You are committed to the continuity of the mature relationships within your portfolio – if deleted, α=0.578
- Even if you felt that your relationship with a customer was declining, you believe in most cases the relationship could be saved – if deleted, α=0.566

The following scale if deleted would have made no difference whatsoever with Cronbach's alpha remaining the same α=0.564:

- You wish to terminate your relationship with a particular customer within your portfolio.

See Table F.5 for Cronbach's alpha if items deleted.

6.6.6 Identification of Value Accounts

The *identification of value accounts* as per the conceptual model (see Figure 6.1) entails first *defining* what a value account is from a business-banking context, then *identifying* the value accounts within the portfolio of customers, defining the r*ole of the relationship manager* and then *implementation* of the VAM strategy. The tables discussed overleaf present the results of the factor analyses conducted on the aforementioned constructs.

6.6.6.1 Defining Value Accounts from a Business-banking Context

Two components were extracted here with $\lambda=5.420$ and $\lambda=1.115$ respectively (see Table E.17). However, the second component was only marginally greater than $\lambda=1.000$ and arguably not a strong enough result to count it notwithstanding its extraction by SPSS. This is evidenced by the first component being accountable for 68 per cent of the variability whereas the second only 14 per cent.

With regard to the loadings presented in the component matrix (Table E.18) only one measure stood out as being not part of the first component – *status*.

6.6.6.2 Implementation

One clear component was extracted for this sub-construct, which recorded $\lambda=4.777$ (see Table E.19). This component accounted for 60 per cent of the variability. There was a degree of variability with regard to the component loadings (see Table E.20).

6.6.6.3 Role of the Relationship Manager

For this sub-construct, there was one overwhelming component extracted which achieved $\lambda=9.327$ and accounted for 78 per cent of the variability (see Table E.21). The components were largely equally represented with the exception of a couple of outliers (see Table E.22).

6.6.6.4 Reliability of the Identification of Value Accounts Construct

Overall, the construct's reliability score was $\alpha=0.632$ as shown in Table F.6. If *status* and *all of the above* were removed from the *define* dimension of the construct then Cronbach's alpha would have increased to $\alpha=0.634$ and $\alpha=0.735$ respectively (Table F.6). Further, would have *all of the above* been removed from the *implementation* dimension, Cronbach's alpha would have been increased to $\alpha=0.737$ as it would have if *all of the above* was also removed from the *role of the relationship manager* dimension (if deleted, $\alpha=0.802$).

6.6.7 Co-Creation of Value

As CCoV employed one scale, it was not possible to undertake factor and reliability analyses.

6.6.8 Long-term Value-adding Relationship

There were two components extracted within this construct. Eigenvalues equalled $\lambda=4.016$ and $\lambda=1.265$ respectively (see Table E.23). However, most of the variability (50.0%, see Table E.23) was accounted for by the first component with 16 per cent variability accounted for by the second component.

It is difficult to categorise the two extracted components in Table E.24 due to the cross-loadings evident. However, it does appear that this sub-construct may be multi-dimensional.

6.6.8.1 Reliability of the Long-term Value-adding Relationship Construct

The scales relating to this construct achieved a high reliability score ($\alpha=0.840$, see Table F.7). This score was reinforced by the fact that if any of the measures were removed, Cronbach's alpha would have decreased (see Table F.7 for detail on Cronbach's alpha if item deleted).

6.7 Factor Analysis and Scale Reliability – Customer Data

Exploratory factor analysis was undertaken given the study's exploratory nature. An Eigenvalue of greater than one (1.000) was deemed to confirm the scale item as being an appropriate measure of the construct being measured. Cronbach's alpha will also be presented as a measure of the scales' reliability to measure a particular construct. Cronbach's alpha values greater than $\alpha=0.60$ will be considered as reliable (Hair et al. 2006).

6.7.1 Total Trust

Total trust (in the relationship manager) from the customer's perspective was defined as being comprised of *benevolence, competence* and *integrity*. The tables in this subsection present the results of the factor analysis and reliability tests of the various dimensions and sub-dimensions of the total trust construct.

6.7.1.1 Benevolence – Interpersonal

On the interpersonal level of *benevolence* (i.e. customer/relationship manager level), one component was extracted with $\lambda=3.696$ having been recorded and accounts for 74 per cent of the variability (see Table I.1). All except for the last item were represented fairly equally as presented in Table I.2. The last item's loading was 0.461 suggesting that it is not correlated with the sub-construct.

6.7.1.2 Benevolence – Organisational

Similarly, one component was extracted for the *organisational benevolence* sub-construct (i.e. customer/bank level) with λ=2.693 being recorded (see Table I.3). This component accounted for 67 per cent of the variability.

All except for the last item were represented almost equally as presented in Table I.4. The last item's loading was 0.320 suggesting that it is not correlated with the sub-construct.

6.7.1.3 Emotional Intelligence – Empathy

Emotional intelligence (a sub-dimension of *benevolence*) was found to have two components which both scored λ=1.991 and λ=1.199 respectively (see Table I.5). The first component was accountable for 40 per cent of the variability while the second 24 per cent. Table I.6 would suggest that the scale is only marginally multi-dimensional due to one measure which looks to have been more biased towards the second component.

6.7.1.4 Competence

One clear component was extracted for the *competence* construct with λ=2.472 recorded (see Table I.7). It accounted for 62 per cent of the variability and three of the four items were almost equally represented except for the last one which did not appear to be related (see Table I.8).

6.7.1.5 Integrity – Interpersonal Credibility

One clear component was extracted for this sub-construct which scored λ=3.565 and was accountable for 59 per cent of the variability as per Table I.9. Again, three of the four items were almost equally represented except for the last one, which did not appear to be related (see Table I.10).

6.7.1.6 Integrity – Organisational Credibility

However, for the *organisational* dimension of *integrity*, two components were extracted and scored λ=3.177 (53.0% variance) and λ=1.080 (18.0% variance) respectively (see Table I.11). However, the second component was only marginally greater than λ=1.000 and arguably not strong enough a result to be considered notwithstanding its extraction by SPSS. The last item in Table I.12 did not appear to be related to the first component as it appeared to be highly correlated to the second.

6.7.1.7 Reliability of the Total Trust Construct

The reliability of the *total trust* construct was good, α=0.881 (see Table J.1). This result was reinforced by the fact that would any of the sub-constructs (i.e. *benevolence, competence* or *integrity*) have been removed, Cronbach's alpha would have diminished (see Table J.1).

6.7.2 Quality Relationship

Quality relationship from the customer's perspective was defined as being comprised of *commitment, satisfaction* and *trustworthiness* that is trust in the relationship manager (in the *interpersonal* dimension) and bank (in the *organisational* dimension). The tables in this subsection present the results of the factor analysis and reliability tests of the various dimensions and sub-dimensions of the quality relationship construct.

6.7.2.1 Commitment – Interpersonal

One component was extracted here which resulted in λ=2.244 (See Table I.13). This component accounted for 75 per cent of the variability and the components are almost equally represented (see Table I.14).

6.7.2.2 Commitment – Organisational

Similarly, within the *organisational* dimension, only one component was extracted here with λ=3.559 being achieved accounting for 71 per cent of the variability (see Table I.15). All but the first item presented in Table I.16 are almost equally represented.

6.7.2.3 Commitment – Affective

As discussed in the literature review (Chapter Two) *affective commitment* (as distinguished from the above interpersonal/organisational dimensions) refers to the measurement of one's emotional bonding to a bank and the relationship manager as well as their sense of belonging and identification with the same (Johnson et al. 2008). Here, one component was extracted with λ=3.501 and a variance of 70 per cent (see Table I.17). Table I.18 shows that the components are largely similar and highly correlated to the sub-construct.

6.7.2.4 Commitment – Relationship Continuity

This construct aimed to gauge the propensity of the customer to persist with the relationship into the future. One clear component was extracted which achieved λ=2.850 and was accountable for 71 per cent of the variability (see Table I.19). All but the first item in Table I.20 are similarly loaded, however all showed good correlation to the sub-construct.

6.7.2.5 Commitment – Word of Mouth

A factor analysis was not conducted for this sub-construct has it had only two measures and therefore a factor analysis would have been of little value.

6.7.2.6 Satisfaction – Interpersonal

Two components were extracted for this dimension of *satisfaction*. Eigenvalues of $\lambda=4.820$ (69.0% variance) and $\lambda=1.012$ (14.0% variance) respectively were recorded (See Table I.21). It could be argued that the second component was only marginally greater than one and that perhaps it should not be considered notwithstanding its extraction by SPSS. The component matrix (see Table I.22) would suggest that there is only one item that is not correlated to the first component.

6.7.2.7 Satisfaction – Organisational

Again, two components were extracted here with $\lambda=6.613$ and $\lambda=1.116$ respectively (see Table I.23). The first component was accountable for 60 per cent of the variability however the second only ten per cent and therefore perhaps not a strong enough component to be considered in its own right notwithstanding its extraction by SPSS. This is further reinforced by the fact that there was only one item that stood out as not being correlated to the first component (see Table I.24).

6.7.2.8 Trustworthiness – Interpersonal

A factor analysis was not conducted for this sub-construct has it had only two measures and therefore a factor analysis would have been of little value.

6.7.2.9 Trustworthiness – Organisational

The *trustworthiness* sub-construct (in the *organisational* dimension) of *commitment* only had one component extracted, with $\lambda=1.986$, which accounted for 66 per cent of the variability (see Table I.25). Table I.26 shows that two of the measures loaded quite similarly while one loaded a little heavier then the others.

6.7.2.10 Reliability of the Quality Relationship Construct

Cronbach's alpha for the *quality relationship* construct was recorded as $\alpha=0.774$ (see Table J.2). However, if the *trustworthiness* sub-construct were removed, a marked improvement would be evident as $\alpha=0.916$ (see Table J.2).

6.7.3 Sustainability

Three components were extracted for this construct with λ=3.027, λ=1.035 and λ=1.017 respectively (see Table I.27). However, the initial component at λ=3.027 was quite overwhelmingly the standout accounting for 43 per cent of the variability. The other two extracted components were only nominally greater than λ=1.000 so arguably they perhaps should not be considered as components in their own right notwithstanding their extraction by SPSS.

6.7.3.1 Reliability of the Sustainability Construct

Overall, this construct was reliable, α=0.742 (see Table J.3). However, its reliability could have been improved with the deletion of the following scales as identified in Table J.3:

- How important is a long-term relationship as a reason for choosing and judging financial institutions? – if deleted, α=0.778
- How important is competitive pricing when choosing your main bank? – if deleted, α=0.758.

6.7.4 Crucial Stages – The Stages within the Relationship Life Cycle

The crucial stages of a relationship were identified as being *exploration, expansion, maturity* and *dissolution*, as developed by Dwyer et al. (1987), and as adapted by Hsieh et al. (2008) and Jap and Ganesan (2000) with the addition of a further stage being *recovery* (as proposed by the researcher).

The factor analysis and reliability results for this construct are presented in the tables in Appendices I and J.

6.7.4.1 Exploration

For this stage, two components were extracted with λ=4.202 (53.0% variance) and λ=2.203 (28.0% variance) respectively having been achieved (see Table I.29).

6.7.4.2 Expansion

Here, only one component was extracted, recording λ=2.576, which accounted for 86 per cent of the variance (see Table I.31). The items were almost equally represented (see Table I.32).

6.7.4.3 Maturity

A factor analysis was not conducted for this sub-construct has it had only two measures and therefore a factor analysis would have been of little value.

6.7.4.4 Dissolution
Only one component was extracted for this stage-of the relationship life cycle (λ=3.116), which accounted for 78 per cent of the variability (see Table I.33). Again all the items were almost equally represented (see Table I.34).

6.7.4.5 Recovery
This stage of the relationship life cycle was proposed as also being a crucial stage of the relationship life cycle. For this stage, one component was extracted in the factor analysis, which scored λ=3.176 and accounted for 79 per cent of the variability (see Table I.35). Table I.36 shows that the items are almost equally represented.

6.7.4.6 Reliability of the Crucial Stages Construct
The overall reliability of this construct appeared to be good (α=0.719, see Table J.4). However, would the *exploration* and *recovery* stages have been removed, Cronbach's alpha would have improved slightly to α=0.754 and α=0.789 respectively (see Table J.4).

6.7.5 Identification of Value Accounts
The *identification of value accounts*, as per the conceptual model – see Figure 6.2, entails first *defining* what a value account is from a business-banking context, then *identifying* the value accounts within the portfolio of customers, defining the *role of the relationship manager* and then *implementation* of the *value account management* strategy. The tables discussed in the subsections that follow represent the factor analyses conducted on the aforementioned constructs.

6.7.5.1 Defining Value Accounts from a Business-banking Context
Three components were extracted for this sub-construct scoring λ=5.482 (46.0% variance), λ=2.248 (19.0% variance) and λ=1.596 (13.0% variance) respectively (see Table I.37). Table I.38 identifies that cross-loadings appear to be evident.

6.7.5.2 Role of the Relationship Manager
Here there were two components extracted from the factor analysis recording λ=6.471 (54.0% variance) and λ=1.210 (10.0% variance) respectively (see Table I.39). However, given that the second component was only marginally greater than λ=1.000 and only accounted for ten per cent of the variability, arguably it should not be considered notwithstanding its extraction by SPSS. Furthermore, only one item stands out in the second component in Table I.40 as potentially not being related to the initial component.

6.7.5.3 Reliability of the Identification of Value Accounts Construct

Due to there only being the two sub-constructs, if deleted, Cronbach's alpha could not be determined. Therefore, the sub-constructs' measures were all tested together collectively and this resulted in $\alpha=0.869$ (see Table J.5).

There were only two items out of the 24 that if deleted would have improved Cronbach's alpha (see Table J.5):

- Please select all the roles that you think best describe the role of the relationship manager:
  - Sells you the Bank's products/services – if deleted, $\alpha=0.875$
  - All of the above – if deleted, $\alpha=0.877$

6.7.6 Co-Creation of Value

Due to there only being one scale item for this construct, neither a factor analysis nor a reliability test could be conducted.

6.7.7 Long-term Value-adding Relationship

Two components were extracted for this construct and recorded $\lambda=6.098$ (61.0% variance) and $\lambda=1.076$ (11.0% variance) respectively (see Table I.41). Given that the second component is only marginally greater than $\lambda=1.000$, it is questionable whether it should be considered in its own right not withstanding its extraction by SPSS. Furthermore, only the first item in Table I.42 appears not to be related to the initial component, whereas all the others do.

6.7.7.1 Reliability of Long-term Value-adding Relationship Construct

The reliability of this construct scored favourably with $\alpha=0.925$ being recorded (see Table J.6). However, there was one item (out of the 10) which if deleted would have improved Cronbach's alpha to $\alpha=0.939$ (see Table J.6):

- A long-term relationship that adds value to your business is one that is there for the long-run, and continues to be a source of value to those in the relationship

6.8 Regressions and Correlations

6.8.1 Research Question One

What are the factors contributing to effective relationship management within the banking sector?

As identified in the literature review conducted in Chapter Two (the conclusions of which were subsequently presented in the conceptual framework within Chapter Four), the factors that were thought to contribute to effective relationship management within the banking sector are *total trust, quality relationship, sustainability, stages in the relationship life cycle, identification of value accounts and co-creation of value,* (which together along with all their identified dimensions) lead to a *long-term value-adding relationship.*

In the preceding section, the above-mentioned constructs and the results of their measures were presented for both respondent groups (being business-banking relationship managers and their customers). In this section, the results of the regressions and correlations of the aforementioned constructs will be discussed for both respondent groups. The standout results will now be discussed

6.8.1.1 Relationship Manager Data

Table 6.5, opposite, presents the correlations of relationship manager data and shows that *identification of value accounts* has a very weak (but statistically significant) correlation with *long-term value-adding relationship* (r=0.295) while *emotional intelligence* had a moderate correlation with *long-term value-adding relationship* (r=0.580). However, the other constructs (total trust, quality relationship, crucial stages, co-creation and sustainability) all recorded high correlation values with long-term value-adding relationship of r=0.709, r=0.758, r=0.731, r=0.768 and r=0.902 respectively (where correlations with r closest to one or minus one are more highly correlated, $p<0.01$ for all constructs that is all correlations were statistically significant).

Quality relationship had a higher correlation with sustainability than did total trust and EI resulting in r=0.869 ($p<0.01$), r=0.767 ($p<0.01$) and r=0.612 ($p<0.01$) respectively. Crucial stages was highly correlated with CCoV (r=0.924, $p<0.01$) however identification of value accounts had a moderate correlation to CCoV (r=0.450, $p<0.01$).

Table 6.5 Relationship manager data correlation matrix

		Emotional intelligence	Quality relationship	Total Trust	Crucial Stages	Identification of value accounts	Co-creation of Value	Sustainability	Long-term Value-adding Relationships
Emotional intelligence	r	1	*.351*	*.334*	*.301*	.113	*.313*	*.612*	*.580*
	sig.		.000	.000	.000	.171	.000	.000	.000
Quality relationship	r	*.351*	1	*.445*	*.313*	.073	*.308*	*.869*	*.758*
	sig.	.000		.000	.000	.378	.000	.000	.000
Total Trust	r	*.334*	*.445*	1	*.350*	.112	*.356*	*.767*	*.709*
	sig.	.000	.000		.000	.175	.000	.000	.000
Crucial Stages	r	*.301*	*.313*	*.350*	1	.073	*.924*	*.416*	*.731*
	sig.	.000	.000	.000		.378	.000	.000	.000
Identification of value accounts	r	.113	.073	.112	.073	1	*.450*	.116	*.295*
	sig.	.171	.378	.175	.378		.000	.158	.000
Co-creation of Value	r	*.313*	*.308*	*.356*	*.924*	*.450*	1	*.417*	*.768*
	sig.	.000	.000	.000	.000	.000		.000	.000
Sustainability	r	*.612*	*.869*	*.767*	*.416*	.116	*.417*	1	*.902*
	sig.	.000	.000	.000	.000	.158	.000		.000
Long-term Value-adding Relationships	r	*.580*	*.758*	*.709*	*.731*	*.295*	*.768*	*.902*	1
	sig.	.000	.000	.000	.000	.000	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Figure 6.1, presented overleaf, details the regression analysis and the significance of the relationships between constructs within the relationship manager conceptual framework. As can be seen, all relationships are statistically significant except for that between *emotional intelligence* and *sustainability* (albeit marginally p=0.063) between *crucial stages* and *co-creation of value* (p=0.181, where significance is at the 0.05 level). This is despite the significance of the respective regressions of crucial stages and identification of value accounts with CCoV (p<0.05) and subsequently CCoV with *long-term value-adding relationship* (p<0.01).

6.8.1.2 Customer Data

Table 6.6, opposite, presents the correlations of customer data performed and shows that *total trust* and *quality relationship* are correlated with *sustainability* with r=0.945 (p<0.01) and r=0.947 (p<0.01) respectively (correlations with Pearson's r closest to one or minus one are highly correlated). *Crucial stages* and *identification of value accounts* are correlated with *co-creation of value* (r=0.958, p<0.01 and r=0.866, p<0.01 respectively). Further, *sustainability* and CCoV showed high correlation to *long-term value-adding relationship* (r=0.972, p<0.01 and r=0.947, p<0.01 respectively). See Table 6.6 for further detail.

Figure 6.2, presented overleaf, details the significance of the relationships between constructs within the customer conceptual framework. As can be seen, all relationships are statistically significant except for that between total trust and sustainability (p=0.148, where significance is at the 0.05 level), crucial stages and CCoV (p=0.456) and CCoV and long-term value-adding relationship (p=0.903). This is despite the respective regressions of total trust and quality relationship being statistically significant with sustainability (p<0.01), crucial stages and identification of value accounts with CCoV (p<0.01) and sustainability and CCoV with long-term value-adding relationship (p<0.01).

Table 6.6 Customer data correlation matrix

		Total Trust	Quality relationship	Sustainability	Crucial Stages	Identification of Value Accounts	Co-creation of Value	Long-term Value-adding Relationship
Total Trust	r	1	*.808*	*.945*	.801	*.537*	*.762*	*.902*
	sig.		.000	.000	.378	.000	.000	.000
Quality relationship	r	*.808*	1	*.947*	*.855*	*.630*	*.837*	*.936*
	sig.	.000		.000	.000	.000	.000	.000
Sustainability	r	*.945*	*.947*	1	*.866*	*.634*	*.845*	*.972*
	sig.	.000	.000		.000	.000	.000	.000
Crucial Stages	r	.801	*.855*	*.866*	1	*.687*	*.958*	*.941*
	sig.	.378	.000	.000		.000	.000	.000
Identification of value accounts	r	*.537*	*.630*	*.634*	*.687*	1	*.866*	*.762*
	sig.	.000	.000	.000	.000		.000	.000
Co-creation of Value	r	*.762*	*.837*	*.845*	*.958*	*.866*	1	*.947*
	sig.	.000	.000	.000	.000	.000		.000
Long-term Value-adding Relationships	r	*.902*	*.936*	*.972*	*.941*	*.762*	*.947*	1
	sig.	.000	.000	.000	.000	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

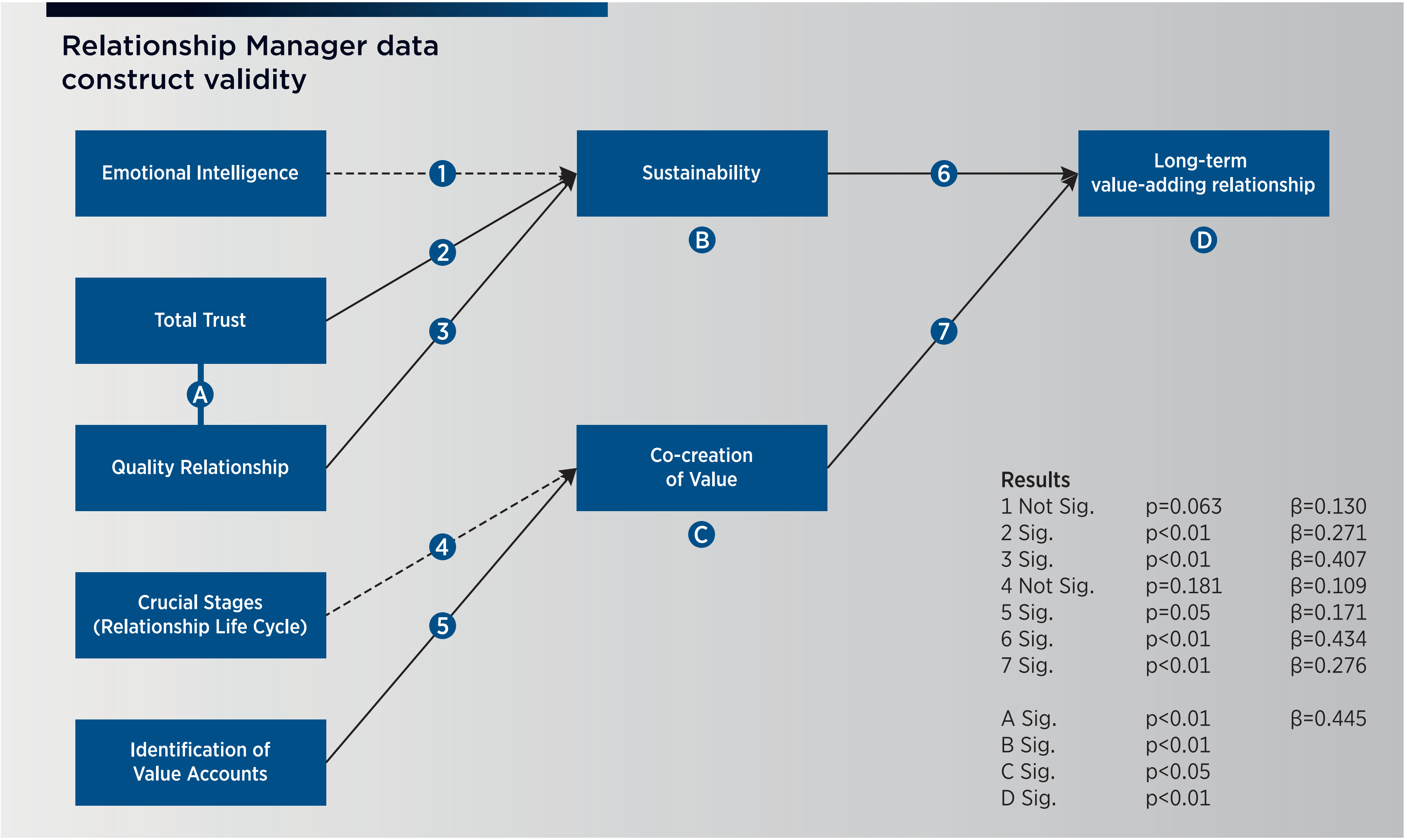

Figure 6.1 Construct validity – relationship manager data

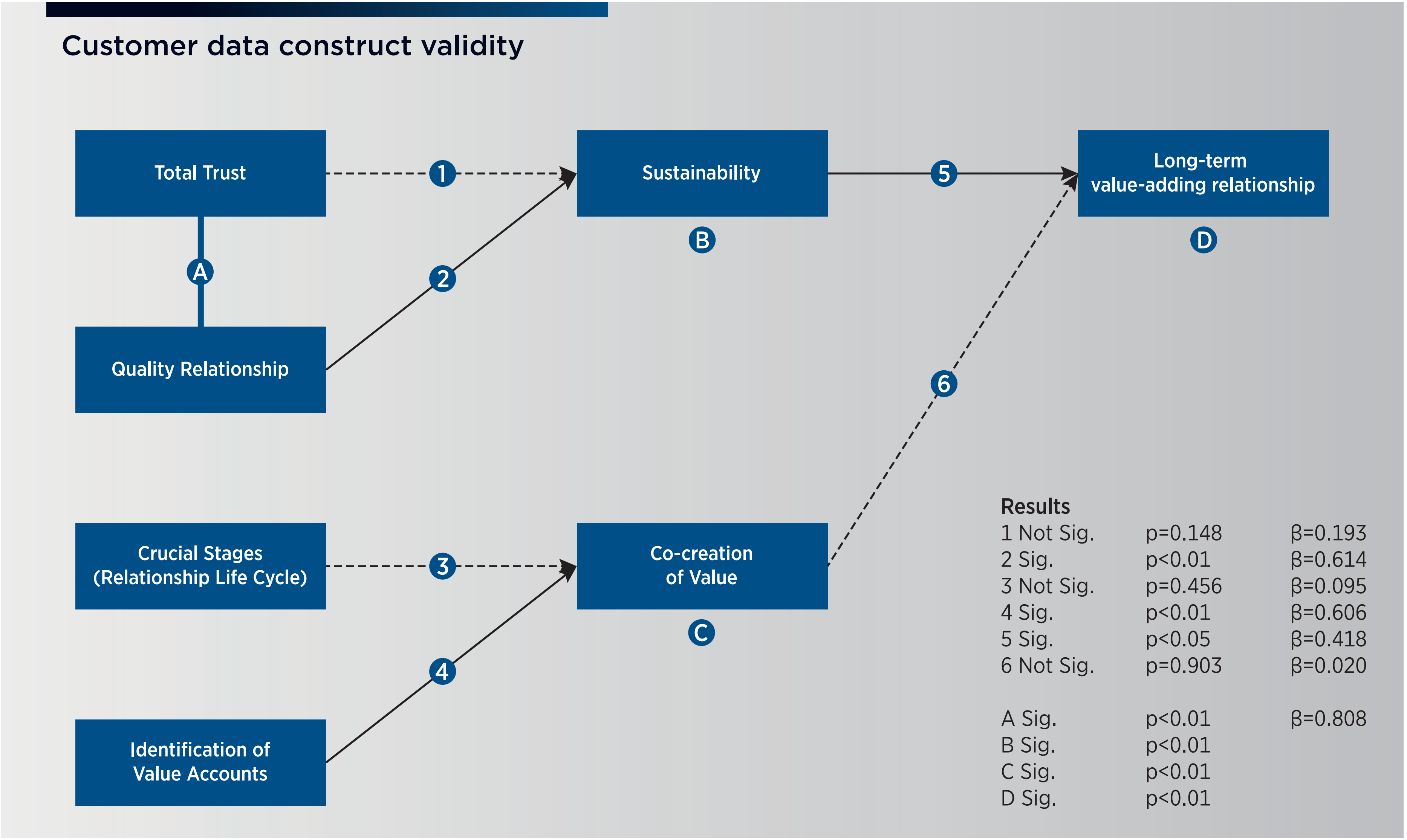

Figure 6.2 Construct validity – customer data

6.8.1.3 Hypothesis H_1

Benevolence, Competence and Integrity as displayed by the relationship manager constitute Total Trust (from the customer's point of view).

Supported, *Benevolence, competence* and *integrity* appear to be highly correlated with *total trust* scoring r=0.897, r=0.908 and r=0.919 respectively, with *integrity trust* seemingly having the strongest relationship with *total trust*. The respective constructs are also highly correlated with each other (see Table K.1 for detail). The above correlations are reinforced by virtue of the high significance scores all recording p<0.01.

Table K.3 depicts the correlation of *interpersonal benevolence* and *organisational benevolence* against *total trust, commitment, sustainability* and *long-term value-adding relationship*. The result of this exercise further validated Ganesan's and Hess' (1997) study by validating organisational level benevolence's relationship with *commitment* (r=0.689, p<0.01). Interestingly, interpersonal level benevolence in the current study did prove to have a strong correlation not only with commitment (r=0.743, p<0.01) and total trust (r=0.862, p<0.01) but also with sustainability (r=0.861, p<0.01) and long-term value-adding relationship (r=0.848, p<0.01). In this current study, interpersonal benevolence proved to have a stronger statistical weighting, while benevolence as a whole (per customer data) was highly correlated to trust (r=0.897, p<0.01, Table K.1).

6.8.1.4 Hypothesis H_{1A}

Competence and Integrity as displayed by the customer constitute Total Trust (from the relationship manager's point of view).

Supported, per the relationship manager data. Total trust from the relationship manager perspective has been presented as being made up of competence and integrity. The data suggests that competence and integrity are both highly correlated with total trust (r=0.913 and r=0.843 respectively with p<0.01 for both constructs, see Table G.1 for detail).

6.8.1.5 Hypothesis H_{1B}

Emotional Intelligence (from the customer's perspective) is a critical element of Benevolence Trust and has a positive relationship with Long-term Value-adding Relationships.

Not supported, as per the customer data. While EI on its own was not correlated with benevolence or long-term value-adding relationship, benevolence as a whole was highly correlated with long-term value-adding relationship (r=0.854, see Table K.2 for detail).

6.8.1.6 Hypothesis H_{1c}

Emotional Intelligence (from the relationship manager's perspective) is a critical element of Total Trust and has a positive relationship with Sustainability and Long-term Value-adding Relationships.

Partially supported, as per relationship manager data. While EI is weakly correlated with total trust (r=0.334) it is moderately correlated with long-term value-adding relationship (r=0.580), and sustainability (r=0.612, see Table G.2 for detail).

6.8.1.7 Hypothesis H_2

Commitment, Satisfaction and Trust as exhibited by both the customer and the relationship manager in mutuality are positively related to a Quality Relationship.

Supported, as per the customer data. Commitment, satisfaction and trust are highly correlated with quality relationship scoring r=0.988, r=0.911 and r=0.808 ($p<0.01$) respectively. The respective constructs also appear to be highly correlated with each other (see Table K.4 for detail).

Partially supported, as per relationship manager data. While trust is weakly correlated with quality relationship, commitment and satisfaction are scoring r=0.817 and r=0.813 respectively with high significance to reinforce the correlation ($p<0.01$ for both constructs). Trust, commitment and satisfaction are very weakly correlated with each other (see Table G.3 for detail).

This particular case study shows us that customer satisfaction levels are not as high as they could be with satisfaction rates just above 50 per cent in most instances. As can be seen from in Tables K.5 and K.6, customer satisfaction rates at the interpersonal level outweigh those at the organisational level. These results are congruent with customer commitment results where at the interpersonal level a higher degree of commitment was detected than at the organisational level.

Table K.7 shows the significant correlations between the interpersonal and organisational relationships of satisfaction and commitment and as can be seen, the relationships are generally strong with the most notable between interpersonal satisfaction and interpersonal commitment (r=0.729) and then interpersonal satisfaction and organisational satisfaction (r=0.681).

This further reinforces the preceding results, suggesting that the interpersonal relationship is linked with the organisational relationship namely, that interpersonal satisfaction has a strong positive correlation with organisational satisfaction. A significant regression is also observed for these two constructs as presented in Table K.8, further supporting this relationship with $p<0.01$.

6.8.1.8 Hypothesis H_3

Total Trust and a Quality Relationship are positively related to the Sustainability of the relationship.

Supported, as per customer data. Both total trust and quality relationship appear highly correlated with sustainability with $r=0.945$ and $r=0.963$ respectively. The respective constructs are also highly correlated with each other (see Table K.9 for detail).

Supported, as per relationship manager data. Both total trust and a quality relationship are highly correlated with sustainability ($r=0.767$ and $r=0.869$ respectively with $p<0.01$ for both constructs, see Table G.4 for detail).

6.8.1.9 Hypothesis H_4

Responding appropriately to customer needs at the different stages in the relationship life cycle and identifying the Value Accounts are positively related to Co-Creation of Value.

Supported, as per customer data. Both crucial stages and identification of value accounts appear to be highly correlated with co-creation of value ($r=0.958$ and $r=0.866$ respectively). However, crucial stages and identification of value accounts only appear to be moderately correlated with each other (see Table K.10 for detail).

Partially supported, as per relationship manager data. While crucial stages is highly correlated with CCoV ($r=0.924$), identification of value accounts is not. Neither is *identification of value accounts* correlated with *crucial stages* (see Table G.5).

6.8.1.10 Hypothesis H_5

Sustainability of the relationship and Co-Creation of Value are positively related to a Long-term Value-adding Relationship.

Supported, as per customer data. Both sustainability and CCoV appear to be highly correlated with long-term value-adding relationship ($r=0.972$ and $r=0.947$ respectively). They also appear highly correlated with each other reinforced with high significance scores of $p<0.01$ also (see Table K.11 for detail).

Supported, as per relationship manager data. Both sustainability and CCoV are highly correlated with long-term value-adding relationship ($r=0.902$ and $r=0.768$ respectively with $p<0.01$ for both constructs). Sustainability and CCoV are not highly correlated with each other (see Table G.6 for detail).

6.8.2 Research Question Two

What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

As presented in the conceptual framework (Chapter Four), the crucial stages within the relationship life cycle (in a business-banking context) are exploration, expansion, maturity, dissolution (Andersen 2001; Dwyer et al. 1987; Hsieh et al. 2008; Jap & Ganesan 2000; Wong 1998) and recovery.

This effectively provides a roadmap of the relationship and its stages of vulnerability thereby indicating through which stages more care and nurturing is required in order to strengthen the relationship as close to the initial stages as possible thus promoting a long-term orientation.

6.8.2.1 Hypothesis H_6

The Stages in the Relationship Life Cycle are Exploration, Expansion, Maturity, Dissolution and Recovery; where a dissolving relationship can be recovered it does not necessarily lead to complete dissolution of the relationship.

Supported, as per customer data. Forty-four per cent of customers feel that even if they wished to terminate their relationship with their relationship manager, they believe that the relationship could be saved, while 42.7 per cent feel that if their relationship with their relationship manager started to decline, that the relationship could still be saved.

When the same scales referred to the Bank rather than the relationship manager those who were in agreement numbered 57.4 per cent and 51.5 per cent respectively (refer to *recovery* scale items within Table H.10 under *crucial stages* section for means that support this hypothesis). However, from a statistical perspective, *recovery* was not correlated with any of the other relationship phases (i.e. exploration, expansion, maturity or dissolution, see Table K.12).

Although the statistical correlations are not evident, this is not deemed to be an accurate reflection on this construct's validity as it has been validated via direct respondent opinion as reflected in the data (see Table D.10). Therefore the hypothesis is deemed to be supported. Nevertheless, high correlations were evident between *expansion, maturity* and *dissolution*.

Supported, as per relationship manager data. Sixty-five per cent of relationship managers feel that even if they wished to terminate their relationship with a customer, they believe that the relationship could be saved, while 71.2 per cent feel that if their relationship with their customer started to decline, that the relationship could still be saved (refer to *recovery* scale items within Table D.10 under *crucial stages* section for means that support this hypothesis).

Similar to the customer data, from a statistical perspective, *recovery* was not correlated with any of the other relationship phases (i.e. exploration, expansion, maturity or dissolution, see Table G.7). Although the statistical correlations are not evident, this is not deemed to be an accurate reflection on this construct's validity as it has been validated via direct respondent opinion as reflected in the data (see Table H.10) therefore the hypothesis is deemed supported.

6.8.3 Research Question Three

How are key relationships identified, nurtured, enhanced and retained?

The *value account management* concept (as presented in Chapters Two and Four) describes the theory behind the research question. Firstly, the identification of value accounts depends on what a value account is defined as within the subject industry/organisation. In a business-banking context a value account from the perspective of the bank is defined as generally possessing the following attributes:

- Profitability;
- Whole-of-wallet potential;
- Large volume of lending/deposit limits;
- Accessible business networks;
- Credit worthiness; and
- Status.

This was confirmed by 66.4 per cent of the relationship manager sample (see Table D.12). Secondly, the role of the relationship manager needs to be determined and finally, the VAM strategy needs to be implemented.

6.8.3.1 Hypothesis H_7

The Identification of Value Accounts and subsequent Value Account Management strategy is positively related to Long-term Value-adding Relationship.

Supported, as per customer data. *Identification of value accounts* appears to be positively correlated with *long-term value-adding relationship* with r=0.762 (Table K.13). This is further reinforced by virtue of the high significance score recorded ($p<0.01$).

Not supported, as per relationship manager data. The relationship between identification of value accounts and long-term value-adding relationship appears very weak (r=0.295, see Table G.8).

6.9 Summary

Table 6.7, presented overleaf, details the hypotheses and their results (i.e. accepted, rejected or partially accepted). Largely, based on the customer data, all of the hypotheses (with the exception of H_{1A} and H_{1C} as these did not apply to the customer sample) were accepted with the exception of H_{1B} which presented *emotional intelligence* as a critical element of *benevolence* and having a positive relationship with *long-term value-adding relationship.* While the relationship appeared positive, the correlation itself was weak (see Table K.2).

Based on the relationship manager data, Hypotheses H_{1C}, H_2 and H_4 were only partially accepted (as per Tables G.2, G.3 and G.5 respectively). Hypothesis H_{1C} was accepted where sustainability and long-term value-adding relationship is concerned, as moderate correlations with EI were achieved. However, a very weak correlation between EI and *total trust* was found, thus only partially supporting this hypothesis.

Hypothesis H_2 was only partially supported as *commitment* and *satisfaction* are highly correlated with *quality relationship* however *trust* was not. Hypothesis H_4 was only partially supported due to only *crucial stages* being highly correlated with CCoV while *identification of value accounts* is not. Hypotheses H_5 and H_6 were accepted while H_7 was rejected. Hypotheses H_1 and H_{1B} did not apply to the relationship manager sample.

Table 6.7 Hypotheses results

Hypothesis		Result	
		Customer Data	Relationship Manager Data
H_1	Benevolence, Competence and Integrity as displayed by the relationship manager are positively related to Total Trust (from the customer's point of view).	Accepted	N/A
H_{1A}	Competence and Integrity as displayed by the customer constitute Total Trust (from the relationship manager's point of view).	N/A	Accepted
H_{1B}	Emotional Intelligence (from the customer's perspective) is a critical element of Benevolence Trust and has a positive relationship with Long-term Value-adding Relationships.	Rejected	N/A
H_{1C}	Emotional Intelligence (from the relationship manager's perspective) is a critical element of Total Trust and has a positive relationship with Sustainability and Long-term Value-adding Relationships.	N/A	Partially Accepted
H_2	Commitment, Satisfaction and Trust as exhibited by both the customer and the relationship manager are positively related to a Quality Relationship.	Accepted	Partially Accepted
H_3	Total Trust and a Quality Relationship are positively related to the Sustainability of the relationship.	Accepted	Accepted
H_4	Responding appropriately to customer needs at the different stages in the relationship life cycle and identifying the Value Accounts are positively related to Co-Creation of Value.	Accepted	Partially Accepted
H_5	Sustainability of the relationship and Co-Creation of Value are positively related to a Long-term Value-adding Relationship.	Accepted	Accepted
H_6	The Stages in the Relationship Life Cycle are Exploration, Expansion, Maturity, Dissolution and Recovery; where a dissolving relationship can be recovered it does not necessarily lead to complete dissolution of the relationship.	Accepted	Accepted
H_7	The Identification of Value Accounts and subsequent Value Account Management strategy is positively related to Long-term Value-adding Relationship.	Accepted	Rejected

Recovery was confirmed as a viable stage in the relationship life cycle in both the relationship manager data and customer data as presented in Tables D.10 and H.10 respectively. In both cases, respondents largely agreed that they thought that in most cases a relationship that was to be terminated could be saved (relationship manager sample 65.1% agreement, Table D.10 and customer sample 57.4% agreement, Table H.10). It should be noted that the preceding customer statistic relates to the relationship with the Bank (organisational level), however when the same measure was applied to the customer's relationship with their relationship manager (interpersonal level) agreement was only 44.1 per cent with 41.2 per cent neither agreeing nor disagreeing.

Furthermore, in both cases, respondents agreed that they thought that in most cases a relationship in decline could be saved (relationship manager sample 71.2% agreement and customer sample 51.5%). Again it should be noted that the preceding customer statistic reflects the organisational level (relationship with the Bank) with the interpersonal level (relationship with the relationship manager) receiving a lower agreement rate of 42.7 per cent with 39.7 per cent choosing to neither agree nor disagree.

Quite a few of the constructs/sub-constructs appeared to be multi-dimensional as evidenced by the factor analysis that has been discussed within this chapter. However, most of subsequent components extracted by SPSS, while having Eigenvalues greater than λ=1.000, only marginally exceeded λ=1.000 and therefore these extractions are arguably not warranted. Table 6.8 lists the affected constructs/sub-constructs.

Table 6.8 Factor analysis summary

Construct	Number of Components Extracted	Construct	Number of Components Extracted
	Customer Data		
Defining Value Accounts	3	Organisational Credibility	2
Empathy	2	Organisational Satisfaction	2
Exploration	2	Role of the Relationship Manager	2
Interpersonal Satisfaction	2	Sustainability	3
Long-term Value-adding Accounts	2		
	Relationship Manager Data		
Crucial Stages	4	Self-Awareness	3
Defining Value Accounts	2	Self-Regulation	3
Long-term Value-adding Accounts	2		

Overall, reliability scores are favourable (that is Cronbach's alpha being greater than 0.60). This is with the exception of the *crucial stages* construct within the relationship manager context. Cronbach's alpha for this construct was α=0.564 (see Table 6.9).

Table 6.9 Construct reliability (Chronbach's alpha)

Construct	Customer Data	Relationship Manager Data
Co-creation of Value	Could not be determined	Could not be determined
Crucial Stages	0.564	0.719
Emotional Intelligence	0.732	Part of the Benevolence sub-construct within Total Trust
Identification of Value Accounts	0.632	0.869
Long-term Value-adding Relationship	0.840	0.925
Quality Relationship	0.777	0.774
Sustainability	0.781	0.742
Total Trust	0.797	0.881

The next chapter will interpret and discuss the implications of the results presented within this chapter.

CHAPTER SEVEN

DISCUSSION

7.1 Introduction

In the preceding chapter (Chapter Six), the results of this research were presented and the three research questions and the ten hypotheses emanating from the same were either validated or challenged (see Table 6.7 in section 6.9 of Chapter Six for a list of the hypotheses that were accepted or rejected). This chapter (Chapter Seven) discusses the findings associated with the results presented in Chapter Six and seeks to interpret the meaning of said results and their implications from both academic and practical viewpoints.

7.2 Research Question One

What are the factors contributing to effective relationship management within the banking sector?

The literature review conducted in Chapter Two identified the factors of effective relationship management (within a business-banking context) from both a relationship manager's perspective and the customer's. These factors (see Table 7.1 overleaf) are: *total trust* and *quality relationship*, which create *sustainability* within the relationship, and *crucial stages* and *identification of value accounts,* which together promote the *co-creation of value* within the relationship manager/customer dyad.

These factors of effective relationship management when employed effectively and efficiently lead to a *long-term value-adding relationship*, the desired outcome. Each of the above factors (with the exception of sustainability, CCoV and long-term value-adding relationship have their own dimensions one of which is emotional intelligence as can be seen from Table 7.1, overleaf.

Table 7.1 The factors of effective relationship management

Construct	Customer Data Dimensions	Relationship Manager Dimensions
Emotional Intelligence	*Not measured*	Empathy Perceiving Others' Emotions Self-Awareness Self-Regulation Self-Motivation
Total Trust	Benevolence Competence Integrity	Competence Integrity
Quality Relationship	Commitment Satisfaction	Commitment Satisfaction
Sustainability	N/A	N/A
Crucial Stages Stages in the Relationship Life Cycle	Exploration Expansion Maturity Dissolution Recovery	Exploration Expansion Maturity Dissolution Recovery
Identification of Value Accounts	Identifying Value Accounts Role of the Relationship Manager	Define Identify Implement Role of the Relationship Manager
Co-Creation of Value	N/A	N/A
Long-term Value-adding Relationship	N/A	N/A

Note: *N/A = Not applicable as the construct is not proposed to have other dimensions*

7.2.1 Emotional Intelligence

Emotional intelligence from the relationship manager perspective (and conceptual model) has been split out from *total trust* in Table 7.1 and is to be considered as a factor in its own right. This was done in order to assess the emotional intelligence of the relationship managers from a practical business viewpoint rather than a theoretical psychology perspective and thus the reason for not utilising EI tools such as the Mayer–Salovey–Caruso Emotional Intelligence Test (MSCEIT) or Myers–Briggs Type Inventory (MBTI).

The length of these instruments was the main reason for not utilising them due to the fact that the relationship manager sample is a time-poor body of individuals who would most likely not have appreciated such a lengthy questionnaire coupled with the questionnaire for this study and it was felt that the response rate would have suffered as a result. Therefore, it was deemed appropriate to utilise the measures employed by (Deeter-Schmelz & Sojka 2003) as they provide an appropriate set of measures for EI (for this context) without the length associated with the previously mentioned EI measurement instruments.

In the customer conceptual model, EI is listed as a dimension of *benevolence trust* and measures customer perception of relationship manager EI levels.

An overwhelming majority of the relationship manager sample thought it important that the relationship manager be emotionally intelligent and is perceived by their customers to project the same. However, only 48.6 per cent of surveyed customers preferred that their relationship manager was emotionally aware with 32.4 per cent being undecided. On the other hand, a majority of customers suggested that they would more likely trust a relationship manager who understands the customer's feelings and moods and has control over their own emotions.

These findings, although somewhat contradictory, show that EI (as part of benevolence trust) is linked with trust (from the customer perspective). However, in its own right, EI was very weakly correlated to *benevolence* and *long-term value-adding relationship*, which in itself is also a contradictory finding.

Regression scores were found to be insignificant at the relationship manager level for the EI construct as regressed against *sustainability* ($p=0.063$ with significance at the $p<0.05$ level). Its correlation to *sustainability* and *long-term value-adding relationship* were found to be only marginally correlated ($r=0.612$, and $r=0.580$ respectively). However, despite the statistical weaknesses of this construct, the relationship managers' responses to the survey with regard to EI were quite positive in that, relationship managers thought it important that a relationship manager have a sense of emotional intelligence.

Lemmink's and Mattsson's (2002) study concluded that the service provider's emotional awareness increased a customer's intention to stay with the service provider and even leads to a higher willingness to pay more for the same service. Therefore, it does appear that this study agrees with the research of Lemmink and Mattsson (2002) in that EI is at the least related to the sustainability of a relationship. However, the customers' willingness to pay more for the same service due to EI was not tested as part of the current research.

It should be noted however, that Lemmink's and Mattsson's (2002) study was quite different to the current research given that the method they used employed observation of manipulated and experimental service settings and assessed these service encounters via the use of video recordings of the same.

7.2.2 Total Trust

Total trust from a business-banking context was identified as having two dimensions from the relationship manager's perspective of their customer (*competence* and *integrity*) and three dimensions from the customer's perspective of their relationship manager (*benevolence, competence* and *integrity*). When surveying the relationship manager sample, competence and integrity were measured at the interpersonal level whereas when surveying the customer sample, benevolence and integrity were measured at two levels, *interpersonal* (banker) and *organisational* (bank) while competence referred to the competence of the banker.

At the *interpersonal benevolence* level, customers conveyed that while they felt that they have been supported by their relationship manager and that the relationship manager has (at some stage) gone out of their way to help them, they (the majority) were either undecided or did not agree that their relationship manager was benevolent towards them. That is, showing a genuine concern about the customer's business success or considering the customer's welfare as well as their own when making important decisions. However, the vast majority of customers did agree that they were more likely to trust a banker who was concerned about their financial and general welfare.

At the *organisational benevolence* level, customers conveyed that they were not confident that the bank shows a genuine concern about their interests and business success with responses largely even between neutrality and disagreement. However, as one would expect, the vast majority of customers (89.7%, Table H.1) suggested that they are more likely to trust a bank that is concerned about their financial and general welfare.

What this tells us is that customers simply want a banker who cares, and not one that is only interested in making money for the bank (which understandably is their responsibility first and foremost). That consideration aside, customers need to feel that they are being looked after and can entrust their financial welfare to their banker and bank. Furthermore, customers need to feel this genuine concern for their welfare from their bank also. Thus, benevolence needs to be evident at both the interpersonal and organisational levels to impart the optimum customer perception.

This is in partial agreement with Ganesan and Hess (1997) where it was discovered that benevolence on the organisational level was a predictor of customer commitment via trust. This study has reinforced the findings of Ganesan and Hess (1997) on this level.

However, in contrast to Ganesan and Hess (1997) it has also shown that benevolence at the interpersonal level is just as important as at an organisational level in the development of customer trust. This finding means that the Bank needs to hire the right personalities, which engender benevolence, and bankers need to be vigilant as to this important factor and perceived trait.

The next dimension of *total trust – competence,* was measured for both samples. With respect to the relationship manager sample, competence was found to be highly correlated with trust (r=0.913, Table G.1) and 89.2 per cent (Table D.7) of the relationship managers surveyed said that they would more likely trust a customer that was knowledgeable within its own industry. Therefore, the only measure that was used to test relationship managers' perception of customer competence and its link to trust was adapted from Heffernan et al. (2008) who measured competence (referring to it as knowledge) with the banker acknowledging the importance of having knowledge of the customer's business and industry.

This measure was adapted for the purpose of this research and posed in a customer-centric manner to relationship managers: *I am more likely to trust my customers if they are knowledgeable within their own industry*. A measure measuring the impact of customer competence on trust was not found to have been posed to service-provider/supplier samples in extant research studying service-provider/customer dyads and therefore cannot be compared to the same.

This research has highlighted the importance of perceived customer competence as observed by the relationship manager with regard to strengthening trust. It is now evident that customers need to be knowledgeable within their industry (in conjunction with having integrity, which will be discussed later in the chapter) in order to enjoy optimum levels of trust from their relationship manager.

Conversely, it is equally as important for customers to perceive their banker as being experienced, knowledgeable and understanding their business. Over 91 per cent (see Table H.1) of customers said that they were more likely to trust a relationship manager who exhibits competence. The measure utilised here was also adapted from Heffernan et al. (2008) but again it was posed to the customer respondent group and directed at the relationship manager rather than asking the respective respondent to measure themselves.

Heffernan et al. (2008) utilised this measure to validate *knowledge* (referred to synonymously in this study as *competence*) as one factor of a three-factor solution in terms of defining *total trust* within a banking context. The current study supports the inclusion of *competence* as part of the *total trust* construct as evidenced by the overwhelming responses from both samples and the strong correlation between competence and total trust in both relationship manager and customer samples (r=0.913 and r=0.908 respectively, see Tables G.1 and K.1 respectively).

There was no equivocation, when it came to integrity, from both samples. Ninety eight per cent of the relationship managers agreed that they would more likely trust a customer who was honest and kept their word and 97.3 per cent agreed that they would more likely trust a customer who provided accurate information (Table D.7). Similarly 95.6 per cent of customer agreed that they would more likely trust a banker (interpersonal integrity) if they acted with integrity while 100 per cent agreed that they would more likely trust a bank (organisational integrity) if it acted with integrity (Table H.1).

Table K.1 shows a strong correlation between *integrity* and *trust* (r=0.919) as extrapolated from the customer data. Similarly, as per the relationship manager data, the same relationship was highly correlated (r=0.843, Table G.1). This highlights the importance of this dimension to *trust* as were *competence* and *benevolence* thereby validating the three-factor solution for *total trust* from a business-banking context.

Some interesting observations of interpersonal integrity were made as follows:

- 58.9 per cent of customers believe that promises made by their relationship manager were reliable (29.4% undecided, 11.8% disagree);
- 58.8 per cent of customers believe that their relationship manager was honest about problems that may arise (26.5% undecided, 14.7% disagree);
- 51.5 per cent of customers believe that their relationship manager is always on top of things related to his/her job (27.9% undecided, 20.6% disagree);
- 66.2 per cent of customers believe that their relationship manager follows up on customer requests (17.6% undecided, 16.2% disagree); and
- 64.7 per cent of customers believe the information their relationship manager provides them with (22.1% undecided, 13.2% disagree).

What this data suggests is that customers believe that there is an overall moderate level of interpersonal credibility as exhibited by the Bank's relationship managers, however the level of indifference suggests a need to perhaps direct more attention to enhancing their relationship managers' perceived integrity.

Some interesting observations of organisational integrity were made as follows:

- 51.5 per cent of customers believe that promises made by this bank were reliable (30.9% undecided, 17.7% disagree);
- 55.9 per cent of customers believe that this Bank has been frank in its dealings with them (19.1% undecided, 25.0% disagree);
- 48.5 per cent of customers believe that the Bank is honest about problems that may arise (36.8% undecided, 14.8% disagree);
- 55.9 per cent of customers believe that this Bank has been consistent in terms of its policies (26.5% undecided, 17.6% disagree); and
- 58.8 per cent of customers believe the information this Bank provides them with (27.9% undecided, 13.2% disagree).

What the above data suggests is that customers believe that there is an overall moderate level of *organisational credibility* as exhibited by this Bank, however not as high as the *interpersonal credibility*. Additionally, the majority of customers were either undecided or did not believe that this Bank was honest about problems that may arise. Further, there was a higher level of indifference at the organisational level of credibility, which suggests that the Bank needs to direct more attention at lifting its perceived integrity. The measures for integrity were largely adapted from Doney et al. (2007); Ganesan and Hess (1997); and Heffernan et al. (2008).

Further (relating to the relationship manager sample), a significant regression was identified along with strong correlation between the *total trust* construct and *sustainability* ($p<0.01$, $r=0.767$). A strong correlation was also identified between the *total trust* construct and *long-term value-adding relationship* ($r=0.709$). This infers that in order for a banking relationship to be sustained with a long-term orientation, the banker must have a degree of trust in their customer, that is, trust is a two way street, it must be reciprocal between both parties of the dyad and not just an important factor from the customer's point of view.

7.2.3 Quality Relationship

As discussed in the literature review, there seems to be agreement within the extant literature in terms of the key dimensions of a quality relationship that is *trust, satisfaction* and *commitment* (Athanasopoulou 2009). This is consistent with the findings of this research in that, the three aforementioned dimensions were found to be significantly correlated with a quality relationship on the customer level (see Table K.4):

- Commitment – $r=0.988$;
- Satisfaction – $r=0.911$; and
- Trust – $r=0.808$.

The relationship between *quality relationship* and *sustainability* was also found to be statistically significant when regressed, with $p<0.01$ and $\beta=0.758$ (Figure 6.2).

Furthermore, due to this study measuring *trust* in its own right, *quality relationship* (which was only measured by *commitment* and *satisfaction* in the survey for the purposes of this study) was regressed against trust (with *quality relationship* being the dependant variable) in order to confirm its three-dimension make up as presented in Athanasopoulou (2009). The result was $p<0.01$ and $\beta=1.149$ (Figure 6.2) thereby confirming the three dimensions of *quality relationship* (on the customer level) being *commitment*, *satisfaction* and *trust* as per the extant literature.

Where customer commitment was measured at the interpersonal level, only 48.5 per cent (Table H.2) of customers agreed that they are very committed to their relationship with their current relationship manager while 50 per cent agreed that their relationship with their current relationship manager deserves their maximum effort to maintain. Fifty seven per cent agreed that they are willing to invest time and other resources into their relationship with their current relationship manager.

The same measures (commitment, satisfaction and trust) were utilised at the organisational level and the results were 45.6, 38.3 and 48.5 per cent respectively. This is in contrast to previous results, which favoured the organisational relationship over the interpersonal one. Further, the scales opposite were used to measure commitment:

- I feel a sense of belonging to the X Bank – 44.1 per cent agree
- I am a loyal customer of the X Bank – 72.1 per cent agree
- I am loyal to my relationship manager – 63.3 per cent agree
- I consider my relationship manager as my trusted advisor – 45.6 per cent agree
- I consider my relationship manager like a friend – 32.4 per cent agree

Again a point of contradiction is apparent with customer loyalty towards the bank being greater than customer loyalty towards their banker with favour returning towards the organisational level relationship.

Relationship continuity was also measured as part of commitment with 61.7 per cent (Table H.2) of customers agreeing that they will continue their relationship with this Bank and that they will utilise the Bank's services again in the future (70.6%). Fifty nine per cent of customers suggest that this Bank is the first that comes to mind when making purchase decisions for bank services and 72.1 per cent agree that they focus on long-term goals in their relationship with this Bank.

Customer propensity to recommend and defend this Bank to others (*word of mouth*) was also measured with the agreement rate being 51.4 per cent and 42.7 per cent respectively.

From the above results we can see a positive customer propensity to continue their relationship with this Bank and that they have a positive long-term orientation. However, again there is room for improvement as only 50 per cent of customers agreed that this Bank was the first to come to mind when making purchase decisions for bank services which means that if they are not thinking about this Bank, they are quite possibly thinking about another, which in turn leaves the door open to try another.

Further, low agreement rates were achieved with regard to *word of mouth* which perhaps implies a lack of commitment to the relationship, because if one cannot unequivocally stand by the service they are receiving and recommend it to a friend then what chance really does this relationship have of longevity? One would argue that it does not have much of a chance of longevity, as there must be something fundamentally wrong if there is a low or even moderate degree of willingness to recommend it to others.

On the relationship manager level, *trust* was weakly correlated with *quality relationship* (see Table G.3):

- Commitment – r=0.817;
- Satisfaction – r=0.813; and
- Trust – r=0.445.

In spite of this, the relationship between *quality relationship* and *sustainability* was found to be statistically significant when regressed, with $p<0.01$ and $\beta=0.407$ (Figure 6.1).

Furthermore, due to this study measuring *trust* in its own right, quality relationship (which was only measured by *commitment* and *satisfaction* in the survey for the purposes of this study) was regressed against trust (with quality relationship being the dependant variable) in order to confirm its three-dimension make up as presented in Athanasopoulou (2009). The result was $p<0.01$ and $\beta=0.677$ (Figure 6.1). Therefore, while the correlation of trust to quality relationship was weak, the regression was significant, therefore trust (at the relationship manager level) can neither be validated nor invalidated as a dimension of relationship quality at this point.

There was a general consensus of agreement amongst the relationship manager sample when it came to their commitment to their customer relationships and long-term relationship orientation. This indicates that relationship managers exhibit a commendable attitude in terms of a positive long-term oriented relational outlook conducive of committed long-standing relationships with their customers. This attitude could possibly explain the 63.3 per cent agreement rate of customers professing their loyalty to their relationship manager.

Customer satisfaction was measured both at the interpersonal and organisational levels (see Table H.2 for full results). Overall customer satisfaction (at the interpersonal level) with the customer/relationship manager relationship was 60.3 per cent however overall satisfaction with the relationship manager itself was only 57.4 per cent and overall satisfaction with the competence of the relationship manager as a business-banker was identical (57.4%).

The similarity of the first two measures is acknowledged, however at the same time they are both different in that the first scale is measuring satisfaction of the relationship with the relationship manager whereas the second is measuring satisfaction with the relationship manager as a banker.

As the results show, customers seem to be more satisfied with their relationships with their respective bankers more than they are satisfied with the bankers themselves, and the competence of the same. What this could possibly mean is that while the bankers are good at managing the relationships with their customers, they are possibly not being perceived as being as effective in their primary role as business-bankers and that they could perhaps benefit from more training.

At the organisational level, 52.9 per cent of customers agreed that they made the right choice in deciding to use this Bank and only 50 per cent of customers agreed that overall they are satisfied with their relationship with this Bank. Eighty eight per cent of customers agreed that they are more likely to maintain a long-term relationship with the Bank if they are satisfied with the relationship between themselves and their relationship manager while 54.4 per cent suggested that they were satisfied (overall) with the Bank. Sixty seven per cent of customers rated this Bank as better compared to other financial institutions in terms of their overall satisfaction.

What the above results tell us is that a customer's relationship with its relationship manager may have a substantial impact on the customers satisfaction levels with the organisation. In that, a poor relationship with a banker may have an adverse impact on the customers overall relationship with the bank thereby diminishing its satisfaction levels not only with the bank's representative but the bank also, and as a result, potentially opening the door for the customer to consider external options.

The relationship manager sample was generally satisfied with the relationship with their clients (94.6%, Table D.8) and agreed that they are more likely to maintain long-term relationships with clients if they are satisfied with the relationship (91.2%). These results are not surprising. The fact that there is an overwhelming majority of relationship managers that are happy with their relationships with their customers (in general) is a healthy result and comfort can be taken from it. However, again this is not consistent with the customers' responses as discussed above. Yet this could be attributed to the sample size with the customer sample being smaller than the relationship manager sample. Therefore, the likelihood of bias is greater within the customer sample.

7.2.4 Sustainability

Various scales were used to measure the perceived sustainability of the customer sample's relationship with the subject Bank. The sample's propensity to utilise the subject Bank's services again and long-term orientation was also tested.

At the interpersonal level, 91.2 per cent (Table H.7) of customers agreed that they are more likely to maintain their relationship with their relationship manager if they can trust their relationship manager and if they share a quality relationship with their relationship manager (72.1%). While at the organisational level, 95.6 per cent of customers agreed that they are more likely to maintain their relationship with the Bank if they can trust the Bank and if they can trust the relationship manager (94.1%) and share a quality relationship with their relationship manager (78.0%).

The above results are clear in so far as trust is held in higher regard as the pre-requisite to the continuation of a relationship over relationship quality. What we also observe is that customer trust in the Bank itself seems to be emphasised over customer trust in the relationship manager, albeit marginally. Similarly, 96.6 per cent (Table D.9) of the relationship manager sample agreed that they are more likely to maintain their relationship with their customers if they can trust them and 86.5 per cent agreed that they are more likely to maintain their relationship with their customers if they share a quality relationship. Again, here we see that from the relationship manager sample results, trust is more important than relationship quality in terms of the sustainability of a banking relationship.

Customers were asked how important they felt that their relationship manager actively seeks their commercial-banking business, to which 67.7 per cent (Table H.7) agreed that it was important, however, only 38.3 per cent of customer actually agreed that their current relationship manager does in fact actively seek their commercial-banking business. Ninety seven per cent (Table D.9) of the relationship manager sample, on the other hand, actually believe they seek their customers' commercial-banking business actively, as well as their general banking business (93.9%).

There is an obvious disparity between the samples' opinions and again this could be due to the disparity in sample size with the relationship manager sample being more than double the size of the customer sample, thereby allowing for more bias on behalf of the smaller customer sample. However, this should be an area of focus as "perception of actively seeking customer's business affects the longevity of the relationship" (Reddy & Czepiel 1999, p. 235).

The relative perceived performance of the bank (in the opinion of the customer sample) was not very convincing with the overall customer impression of the subject Bank's capabilities being *good* (38.3%, Table H.7), *average* (27.9%), *excellent* (22.1%) and *poor* (11.8%) and the overall impression of the subject Bank's performance being *good* (48.5%), *average* (23.5%), *poor* (14.7%), *excellent* (10.3%) and *very poor* (2.9%). However, in spite of these results, 70.6 per cent of customers suggested that they are likely to utilise this Bank's services in the future.

Customers were also asked how important is a long-term relationship as a reason for choosing and judging financial institutions to which 47.1 per cent said it is *important* while 44.1 per cent said that it is *very important* (91.2% total). Then they were asked how important is competitive pricing when choosing their main bank to which 42.6 per cent said it is *important* while 48.5 per cent said it is *very important* (91.1% total) a virtually identical result, in fact, in real numbers the totals were identical, that is 62 customers.

This is an interesting finding as *long-term orientation* is perceived by customers to be just as important as *pricing* when it comes to choosing a bank. Zineldin (1995) found the second most important factor in the choice of a principal or main bank was price competitiveness on loans (trust was number one) and that a long-term relationship with one bank is perhaps not always desirable amongst the larger and medium companies in that study. Those larger respondent companies in that study preferred a multiple bank relationship and the medium sized companies preferred a two-bank relationship.

However, the result of the current study has *long-term relationship* and *pricing* as two equally weighted factors when choosing a principal bank and this suggests that perhaps banks should look to reward long-term customers with attractive pricing concessions in order to give the perception of appealing relational benefits.

7.2.5 Co-Creation of Value

The following definition of *co-creation of value* (as arrived at by the researcher) was put to the customer sample:

You and your relationship manager create value together when you are able to leverage off the knowledge/experience and network of your relationship manager to your benefit while the relationship manager enjoys full access to your banking requirements and your commitment to the relationship.

Sixty two per cent of the customer sample agreed with this definition thereby suggesting that this definition is an appropriate one within a business-banking context. Further, the *co-creation of value* construct is highly correlated with *long-term value-adding relationship* ($r=0.947$, Table 6.6). However, when *co-creation of value* is regressed against *long-term value-adding relationship*, the statistical relationship was found to be insignificant ($p=0.903$ $\beta=0.020$, Figure 6.2).

Conversely, when *co-creation of value* is regressed against *long-term value-adding relationship* on the relationship manager sample data, the statistical relationship was found to be significant ($p<0.01$ $\beta=00.276$, Figure 6.1) and the correlation was strong with $r=0.768$ (Table 6.5).

Similarly, the relationship manager sample were presented with a similar definition for CCoV (as formulated by the researcher) within a business-banking context:

You and your customer create value together when you enjoy full access to your customer's banking requirements and their commitment to the relationship, and they are able to leverage off your knowledge/experience and network.

Ninety six per cent of the relationship manager sample agreed with the above definition. This suggests validation of the above definitions for CCoV within a business-banking context. However, it is acknowledged that further research is required in order to better understand this under-researched concept within not only a banking context but in general. Notwithstanding, we can see that both the customer and relationship manager samples seemingly agree on the same idea of what is CCoV, in that we observe that customers perceive value in being able to leverage off the knowledge/experience and network of their relationship manager.

The reciprocal creation of value is then observed, in customers' agreement to assist their relationship manager in attaining value from the relationship by affording the relationship manager full access to the customer's banking requirements and the customers' commitment to the relationship, thereby co-creating value. Equally, relationship managers perceive value in enjoying full access to their customers' banking requirements and the customers' commitment to the relationship while providing reciprocity in the creation of value by assisting their customers in attaining value from the relationship by enabling their customers to leverage off the relationship manager's knowledge/experience and network.

7.2.6 Long-term Value-adding Relationship

A long-term value-adding customer–bank relationship should be (in the researcher's opinion) the fundamental goal of any bank/financial services institution. Obviously banks are in the business of making money and that is first and foremost, however long-term value-adding relationships should be worked towards as they serve to assist the bank in making money consistently and making more of it in the long run.

In order to understand this concept of *long-term value-adding relationship*, *value* first needed to be clarified from a banking context. The consumer behaviour literature defined value in terms of customer needs and what is desirable to customers (de Chernatony et al. 2000) which at face value seems applicable to the context of this study.

According to the customer sample data, all the factors of effective relationship management (*total trust, quality relationship, sustainability, crucial stages, identification of value accounts* and *co-creation of value*) are all highly and positively correlated with *long-term value-adding relationship* (Table 6.6) and its statistical relationship with sustainability and CCoV (when regressed against them as the dependant variable) proved to be significant with $p<0.01$ (Figure 6.2).

Similarly, *long-term value-adding relationship's* regression (as the dependant variable) against *sustainability* and CCoV according to the relationship manager data proved a significant statistical relationship with $p<0.01$. However, unlike the customer data, the correlation of long-term value-adding relationship against the other factors of effective relationship management according to the relationship manager data were not all strong with *emotional intelligence* only having a moderate correlation with $r=0.580$ and *identification of value accounts* having a weak correlation with $r=0.295$ (Table 6.5).

The customer sample in this study was presented with a definition of a *long-term value-adding relationship*:

> *A long-term relationship that adds value to your business is one that is there for the long run, and continues to be a source of value to those in the relationship.*

Ninety one per cent of the customer sample agreed with the above definition. However, customers were critical of the subject Bank in terms of the value they perceive it is providing them with (see Table H.14):

- Compared to other banks we may be involved with, our relationship with X is more valuable (48.6% agree)
- Compared to other banks we may be involved with, X creates more value for us when comparing all costs and benefits in the relationship (33.8% agree)
- The Bank is driven by a mind-set to add value to me and to help me achieve the continual and rapid improvement of my business (20.6% agree)
- My relationship manager is driven by a mind-set to add value to me and to help me achieve continual, rapid improvement in all aspects of quality and operations (35.3% agree)

It comes as no surprise, given the above, that customers do not seem willing to proactively add value to their relationship manager (see Table H.14):

- I work with my relationship manager to achieve their targets (e.g. by giving them all my banking and by referring others to them where I can) (35.3% agree)

The relationship manager sample were presented with the following (see Table D.13):

Do you agree that the relationship that adds the best value to both the bank and customers is when …

- I add value to the customer (98.0% agree)
- It continues to add value over the long term (98.0% agree)
- Customers are able to leverage off your knowledge and experience and network (94.6% agree)
- It continues over a long time period (92.0% agree)
- You have full access to a customer's banking requirements (86.6% agree)
- It contributes to my financial targets (84.5% agree)

- It contributes to my career aspirations (64.4% agree)
- It contributes to my personal aspirations (61.0% agree)

What becomes apparent from the relationship manager sample's results is that the relationship managers' view of a long-term value-adding relationship is a selfless one, in that 98 per cent of relationship managers believe that the relationship that adds the best value to both the bank *and* customers (emphasis on and) is when the relationship manager adds value to the customer and when it continues to add value over the long term (again 98.0% agreement). The above results suggest that the relationship manager sample have a positive attitude towards what constitutes a long-term value-adding relationship, as well as a reciprocal outlook when it comes to adding value, one that (in this research) favours the customer that is they put adding value to the customer (98.0%) before having full access to a customer's banking requirements (86.6%) or the customer contributing to the relationship manager's financial targets (84.5%).

However, it is still positive to see that the relationship managers still highly regard having full access to the customers' banking requirements and contribution to financial targets as the bank is not a charity or not-for-profit organisation and should never be viewed as anything other than a profit generating business. Thus, it is important for bankers to value their time and in doing so maximise profits and share of wallet by fully engaging relationship benefits, as they seem to be from the results above.

7.3 Research Question Two

What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

The stages within the relationship life cycle (*exploration, expansion, maturity,* and *dissolution*) were largely adapted from Dwyer et al. (1987), however Andersen (2001); Hsieh et al. (2008); Jap and Ganesan (2000); and Wong (1998) were also consulted. The researcher introduced the *recovery* stage, as it was deemed to be an important concept, given that banks are generally focussed on retention.

The scales utilised to measure the above constructs were also developed by the researcher in order to test these constructs from a business-banking context, but also to ascertain whether the customers and relationship managers alike felt that they were experiencing any of the characteristics of the various relationship phases. While the *crucial stages* construct was found to be not significant when regressed against *co-creation of value* (p=0.181 relationship manager data, Figure 6.1 and p=0.456 customer data, Figure 6.2), correlations between the same were found to be strong (r=0.924 relationship manager data, Table 6.5 and r=0.958 customer data, Table 6.6). Furthermore, some interesting results are now presented.

7.3.1 Exploration

A search and trial phase, during which each party evaluate the dependence and bargaining power of the other with the view to reduce the uncertainty of a potential relationship, the potential obligations, benefits, and burdens of continued exchange are considered and potential value of continued interactions is assessed.

It was put to the customer sample that their relationship manager had enticed them to business and had left a favourable first impression on them, to which the customers indicated that 47.1 per cent disagreed and 22.1 per cent were undecided to the former while 61.8 per cent agreed on the latter (see Table H.10). Sixty six per cent agreed that they are happy to continue progressing their relationship with their relationship manager after a favourable first impression and 69.1 per cent agreed that they are happy to continue progressing their relationship with the bank after a favourable first impression. This indicates that first impressions (during the *exploration* stage) are likely to assist in the progression to the *expansion* stage.

The use of small initial transactions to assess the relationship manager's/bank's performance and/or future viability of a relationship with the relationship manager/bank was not (in the customers' opinion) a valid consideration as indicated by the low agreement levels as reported in Table H.10.

This suggests that perhaps customers feel it is difficult to make small initial transactions as commencing a relationship with a bank generally requires a more considerable transaction in time, effort and monetary terms. Therefore conceivably, customers rely on first impressions and intuition to progress their relationship with a bank.

Similarly, the use of small initial transactions to assess the future viability of a relationship and whether the relationship manager would like to pursue and maintain a relationship with a new customer was not (in the relationship managers' opinion) a valid consideration as indicated by the low agreement levels as reported in Table D.10 (43.0% and 40.2% respectively). The comparativeness of these results (from both samples) serves to confirm that perhaps small initial transactions are not the way in which parties to a business-banking relationship test each other when deciding on whether they should commence a relationship.

7.3.2 Expansion

A phase in which mutual benefits and interdependence (as a result of favourable relational exchange) continue to increase, uncertainty is reduced and risk taking is increased due to the emerging mutual confidence within the dyad.

Table H.10 shows that a very small number of the customer sample believe that the relationship benefits have increased (42.7%) or continue to increase (33.8%) since they started their relationship with their incumbent relationship manager. Only 22 per cent agree that there is a growing interdependence within the dyad.

What this implies is that these customers do not seem to be overly engaged within their relationship with the relationship manager and that they possibly are not enjoying the relational benefits they were expecting. Thus, little interdependence is felt which may have an impact on the longitudinal orientation of the relationship.

Conversely, the relationship manager sample generally believe (89.3%, Table D.10) that after a successful initial transaction (with a new client) the relationship benefits tend to increase as does interdependence within the dyad (81.9%).

This lack of congruence in responses is predominantly due to the customer responses being from current experiences specific to their previous or current relationship manager, whereas, the relationship manager responses are general in nature and do not necessarily reflect an encounter with a specific customer. However, the key implications that the bank can draw from these examples are that perhaps it needs to clearly outline to their customers exactly what to expect in terms of relationship benefits to the customer. Understandably, during the sales processes of on-boarding a new to bank customer, the focus of the relationship manager is predominantly on closing the sale, however, clarifying expectations should be part of this process.

The lack of the feeling of interdependence from the customers' perspective is of some concern because banks depend on their customers, for income so as to stay in business and deposits (at times so as to maintain a level of self-sufficiency for lending purposes). However, if a customer does not feel a degree of dependence on their bank, this makes it much easier for the customer to refinance/or switch banks, an action that will obviously start to hurt the bank's market-share and profitability.

7.3.3 Maturity

A phase in which the parties exhibit commitment to the relationship by way of implicit or explicit pledges of relational continuity and substantial relationship-specific investments.

Interestingly, despite the results within the *expansion* section, commitment levels of customers were slightly more favourable than those presented in Section 7.3.2 would lead us to believe. Fifty per cent of customers professed their commitment to their relationship manager, while 54.4 per cent were committed to the Bank (Table H.10). Nevertheless, it is still perhaps a result of low perceived interdependence levels and the low perception of available relational benefits.

Ninety six per cent of relationship managers professed their commitment to the mature relationships within their portfolios. The customer sample was made up of customers of whom 63.3 per cent have been with the subject bank for over ten years however only 5.9 per cent of customers have been with their relationship manager for over ten years (75.0% 0–5 years, 19.1% 6–10 years).

What these results suggests is that firstly, while bankers obviously place great value on the mature relationships within their portfolios, customers seem not to place as great a value on the length of their relationship with the relationship manager as much as they do the length of their relationship with the bank. This is a more preferable outcome for the bank as these results imply that disruption to the bank's relationship with its customer upon change of a relationship manager may not be generally severe.

Given the predominant bracket for length of a relationship manager/customer relationship was found to be between zero to five years, it could be argued that customers feel that relationships with bankers are rather temporary in nature or at least have a limited life-span of only a few years whereas they look at a relationship with their bank with a long-term view.

Again, this is ideal for the bank and is important to a long-term banking relationship. However, if the bank works to increase the average tenure of a relationship manager on a particular portfolio, they may deepen their overall relationship with the customer by providing this value-add in the form of a long-standing trusted banking professional thereby improving and transforming a long-term relationship into a long-term *value-adding* relationship for the customer.

7.3.4 Dissolution

A phase in which at least one party is experiencing dissatisfaction, disengagement, is exploring alternative relationships, and beginning to communicate an intent to terminate the relationship. Any ensuing dealings are viewed with a short-term orientation and ultimately end in a dissolved relationship.

Generally, customers did not want to terminate their relationship with their relationship manager (60.3%) or the bank (63.2%) nor did they feel that their relationship with their relationship manager (52.9%) or the bank (51.5%) was in decline. However, these are not convincing results with large numbers of indifference/indecision (see Table H.10). Needless to say this is an area that requires the bank's attention (albeit the small sample size).

These results and those found in the *expansion* section (regarding relationship benefits) could be due to the fact that 45.6 per cent of the customer sample only have Total Business Limits (which include facilities such as debt, working capital facilities, bank guarantee lines and so on) of less than AUD 1 million, which for the subject bank is a segmentation threshold whereby any customers with a TBL of less than AUD 1 million belongs in Small Business-Banking, for which the customer relationship strategy entails a low touch proposition as opposed to Business-Banking which entails a medium to high touch proposition.

At the time of responding to this survey, the customer respondents were most likely still managed within business-banking (as the survey was only sent to business-banking customers and not small business-banking customers). Therefore they may have felt a lack of service given their low TBLs as they were probably earmarked for re-segmentation into small business-banking and thus reactively serviced by their relationship manager as opposed to being proactively serviced. This is not to say that the finger of blame should be pointed at the relationship managers for not adequately servicing their customers and hence the less than favourable results above, but more so a question of how the bank should deal with these customers pending their transfer into the appropriate segment and how to manage the re-segmentation process so as to ensure that the customer does not feel devalued or like they have been demoted in a sense to a low/no service area of the bank for low value customers. At present it would seem, judging by the above results, that there is room for improvement in this regard.

The relationship manager sample's responses regarding the dissolution and decline of relationships with particular clients within their portfolio were quite evenly spread between agreement, indifference and disagreement (see Table D.10). This is not necessarily a cause for concern. It is quite normal to prefer some relationships to others within a portfolio of customers. In fact, at times it is in the best interest for the bank to decide to terminate their relationship with a particular customer whether it be from a credit, financial or even behavioural perspective (Osarenkhoe & Bennani 2007) as assessing customers' benefits and deciding what relationships to terminate is an essential part of relationship marketing for any type of business (Helm et al. 2006).

7.3.5 Recovery

An interim phase whereby a declining relationship is revived after reasons for the decline have been addressed to the satisfaction of all parties thereby restoring the relationship to a mutual long-term orientation.

This relationship phase was not found to have been researched within the extant literature and therefore it is hard to compare this part of the study with the same. It was proposed by the researcher to be a valid part of the relationship life cycle. As such, both samples were subjected to statements aiming to measure each sample's willingness to hypothetically mend a relationship marked for termination or in decline.

The customer sample was split between indifference and agreement (41.2% and 44.1% respectively, Table H.10) when faced with the following statement: *Even if you wanted to terminate your relationship with your relationship manager, you believe the relationship could be saved.* However, when the same statement was put to the customer sample but this time referring to their relationship with the bank, 57.4 per cent agreed while 30.9 per cent were undecided. This again indicates that customers appear to place a higher value on the organisational level relationship rather than the interpersonal level relationship. This is consistent with the above findings.

When it came to recovering a declining relationship, only 42.7 per cent of customers agreed that a declining relationship with their relationship manager could be saved while 39.7 per cent were undecided. However, again the organisational level relationship proved to be stronger here as 51.5 per cent of customers agreed that a declining relationship between themselves and the bank is likely to be saved (35.3% were undecided).
While a stronger result and consistent with the above results thus far, these results are still not convincingly in favour of the bank and present some relationship and customer

perception issues which need attention. Sixty five per cent of relationship managers agreed that if they wanted to terminate their relationship with a particular customer, they believe that the relationship can still be saved (24.2% were undecided, Table D.10). Where their relationship with a customer was in decline, 71.2 per cent agreed that it might still be saved (22.8% indifference).

A possible explanation for the difference in sample opinion on this matter of *recovery* could be that bankers are more forgiving of customers than vice versa as their business (portfolio) depends on customers and where a customer leaves a banker's portfolio, this may have an adverse effect on the banker's individual balance sheet subsequently diminishing their financial results and performance. Another reason could be that if a customer leaves the bank on bad terms due to a fall out with their relationship manager, this could potentially result in disciplinary repercussions for the relationship manager.

The above results show a lack of customer willingness or belief that a relationship in termination mode or decline can be recovered. This may be attributed to experience in similar situations where perhaps they were not led to believe that there was any hope for the relationship to recover. However, the Bank can take optimism from the organisational level relational results in that they were slightly better than the interpersonal level result.

This means that relationships can be mended through customer retention strategies that serve to identify and eliminate (where possible, both from a commercial and credit sense) any factors causing strain to the relationship and if that means a change of relationship manager, then we can see from the above results that this may be an appropriate strategy. Another positive take-away for the Bank is that their relationship managers do have a positive attitude in terms of their willingness/belief that terminating or declining relationships could be saved.

In summary, while the regressions were not significant for this construct, it is clearly still an important part of relationship management given that it provides an insight into customer needs and requirements as the relationship progresses.

It is essential that the bank and the banker understand their customer fully. This does not just mean understanding their financial situation intimately (which is fundamental), but an understanding of the customer's relational phase and the psychology behind it is also imperative in order to ensure that the customer's experience is as favourable as possible so as to encourage the maximum level of satisfaction and loyalty.

7.4 Research Question Three

How are key relationships identified, nurtured, enhanced and retained?

This final research question seeks to understand the fundamentals to perpetuating customer relationships that are deemed to be valuable and key to the success of the bank. It discusses the definition put forward by the researcher for a *value account* in a business-banking context and the different areas of focus with regard to a *value account management* strategy within the same context.

Further, this section seeks to discuss how these value accounts are nurtured, enhanced and retained so as to ensure that the Bank is able to extract the maximum level of profitability and value from their relationships over the long term.

The customers' perspective here is key to this VAM concept, as it requires mutuality in value perceptions between the customer–relationship manager and/or customer–bank dyads. Thus, this research sought the customer sample's opinion regarding their perception of their relationship managers' and this Bank's strategic value to them as well as what they believe a value account within a business-banking context is.

The four key components in the identification of value accounts were identified as part of the literature review in Chapter Two as being firstly the definition of what a value account is to the particular organisation and industry. This is a subjective consideration which should take into account the business' objectives and goals as well as industry considerations such as the level of competition and the degree of how generic the business' product suite is. For the purposes of this research and context, *value accounts* have been defined as:

> Potential or existing customers which are, or may be of strategic importance to the Bank and/or relationship manager and where the Bank and/or the relationship manager is/are recognised as, or may be strategically important for the customer.

This definition has been adapted from Gosselin's and Heene's (2005) definition for a *strategic account* where this current definition puts it into banking context.

Secondly, how value accounts are identified amongst other customers within the portfolio and conversely how do customers identify a bank and relationship as being of strategic value. Thirdly, how do banks implement an effective and successful VAM strategy, and finally, what is the role of the relationship manager throughout this both from the relationship managers' and customers' perspectives. This will all now be discussed in detail.

The statistical relationship of this construct proved to be generally significant and highly correlated with CCoV (r=0.866, Table 6.6) and *long-term value-adding relationship* (r=0.762) as well as its statistical significance with a regression result of $p<0.01$ (Figure 6.2) at the customer level. However, while the construct's regression proved significant at the relationship manager level ($p<0.05$, Figure 6.1), its correlation to CCoV and long-term value-adding relationship at the relationship manager level was quite weak (r=0.450 and r=0.295 respectively, Table 6.5).

7.4.1 Identification of Value Accounts

The relationship manager sample was asked to select the attributes that comprise a *value account*. The list of attributes and percentages/frequency of selection were as presented in Table 7.2 (as extracted from Table D.12):

Table 7.2 Measures of identification of value accounts – relationship manager responses

Item	%	*n*
Profitability	30.2	45
Whole-of-wallet potential	28.2	42
Credit worthiness	26.8	40
Accessible business networks	24.8	37
Large volume of lending limits	18.8	28
Large volume of deposits	16.1	24
Status	4.0	6
All of the above	66.4	99

From the above results, we observe that a two-thirds majority of relationship managers (66.4%) agree that a *value account* (as defined in Section 4.1.5) is comprised of all of the following attributes: profitability, whole-of-wallet potential, credit worthiness, accessible business networks, large volume of lending limits, large volume of deposits and status. Only 25 per cent of the customer sample felt that they were of strategic importance to their relationship manager in general terms (Table H.11), while 42.7 per cent feel that they are of strategic importance to their relationship manager as per the definition of a *value account* in Section 4.1.5. Thirty two per cent of the customer sample felt that they were of strategic importance to the Bank as per this definition.

The preceding results tend to show that the customer sample does not feel overly valued. This may be due to the fact that 45.6 per cent of customers have lending limits of below AUD 1 million (see Table 6.4) which means that they would be 'out of segment' with regard to the TBL bands of AUD 1–15 million applicable to business-banking. Therefore, this proportion of the customer sample would not get much attention from their relationship manager/bank if they were not particularly active or do not require much reactive attention, as it would be unlikely that they would get much proactive attention with lending limits below AUD 1 million. This is not to say that the service they are being afforded by their relationship manager/bank is sub-standard, it only suggests that their banker is most likely preoccupied with the more valuable customers to their portfolio.

Fifty nine per cent of the customer sample believed that the Bank is or has the potential to be of strategic importance to them while 63.3 per cent believe that their relationship manager is or has the potential to be. The customer sample largely agreed that the Bank is of strategic importance when it possesses ease of doing business (86.8%), quality in products and services (82.4%) and quality in people (86.8%) while the relationship manager would be of strategic importance if it possesses ease of doing business (86.8%), is well connected in the bank (79.4%), is well connected within the customer's industry (54.4%), and is well regarded by their peers/superiors (66.2%). Obviously *ease of doing business* featured as the most important attribute to customers both at the organisational and interpersonal levels with *quality in people* being equal at the organisational level.

7.4.2 Implementation of Value Account Management Strategy

The relationship manager sample was asked to select the attributes that comprise an effective VAM strategy. The list of attributes and percentages/frequency of selection were as presented in Table 7.3 opposite (as extracted from Table D.12) and relate to the researcher's definition of *value account management* as being:

The Bank's activities including identifying and analysing their value accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-term relationships with them.

Table 7.3 VAM Strategy measures of implementation – relationship manager responses

Item	%	*n*
Tailoring suitable strategies for each value account	30.9	46
Analysis of each value account in terms of characteristics, history, commitment to the relationship, and switching costs	24.2	36
Periodically evaluating the strategic importance of a portfolio of current and potential value accounts	19.5	29
Allocation of resources to the relational mix appropriate to the stage in the relationship	18.8	28
Choosing the right accounts	14.8	22
Securing top management support and involvement	14.1	21
Selecting the right account executives	7.4	11
All of the above	67.1	100

Again, from the above results, we observe that a two-thirds majority of relationship managers (67.1%) agree that a VAM strategy (as per the *value account management* definition in Section 4.1.5) is comprised of all of the following attributes:

- Tailoring suitable strategies for each value account;
- Analysis of each value account in terms of characteristics, history, commitment to the relationship, and switching costs;
- Periodically evaluating the strategic importance of a portfolio of current and potential value accounts;
- Allocation of resources to the relational mix appropriate to the stage in the relationship;
- Choosing the right accounts;
- Securing top management support and involvement; and
- Selecting the right account executives.

A bank cannot develop strategies for every value account. However, it should be the responsibility of the relationship manager to do so. The bank can develop and implement a general strategy on how to manage value accounts but it will be the relationship manager that tailors this to each case. For example, the bank can decide that each value account (as per its specific criteria and definition) be entitled to quarterly contact from their relationship manager, but it should be the relationship manager that decides the type of contact that would be most appropriate given the relational stage. Whether the client is invited to special networking functions or information sessions or visited at their premises or taken out to lunch should be decided in accordance with the relational stage and client interest in such interactions.

To put it into context, a customer that is a property developer/investor may be very interested in attending a property market update that is facilitated by bank economists in conjunction with a property valuation firm. The customer may find this very useful and perhaps even a value-add given events such as this may be otherwise expensive if the customer had to pay their way or may not be readily available should they not enjoy a friendly bank relationship. The bank therefore, needs to ensure that relationship-building options are available to their relationship managers so as to facilitate and allow for the implementation of these strategies.

In order to be able to do the above effectively, robust customer profiles need to be kept. Therefore, a commitment needs to be made to invest in information technology (IT) and the right customer relationship management (CRM) system/platform. The researcher's personal observations have found that customer profiling has been at best ad hoc at the subject Bank, with profiling habits changing from banker to banker and portfolio to portfolio.

Generally, the lack of customer information has meant that new-to-portfolio relationship managers are reliant on Excel spreadsheets or business cards in a rolodex left by their predecessors, whatever little information that has been uploaded on the customer profile on system (which is generally not much) or on the assistant manager of the previous banker. Most will agree that this is inefficient. Proof of this is that the survey for this current research was sent to 7,952 business-banking customers, however 2,290 emails were not received due to invalid email address information.

It seems that this has been recognised by the subject bank as a more advanced CRM system has been employed and continually updated in recent years. However, it is integral that a CRM system has a user-friendly interface that makes entering data seamless for those entering it otherwise users will merely enter the minimum required information and no more. Retrieving data also needs to be seamless, otherwise people will revert back to their own ad hoc contact lists.

The CRM system needs to give the banker a snapshot of the customer profile including the customer's risk profile and account conduct, products currently utilised (including lending limits and deposit funds under management), products utilised in the past, tenure of the banking relationship, the customer's core business, contact details and any pertinent notes that other employees of the bank may need to know. This customer profiling should give a banker who is new to the relationship a quick overview of the customer on one page so that when they need to make contact, they are not completely ignorant of the customer's details, a point of frustration for many customers who experience a change in relationship managers.

Further, the bank needs to empower its relationship managers to be able to make commercial and credit (to some extent) decisions. In order to instil a confidence in its customers, the bank needs to ensure that their representatives (in this case relationship managers) are viewed as people of seniority and authority within the bank so as to promote an image of decisiveness and empowerment and the ability to fulfil their customers' needs with relative ease and seamlessness.

Customers will then feel that they are speaking to the right people in so far as their banking requirements are concerned and therefore there is more likely to be a degree of dependence on the relationship manager (on the part of the customer) as the customer will then know that a strong relationship with an empowered relationship manager will more likely result in favourable outcomes for them thereby making the relationship more *sticky*. Obviously from a governance and separation of duties point of view, the bank should maintain the line in the sand with regard to some of the credit functions so as not to open itself up to imprudent/fraudulent activities.

7.4.3 Role of the Relationship Manager

A list of the various roles a relationship manager is thought to be responsible for was put to both respondent samples as listed in Table 7.4, overleaf (as extracted from Tables D.12 and H.11) and adapted from Millman and Wilson (1995), Napolitano (1997) and Pels (1992). The results are presented in order of highest to lowest agreement levels. The respondents were asked to select the various roles they thought a relationship manager in a banking context ought to be responsible for. While tailored to the specific sample, the items were very similar.

The majority of relationship managers selected *all of the above* (79.2%) whereas the customer sample rated *provides solutions to your problems based on the Bank's resources* as the number one role of the relationship manager (51.5%), while *tends to your banking requirements* came in a close second (48.5%) with *develops the relationship between you* and *provides you with banking and finance advice* coming in at equal third (47.1% each).

The results tell us that the dyad's views with respect to the role of the relationship manager differ in that the relationship manager sample (in predominantly selecting *all of the above*) put a great deal of emphasis on satisfying the customer but also acknowledging their responsibility to the Bank and not disregarding the sales aspect (i.e. *sell the Bank's products/services to their customers*). However, only 27.9 per cent of the customer sample (specifically) acknowledged that *sells you the Bank's products/services* is a role of the relationship manager. This is understandable as the customer's predominant concern is itself and not the bank's ability to make money at their expense.

While this may be a natural customer view, it is not necessarily one that the bank should agree with. The main objective of any bank should be to be profitable and to do so, it must sell as many of its products to its client base as possible. In short, banks need to take a whole-of-wallet approach. However, care should be taken in the delivery of the sale, that is in order to build goodwill with its customers the relationship manager's cross-sell of the bank's products should be conducted as a value-add and where possible the *proactive fulfilment* of a customer need and not just a product dump on the customer.

What this means is that customer needs should be proactively mined and presented to the customer as a gap identified by the relationship manager that needs to be covered. The relationship manager's solution should be presented as the appropriate solution to fill the gap, a gap that the customer may not have even been aware of. Obviously, this level of proactive fulfilment can only come about with a high degree of understanding of the relationship, without which, proactiveness cannot be achieved and interactions will be reactive at best.

Table 7.4 The role of the 'relationship manager' – customers' and relationship managers' perspectives

Customer's Perspective	%	*n*	Relationship Manager's Perspective	%	*n*
Provides solutions to your problems based on the Bank's resources	51.5	35	Grow their portfolio and increases its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills	18.1	27
Tends to your banking requirements	48.5	33	Understand their customers' business	18.1	27
Develops the relationship between you	47.1	32	Understand their customers' business environment	17.4	26
Provides you with banking and finance advice	47.1	32	Co-ordinate and tailor the Bank's suite of products to suit their customers' needs	16.8	25
Co-ordinates and tailors the Bank's suite of products to suit you	44.1	30	Develop the relationships within their portfolio	16.8	25
Manages the relationship between you	44.1	30	Understand their customers' goals	16.1	24

continued opposite ...

Customer's Perspective	%	*n*	Relationship Manager's Perspective	%	*n*
Understands your business environment	38.2	26	Provide solutions to their customers' problems based on the Bank's resources	14.8	22
Negotiates terms with you	38.2	26	Provide banking and finance advice to their customers	13.4	20
Understands your goals	32.4	22	Negotiate terms with their customers	12.1	18
Understands your business	32.4	22	Tend to their customers' banking requirements	11.4	17
Sells you the Bank's products/services	27.9	19	Sell the Bank's products/services to their customers	8.1	12
All of the above	30.9	21	All of the above	79.2	118

7.4.4 How to Nurture, Enhance and Retain Key Relationships

What this research has shown us is that in order to nurture a key relationship, we first need to have a good understanding of the customer's business needs as well as the relational stage we are currently experiencing with the customer in question. Are they a new customer, are they relatively new or are they a long-standing customer? From there we can determine the appropriate strategy to employ in order to maintain the relationship and the level and quality of contact required from the relationship manager and other senior management from the bank.

The study has revealed that the enhancement and retention of a relationship can be achieved through the attainment of *total trust* in the relationship manager by the customer, that is, displays of *benevolence*, *competence* and *integrity* by the relationship manager. This needs to be accompanied by a good level of *relationship quality* that is high customer *satisfaction* and *commitment* levels. Furthermore, the relationship needs to provide a *value-add* to the customer above and beyond the core offering of the relationship manager/bank such as access to business networks, preferential pricing structure or a high level of relationship manager proactiveness as previously described, which may not otherwise be available without the benefit of the relationship.

We know that "competitive pricing and past usage improve relative perceived performance [and] in turn relative perceived performance and relationship longevity are positively related to future usage" (Reddy & Czepiel 1999, p. 235) which implicitly leads to retention of the customer. However, the question here is how to attain longevity.

The *sustainability* construct in this research was modelled around measures concerning pricing, relative perceived performance and future usage, adapted from Reddy and Czepiel (1999), and this construct was found to be very strongly related to the *long-term value-adding relationship* construct which is consistent with (Reddy & Czepiel 1999).

However, this research has identified other factors which are important to the longevity of a relationship (as mentioned throughout this chapter) from the customer perspective namely trust, the quality of the relationship, the understanding of relational phases, the identification of the right accounts to maintain and retain and the co-creation of value between the relational parties. It is believed that this research presents an insight into relational longevity in a business-banking context.

However, in practice it seems that banks are moving away from a relationship based service model to a more sales based business development service model geared towards the relationship manager focusing more time and energy towards the generation of sales and market share growth.

The implications of such a shift in strategy will mean that more relationships will decline due to a perceived reduction in service levels, as customers will have less access to their relationship manager, as they will be pushed towards directing most of their enquiries towards a centralised pool of administration staff. This staff will need to fill the relationship void rather quickly in order to minimise the impact of the lack of interaction customers will experience from their relationship managers.

This is not to say that a sales based service model is destined to failure. On the contrary, this strategy is integral to market share growth, but the question here is:

- How do banks minimise the impact of this strategy shift on customer perception of service levels?
- How will banks continue to nurture, enhance and retain customer relationships from a phone-based middle-office staff that do not engage with customers through the medium of face-to-face discussions?

Relationship managers under this type of service model will undoubtedly have to reduce the time they spend with existing customers (unless a revenue generating need is presented) and will see them spending approximately 70–80 per cent of their time on the road leaving only 20–30 per cent of their time to tend to administrative tasks and customer enquires.

The key here will be to empower the middle-office staff with similar commercial and credit discretions as their frontline counterparts so as to minimise the disruption to customers caused by a relationship manager who is on the road for the majority of their time, while also minimising the customers' perception that the middle-office staff are not decision makers. In effect, what will occur here is a role shift whereby the frontline relationship manager will become a *business development manager* and the middle-office manager will become the relationship manager, and in this way customers' expectations will be realigned by virtue of the role name changes and subsequent re-education customers will undergo as to what these new roles entail from a service perspective.

7.5 Summary

This chapter answered the three research questions posed by this thesis:

1. What are the factors contributing to effective relationship management within the banking sector?

2. What are the crucial stages within the relationship life cycle and how are they nurtured effectively with the view to creating and sustaining a long-term value-adding relationship?

3. How are key relationships identified, nurtured, enhanced and retained?

In response to the above questions, the chapter presented the factors of effective relationship management identified by this research. The factors identified were *total trust* and *quality relationship,* which create *sustainability* within the relationship, and *crucial stages* and *identification of value accounts,* which together promote the *co-creation of value* within the relationship manager/customer dyad.

The crucial stages of the relationship were also identified: *exploration, expansion, maturity,* and *dissolution*, which were largely adapted from Dwyer et al. (1987). The *recovery* stage (introduced by the researcher) was confirmed as a valid relational phase as it promotes the retention of relationships that may otherwise be terminated unnecessarily.

In response to the final research question, it was determined that identifying value accounts first depends on the subjective definition given to the same by the particular organisation or in this case bank. For the purposes of this research, a value account was defined as possessing the attributes:

- Profitability
- Whole-of-wallet potential
- Credit worthiness
- Accessible business networks
- Large volume of lending limits
- Large volume of deposits
- Status

It was discussed that the nurturing, enhancement and retention of these value accounts would be through careful understanding of the customer's needs and current relational phase, building a quality relationship through trust, commitment and satisfaction as well as providing value and proactiveness in service.

The next chapter concludes the study and reflects on its limitations. It also presents some suggestions for future research.

CHAPTER EIGHT
CONCLUSION

8.1 Overview of the Study

This chapter provides an overview to the study and summarises its main themes and findings. It addresses both the academic and practical contribution the study makes to extant knowledge about relationship marketing and in particular the factors contributing to effective relationship management in a business-banking context. It then provides recommendations, which are drawn from the academic and practical implications while also addressing the limitations of the study. Recommendations for future research are also presented.

The study began by first reviewing the extant literature on relationship marketing and its importance to service based industries as it provides organisations with a strategic competitive advantage in obtaining and retaining customers as well as creating repeat purchases and referrals (Grönroos 2004; Hawke & Heffernan 2006; Lam & Burton 2006; Yau et al. 2000). The study then analysed the key elements of relationship marketing as uncovered by the literature, with the first key element being trust.

The literature review uncovered several different dimensions of trust, which were categorised and consolidated for the purposes of this research. The result was a three-dimension trust construct referred to in the study as *total trust.* Total trust, comprised of benevolence trust, competence trust and integrity trust, was found to be appropriate to the context of this research.

To fill the gap in the existing literature, the dimensions of this trust construct were studied from organisational as well as interpersonal levels where appropriate. For example, the customer sample's perceptions of benevolence and integrity of the bank as an organisation were measured along with the perception of the benevolence and integrity of the relationship manager, whereas, the competence of the relationship manager was only measured at the interpersonal level.

Again, in order to address a gap in the literature, total trust was also measured from the relationship manager sample's perceptions of competence and integrity, these being the two dimensions applicable to this side of the dyad. This study confirms trust (at both the customer and relationship manger levels) as being a vital underpinning factor of relationship marketing as presented within the existing literature.

With regard to the customer sample, benevolence trust had within it an emotional intelligence dimension that was measured. In that, customers' perception of the EI of their relationship manager was tested. It was found that the majority of customers were more likely to trust a relationship manager who understands the customer's feelings and moods and has control over their own emotions. The relationship manager sample thought itself highly emotionally aware/intelligent. However, the construct's lack of statistical significance questioned this view.

The antecedents of relationship quality were identified largely per Athanasopoulou (2009) and a three-dimension *quality relationship* construct was utilised for the purposes of this research. The three dimensions were trust (which was measured in its own right) commitment and satisfaction. As trust was measured in its own right, it was not included in the quality relationship construct (as depicted in the conceptual framework). However, the relationship between trust and a quality relationship was confirmed via a regression of the two constructs at the customer level which proved significant ($p<0.01$, see Figure 6.2) and very strongly correlated ($r=0.080$, see Table 6.6).

Conversely, the correlation proved weaker at the relationship manager level. This suggests a difference in make up of relationship quality depending on which side of the dyad one sits, with the customer side requiring a relationship quality based on trust, commitment and satisfaction, whereas on the relationship manager side relationship quality requires commitment and satisfaction. This partially supports Athanasopoulou's (2009) definition of relationship quality, that is this thesis confirms the dimensions of relationship quality from the customers' perspective as being *trust, commitment* and *satisfaction*. However, this research does not support Athanasopoulou's (2009) definition of relationship quality at the relationship manager level as only *commitment* and *satisfaction* were validated.

The literature on relationship sustainability was then reviewed and it was proposed by this research that *total trust* and a *quality relationship* result in relationship *sustainability*. This postulation was validated at both the customer and relationship manager levels in terms of very strong correlations. However, while a significant regression was found at the relationship manager level, it was not significant at the customer level. This is most likely due to the small customer sample size and not believed to be a reflection on the constructs' validity. Further reinforcement is given to this by virtue of the positive customer responses attributed to sustainability (see Table H.7).

The research then moved to analyse the stages within relational development primarily drawing upon Dwyer's et al. (1987) conceptualisation of the relationship life cycle. The four main stages identified as appropriate to this context were *exploration, expansion, maturity* and *dissolution*. A fifth stage, *awareness* (which is the first stage) was omitted because for the purposes of this research, it was assumed that the relationship partners had already made contact and commenced the relational process.

However, a new stage was postulated by the researcher and included as an interim phase – *recovery*. It hypothesised that while a relationship may be in decline or marked for termination, that it could still be recovered and rehabilitated. This hypothesis was supported by both samples' direct responses to the measures. However, it should be noted that agreement levels were below 50 per cent for the customer sample at the interpersonal level. While at the organisational level, customers appear to be more forgiving.

The identification of *value accounts* was then focussed on, as the underlying premise of this study is that relationships must be invested in, but it is those relationships that are or have the potential to be most lucrative from a business point of view that should receive the most relational investment. Therefore, the research set out to understand the extant theory regarding key accounts, key account management, strategic accounts and strategic account management. For the purposes of this research, the study took elements from both key and strategic account management theory to define value accounts and *value account management*. Subsequently, a value account within a banking context was defined as comprising the following attributes:

- Profitability
- Whole-of-wallet potential
- Credit worthiness
- Accessible business networks
- Large volume of lending limits
- Large volume of deposits
- Status

The study then set out a process for the implementation of value account management strategy:

- Tailoring suitable strategies for each value account;
- Analysis of each value account in terms of characteristics, history, commitment to the relationship, and switching costs;
- Periodically evaluating the strategic importance of a portfolio of current and potential value accounts;
- Allocation of resources to the relational mix appropriate to the stage in the relationship;
- Choosing the right accounts;
- Securing top management support and involvement; and
- Selecting the right account executives.

The role and duties of the relationship manager were also articulated as part of this thesis: Grow their portfolio and increases its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills:

- Understand their customers' business
- Understand their customers' business environment
- Co-ordinate and tailor the Bank's suite of products to suit their customers' needs
- Develop the relationships within their portfolio
- Understand their customers' goals
- Provide solutions to their customers' problems based on the Bank's resources
- Provide banking and finance advice to their customers
- Negotiate terms with their customers
- Tend to their customers' banking requirements
- Sell the Bank's products/services to their customers

This process of subjectively defining value accounts according to the specific needs and strategy of the bank, identifying them, implementing the value account management strategy and prescribing the role and duties of the relationship manager should be the first considerations in relationship-banking strategy. Outlining the strategy first enables a clear roadmap to relationship formulation, design, enhancement and retention by setting out clear objectives duties and expectations of all stakeholders involved. Customer involvement in this process by way of the setting of expectations in terms of the responsibilities of the relationship manager and also seeing the relationship manager/ bank relationship as being of strategic value to them also is an integral component of the next construct this research has put forward – the *co-creation of value*.

There was little existing research that covered co-creation of value, particularly in a banking context, so this study set out to define CCoV within the said context. Thus it was proposed by this thesis that within a banking context, CCoV occurs where the customer and their relationship manager create value together when the customer is able to leverage off the knowledge/experience and network of the relationship manager to the customer's benefit while the relationship manager enjoys full access to the customer's banking requirements and the customer's commitment to the relationship. Further to this, the relationship manager may also find value in the customer's network and as such access to the same should be reciprocal.

The central focus of this research has been to identify the antecedents to business relationship longevity and the achievement of a *long-term value-adding relationship.* The core of this thesis postulates that with the achievement of *total trust* and *quality* in a relationship, the *sustainability* of a relationship is feasible, while understanding the relational dynamics at the various junctures within the relationship life cycle and being able to invest in the right relationships with the right strategies in order to maximise the value input and output of the relationship will enable the *co-creation of value*. This thesis then purports that the subsequent product of the culmination of where the *sustainability* of the relationship meets the *co-creation of value* for the parties experiencing the relational exchanges, is a *long-term value-adding relationship*. This has been validated by the current study at both the customer and relationship manager sample levels.

8.2 Contribution of the Thesis

8.2.1 Theoretical Implications

This thesis' contribution at the academic level provides an insight into business relationship longevity within the banking sector based on principles of effective relationship management that have been identified and defined as part of this study. This fills a gap discovered within the existing literature whereby these factors have not been previously addressed collectively with this breadth and in the specific context of business-banking.

This thesis also contributes to academia in that it has provided a dual perspective on the researched constructs by surveying both customers and bankers. This fills another gap particularly within the buyer–seller literature whereby the seller's view is often underrepresented (Athanasopoulou 2009; Hocutt 1998; Rajaobelina & Bergeron 2009). Further to this, customer relational perceptions were investigated on two levels – interpersonal and organisational. This provided an insight into the value customers place on their relationship with their banker against the value they place on their relationship with the bank.

This thesis continues its academic contribution by adding to the under-researched theory on key account management and strategic account management and has provided a banking context-specific concept called value account management, which draws upon both key/strategic account management theory. This then led to the further contribution to the extant literature on value, what it is and how it is co-created within the relational dyad. This contribution is important as the existing theory is quite scarce in this area (Payne et al. 2008).

It also adds to the extant literature on relational phases in adding the *recovery* phase of the relationship life cycle. This stage was not observed throughout the literature review. However, it is an important part of relationship management particularly where a relationship is in decline and at least one of the relational partners sees reason to save it.

The measures utilised within this study have largely been adapted (where possible) from previous studies. However, the researcher developed alternative measures where pre-existing measures were unavailable or considered contextually inappropriate. All the measures were considered reliable in terms of their Cronbach Alpha scores (save for the *crucial stages* construct measures at the relationship manager level). Thus future researchers will be able to replicate the constructs and measures presented in this thesis with confidence.

Also, the fact that a quantitative survey questionnaire delivered over the internet means that this study can be replicated with relative ease as very little researcher involvement is required other than to provide periodic reminders (to complete the survey) to the respondent groups.

This thesis also makes a contribution to the theory on relationship marketing in providing an Australian business-banking case study, the results of which can be compared with similar international studies within this field of research and in particular the Nordic and North American relationship marketing schools of thought.

8.2.2 Practical Implications

At the practical level, this thesis provides banks/financial institutions with an understanding of customer perceptions on relationship longevity and their considerations on the building and maintenance of the same.

It also provides a case study of one of the four major Australian banks, which may be replicated amongst the other major Australian banks and quite possibly other financial institutions in general. Furthermore, international banks may find this thesis of interest with respect to their relationship marketing strategies as well as comparing their demographic profile against the Australian demographic profile. This would be an important consideration should international banks wish to enter the Australian market.

Furthermore, the thesis provides financial institutions with an insight into the psyche of their own relationship staff and thereby a basis from which to develop appropriate hiring strategies. These strategies will subsequently enable a selection of suitable relationship staff, providing that they possess the traits and acumen required, to build long-term value-adding relationships. This relates to the soft skills that relationship staff should have such as heightened levels of emotional intelligence, heightened levels of integrity and perceived integrity, heightened levels of benevolence and perceived benevolence and heightened levels of perceived trustworthiness in general.

These skills are arguably the most difficult to learn and acquire so it is important that staff with these attributes are selected at the outset. Technical skills can then be acquired through training.

This thesis provides insight into the development of effective value account management strategy and considerations for senior management through to frontline bankers. It promotes a collaborative approach at different management levels in terms of defining and then identifying value accounts relative to the financial institution's strategy while ensuring that the role of the relationship manager is also clear and complimentary to the effective management of the strategic customer relationships within their portfolio.

The results of this thesis provide businesses and organisations looking to commence a relationship with a financial institution, with an understanding of what financial institutions look for in customers and what they define as a valuable account, thereby providing some insight into how customers can seek to maximise their relationships with their banking partners.

Businesses already engaged in banking relationships will now have a better insight into how a banker's trust in a customer can affect the relationship and that it is not just the customer's trust in the banker that has a bearing on the relationship. The thesis adds further reinforcement to the premise that banking relationships (and business relationships in general) are a two-way street governed by reciprocity. Therefore, in order to establish and maintain a quality, long-term value-adding relationship, all parties to the relationship need to be satisfied with the same and enjoy interdependence rather than dependence on behalf of one and not the other.

8.3 Recommendations

This study has endeavoured to provide further insight into the relational dynamics present within business relationships and with particular interest into business-banking relationships. The main objective was to assist banks and financial services institutions in general to establish enduring value-adding relationships with their clients. To that end, the recommendations made herewith seek to fulfil this objective.

The first recommendation made by this thesis is that hiring strategies continue to provide for the qualitative (as well as quantitative) assessment of potential candidates for relationship staff for emotional intelligence, benevolence and overall social as well as cultural intelligence. The ability to build rapport is essential in order to establish the initial liking between parties that is necessary to proceed to the next stage of relational exchange and perpetuate a relationship. Cultural intelligence is becoming more and more necessary given ever increasing globalisation and institutions exploring foreign markets. Therefore, selecting candidates with a heightened sense of cultural awareness is now just as important as selecting those with a heightened sense of emotional/social intelligence.

Currently, some of the psychometric testing undertaken by the banks is deficient in this regard with the focus seemingly on sales generation, numeric, abstract and grammatical reasoning, areas which are all integral to the success of a banker. However, testing on this basis alone does not complete the picture in so far as selecting the appropriate profiles for relationship success. Organisations should build relationship-building skills analysis into their testing instruments and follow these up in an interview scenario.

Surprisingly, these tests at times are not delivered in context, that is, the researcher has had the opportunity to undertake one of these psychometric tests and found that the sales component of the test was clearly an American test relating to a pure sales role which appeared unrelated to banking. This demonstrates a disparity between the actual role of the bankers and the understanding of the bank's human resources area as to the same. What should have been tested is the candidates understanding of the role specifically, sales and most importantly banking, utilising banking specific Australianised examples. This will uncover the candidate's competence as a banker.

Furthermore, often these types of instruments are generally used as a short-listing tool. However, this can still result in the incorrect selection or non-selection of potential candidates. It is recommended that first, interviews be conducted in order to short-list a candidate and then psychometric testing should take place after the hirer is happy to short-list the candidate based on the face-to-face interview. The testing should then be used as a guide only in order to assess competence and identify areas of weakness that may be improved and the level of improvement required.

Also, having the interview take place first will enable the candidate's character to be assessed with respect to perceptions of integrity and general trustworthiness and if these two crucial factors are not present or of the appropriate standard, their candidacy should be terminated immediately.

The second recommendation is that public perception of relationship staff in terms of competence, empowerment and high standing within the bank need to be heightened. The following presents areas of focus that may be able to assist: relationship-bankers (at the subject bank) currently need to undertake and pass several modules related to finance in order to be able to fulfil their roles. It is recommended that the completion of these modules be formally recognised with the award of a formal qualification and certificate such as an advanced diploma or degree of finance recognised by a formal academic institution. This will mean that all the bankers at the subject bank will have a finance related academic qualification to their name and on their business card and as such will be a point of difference out in the market place.

Relationship-bankers should also be of high managerial standing within the bank so as to impart the perception that they are key members of the organisation whom have been empowered to take decisive action for their customers when required.

The third recommendation is that banks continue with a strong relationship-banking model for their value accounts, that is those accounts deemed to be of true value to the bank should be managed by a relationship executive, assistant manager(s) (the number of assistant managers should be determined according to the size and complexity of each individual portfolio of value accounts) and a credit manager.

A similar model is being utilised in some banks within their corporate-banking segment and it is recommended that the same model be utilised and reserved for the upper customer echelons (in terms of value to the bank) of the business-banking segment. This model provides for a fully equipped relationship team capable of making decisions and dealing with the day-to-day requirements of this calibre of customer. The new business acquisition targets for these value account portfolios should not be as aggressive as those for normal business-banking portfolios so as to provide customers with a superior high-touch proactive relationship service proposition.

It is acknowledged that the success of banks largely depends on their acquisition of market share and as such new business acquisition is integral. This explains the shift overtime from a relationship-based focus to a more sales-orientated model which seems more prevalent in banks today whereby bankers appear to be more *business development managers* than *relationship managers*.

Therefore, given that bankers are now to spend more time on business acquisition, and customers are now to call into centralised service centres in order to have their enquiries answered, it is recommended that relationship managers be employed to manage a team of service assistant managers (as opposed to *team leaders*) that will be servicing clients as they call through. This may provide a level of comfort to customers as there will be a perceived relationship point (albeit phone-based) within this call centre that they can call on when problems arise thereby providing the perception of accountability. This phone-based relationship manager's name and title should appear on correspondence if the customer's actual frontline relationship manager's details do not.

Currently the subject Bank conducts an annual quantitative customer satisfaction survey. This is important. However, it is recommended that this quantitative approach be supported by qualitative follow-ups (if this is not already being done). It may be of benefit to survey a pool of customers by phone, as well or instead, so as to allow for discussion on key points or issues that are identified by the survey items. Customer focus groups are also recommended. This is important so as to better understand customer satisfaction levels as well as customer commitment levels to the bank and subsequently enable a better measurement of current relationship quality between the bank, its representatives and their customers. This research found that 59.7 per cent (Table D.6) of relationship managers at the subject Bank did not know what their customer satisfaction rating was as at their last performance review. Therefore, further attention is required in this regard.

The sixth recommendation is that banks invest in a CRM system that is very user-friendly and provides a clear snapshot of the customer from the home screen including the most important information such as customer debt limits, deposits under management, relationship tenure, contact details, industry, customer risk grading, account conduct and behaviour. The less user-friendly the system is, the less inclined time-poor bankers will be to utilise the full functionality of the CRM system and this will therefore result in less information being input into the system leaving bankers to rely on their ad hoc customer spread sheets. This inconsistent approach will lead to the bank not holding sufficient information about their customers and, in some cases, even the most basic of information such as contact details.

The seventh recommendation is that banks should employ a holistic view of the customer profile. Often, some business-banking customers may be too small to warrant much interaction with the bank, however they may have substantial business within the retail segment of the bank for example large home and residential investment loans. But due to the lack of attention they receive from the bank on the business-banking side, the customer's relationship with the bank as a whole may suffer putting the bank's retail business with that customer in jeopardy.

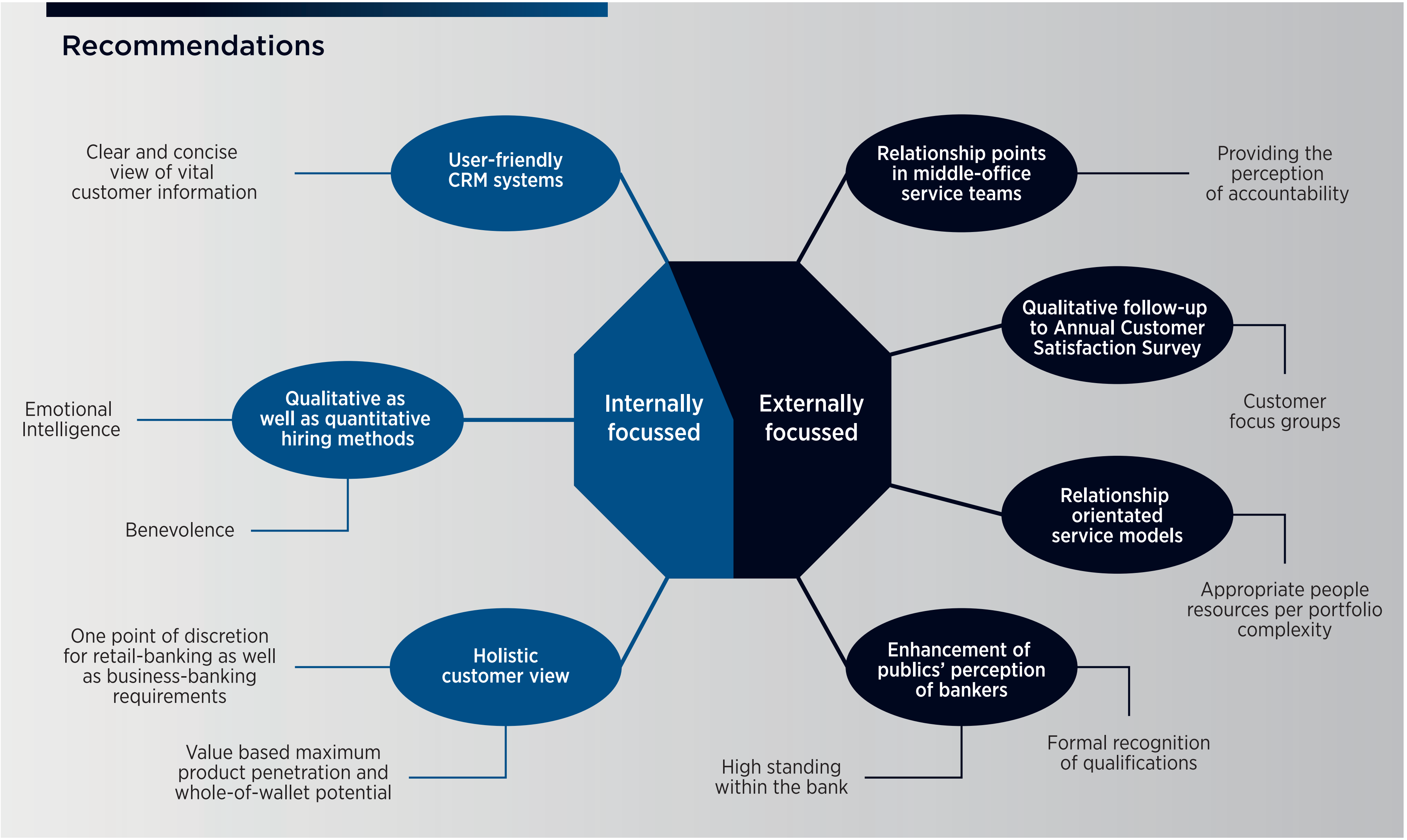

Figure 8.1 Recommendations of the thesis

Therefore, this should be an area of focus in terms of breaking down the internal departmental segments so as to enable the holistic management of a customer's full banking requirements via one initial point of contact and discretion as this will make for a more seamless banking experience for the customer. Figure 8.1, opposite, illustrates the various recommendations of this thesis.

8.4 Limitations of the Study and Recommendations for Future Research

Despite the significance of this study to relationship marketing theory and relationship-banking in Australia, it is not without its limitations. The most notable limitation is that the customer sample size was only 68 out of 5,662 successfully delivered invitations (1.2%).

The main reason for this is that there was no enticement for customers to complete the survey other than if they wished to vent an unresolved grievance they may have had about the bank. Further to this, the Bank was reluctant to follow up customer responses by sending reminders via email due to sensitivities around contacting customers for non-bank related matters. This may have also potentially contributed to the low response rate.

A sample of this size may also present bias issues that could have an affect on the reliability of the results. Future researchers may wish to offer an incentive such as a prize or small gift in return for the completion of the survey.

It is also noted that a degree of bias may also be present within the customer sample given that the majority of respondents were older males between the ages of 58–77 (42.6%). However, the results are still deemed significant as they give an insight into this group's views as to this topic. These views will be of importance to the Bank as it will have a large number of customers within this bracket who may be considered *value accounts*, not just in business-banking but perhaps also in private banking in which wealthier customers (many of which will be within this demographic) are managed.

Further, the fact that the survey was delivered by the Bank to its relationship managers (employees of the Bank), and some of the data being self-report, it could be argued that the survey may have been responded to positively by the relationship managers and with a degree of bias. However, this can be expected when surveying employees from any organisation and the results are not deemed to be affected to the detriment of this study. A suggestion for future studies may be that the survey is delivered completely independently of the subject organisation in order to give the perception of complete anonymity, however this may result in reduced response rates if the subject organisation's support is not explicit. Also, the self-report data, that is performance scores can be directly sourced from the relationship managers' line managers in order to avoid potential bias in future research.

Due to the differences in scales used for both samples, cross tabulations were unable to be performed. Future studies in this area may uncover further interesting results from an analysis of the data using cross tabulations.

The fact that this research was a case study of one major Australian bank, means that this study is limited in scope to other Australian banks. However, the findings may be of interest to other financial institutions and international banks.

Another limitation of this study is that due to the lack of extant literature on CCoV only one measure for this construct was utilised. Therefore factor or reliability analysis was not appropriate. Further research needs to be conducted on this concept as a primary focus in order to better understand it, as it is a factor that promotes relationship *stickiness* and reciprocity.

It is also recommended that future researchers look at a longitudinal study over the course of five to ten years and employ a mix of quantitative as well as qualitative data collection methods as quantitative data is limited in the sense that once it is received, clarification of the responses are not generally provided. However, if the quantitative survey questionnaire can be followed up with a qualitative interview in order to clarify any interesting points, this will provide for a more robust data set and analysis. Customer focus groups are another mechanism by which future research can attain maximum clarification of survey responses.

It is also important that future research captures and categorises an even representation of customers of varying relational tenure in order to allow for the accurate comparison of their respective responses. This way, customers can be clearly categorised in terms of the stages within the relationship life cycle and as such future research will further assist in the understanding of customer behaviour, propensities and expectations within these stages and their respective correlations to customer loyalty. This should be conducted in conjunction with Jap's and Ganesan's (2000) measures of the relationship phases (i.e. exploration, expansion, maturity and dissolution).

Ideally, future research of this nature should be in conjunction with the case organisation as a joint study so as to have dedicated resources and buy-in from senior management and subsequently the employees taking the survey. While this research enjoyed a 47 per cent (149 out of 319) response rate from the relationship manager sample and the support of the head of business-banking at the time, the study could have benefited from having the relationship managers undertake an emotional intelligence test such as the Mayer–Salovey–Caruso Emotional Intelligence Test (MSCEIT) or Myers–Briggs Type Inventory (MBTI) which were not utilised in this study due to their length and the fear of survey drop-outs and non-completion as a result.

Furthermore, future research on relationship marketing in business-banking from an intercultural context would be very fitting given Australian banks are branching out into overseas markets (in particular Asia) and thus would be of great interest and value. Understanding the dynamics of the factors contributing to effective relationship management (as described throughout this thesis) from an intercultural relations perspective would arguably lead to more effective intercultural/inter-country business relationships.

Finally, banks are seemingly moving towards more of a business development/sales focused model whereby the relationship manager will not be as accessible to their existing client base due to having to spend most of their time on new business acquisition. This will see a new relationship point for existing customers being a middle office service team that will act as the relationship point and first point of call for customers and their day-to-day banking needs. As such, future research will be integral to understanding the effectiveness of these phone-based relationships and the effect a phone-based relationship has on banking relationship longevity, as these scenarios will become more prevalent throughout the industry. Further, future research may wish to test the correlation between heightened levels of sales pressures on bankers and the subsequent effects on ethics (ethical decision making on behalf of the banker as opposed to the quick sales win) and the flow on effect on relationship longevity in banking.

8.5 Conclusions

This study is one of very few that has identified the factors contributing to effective relationship management in the banking sector (within an Australian business-banking context) and applied an organisational relationship analysis as well as an interpersonal relationship analysis. It has achieved its objectives of firstly confirming the constitution of *total trust* from a banking perspective as being constituted of competence, benevolence and integrity (Mayer et al. 1995) as well as confirming that trust is evident at two levels, the interpersonal level and the organisational level (Ganesan & Hess 1997).

The thesis has shown that there is another valid relational stage within the relationship life cycle that needs further study – *recovery*. It has also confirmed the definition of a *value account* and has provided recommendations for the enhancement of relationships with said accounts.

Finally, this thesis has confirmed that the *sustainability* of a relationship coupled with *co-creation of value* ultimately lead to the desired outcome – a *long-term value-adding relationship*, which is integral to business success.

This research should be of significant value to banks, financial institutions and financial service providers. Its findings should assist the same with developing, enhancing and maintaining longer, deeper more valuable relationships with their customers. However, its findings may also be of interest and value to other service based industries.

In conclusion, this study's main focus was to highlight the importance of relationships to business success and while competitive forces continue to evolve, market share should not be pursued at the expense of existing customer relationships as this will invariably cause a funnel type effect whereby new business would flow in to the bank whereas existing relationships (that may be starting to suffer as a result of neglect due to a prolific sales focus) will leak out of the bank.

It is hoped that this thesis has reignited relationship-banking discourse (with emphasis on relationship) and will encourage banks to refine and make more efficient use of their relationship resources/service models (rather than diluting them with a view to service optimisation) and therefore attracting new customers as the latter can only really be achieved via synergies between service optimisation and deeply rooted effective relationships.

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APPENDICES

Appendix A – Constructs as measured by previous researchers

Table A.1 Trust

Researcher(s)	Method	Reliability
	Benevolence	
Sako (1992)	***goodwill*** 1=Low transactional dependence (less than 20 per cent) combined with multiple sourcing. 2=Low transactional dependence with single-sourcing, or high transactional dependence with multiple sourcing. 3=High transactional dependence combined with single-sourcing" (p. 139).	
Gansesan (1994)	***benevolence*** E. Retailer's trust in vendor (vendor's benevolence) • This resource's representative has made sacrifices for us in the past. • This resource's representative cares for us. • In times of shortages, this resource's representative has gone out on a limb for us. • This resource's representative is like a friend. • We feel the resource's representative has been on our side" E. Vendor's trust in retailer (retailer's benevolence) • The buyer representing this retailer has made sacrifices for us in the past. • The buyer representing this retailer cares for my welfare. • In times of delivery problems, the buyer representing this retailer has been very understanding" (p. 17).	Retailer's trust in vendor (vendor's benevolence) α=0.88 Vendor's trust in retailer (retailer's benevolence) α=0.76
Mayer, Davis and Schoorman (1995)	***benevolence*** unmeasured	
Ganesan and Hess (1997)	***benevolence*** B. Interpersonal Benevolence (Ganesan 1994) • This resource's representative cares for us. (0.87) • We feel the resource's representative has been on our side. (0.87) • This resource's representative has often gone out of his/her way to help us. (0.83) • This resource's representative has made sacrifices for us in the past. (0.77) • In times of shortage, this resource's representative has gone out on a limb for us. (0.71) • The resource's representative is like a friend. (0.68) D. Organizational Benevolence (Similar to Kumar, Scheer, and Steenkamp 1995) • This resource cares for us. (0.91) • This resource considers our interests when problems arise. (0.82) • This resource has gone out of its way to help us out. (0.78) • This resource has made sacrifices for us in the past. (0.63)	Interpersonal Benevolence α=0.91 Organizational Benevolence α=0.87
Seal (1998)	***goodwill*** unmeasured	
Lemmink and Mattsson (2002)	***benevolence*** same as Ganesan (1994)	r_{phi}=0.290 (E) r_{phi}=0.414 (A)
Ratnasingam (2005)	***goodwill*** unmeasured	
Doney, Barry and Abratt (2007)	***benevolence*** This supplier is genuinely concerned about our business success* / When making important decisions, this supplier considers our welfare as well as its own* / We trust this supplier keeps our best interests in mind (P. 1106)	
Lee, Park, Lee and Yu (2008)	***benevolence*** "The paper provides me a lot of useful information for daily life.* The paper provides me interesting articles.* The paper provides me with abundant reading materials (p. 461)."	α=0.70

continued overleaf ...

Researcher(s)	Method	Reliability
	Competence	
Sako (1992)	***competence*** 1=Thorough 100 per cent or sample checks for all part numbers by customer on delivery. 2=Some no inspection on delivery. 3=Over half of part numbers receive no inspection on delivery" (p. 139).	
Mayer, Davis and Schoorman (1995)	***ability*** unmeasured	
Coulter and Coulter (2002)	***competence*** My service provider ... is an expert in his/her field* is extremely experienced in this business (p. 41)	r=0.86
Ratnasingam (2005)	***competence*** unmeasured	
Lee, Park, Lee and Yu (2008)	***competence*** The paper's contents are professional.* / The articles of this paper are well-written and contain deep analysis.* / The paper often contains in-depth reporting on social issues (p. 461).	α=0.64
Heffernan, O'Neill, Travaglione and Droulers (2008)	***knowledge*** Have a knowledge of (the Banks) products* / Have a thorough knowledge of the rural and regional banking industry* / Have a knowledge of the customer's business (p. 191)"	α=0.63
	Integrity	
Sako (1992)	***contractual*** 1=Supplier never starts production until a written purchase order form is received. 2=Supplier sometimes starts production before a written purchase order form is received. 3=Supplier quite often starts production before a written purchase order form is received" (p. 139).	
Mayer, Davis and Schoorman (1995)	***integrity*** unmeasured	
Ganesan and Hess (1997)	***credibility*** A. Interpersonal Credibility (Ganesan 1994) • This resource's representative has been frank in dealing with us. (0.90) • Promises made by this resource's representative are reliable. (0.86) • If problems such as shipment delays arise, the resource's representative is honest about theproblems. (0.83) • This resource's representative is always on top of things related to his/her job. (0.72) • This resource's representative is knowledgeable regarding his/her products. (0.68) • This resource's representative does not make false claims. (0.64) • This resource's representative is not open in dealing with us. (R) (0.62) C. Organizational Credibility (Similar to Kumar, Scheer and Steenkamp 1995) • Promises made by this resource are reliable (0.91). • This resource has been frank in dealing with us (0.89). • If problems such as shipment delays arise, this resource is honest about the problems (0.84). • This resource has been consistent in terms of their policies (0.81).	Interpersonal Credibility α=0.72 Organizational Credibility α=0.75
Lemmink and Mattsson (2002)	***honesty*** same as Ganesan (1994)	r_{phi}=0.201 (E) r_{phi}=0.282 (A)
Ratnasingam (2005)	***predictability*** unmeasured	
Doney, Barry and Abratt (2007)	***credibility*** This supplier is not always honest with us* / We believe the information that this supplier provides us (p. 1106)	
Lee, Park, Lee and Yu (2008)	***integrity*** The reports of this paper are balanced.* / The articles of this paper reflect various viewpoints.* / In spite of changing the situation, the paper maintains consistent voice (p. 461).	α=0.70
Heffernan, O'Neill, Travaglione and Droulers (2008)	***dependability*** "Do what I say I am going to do* / Deliver on promises made* / Follow up on customer requests (p. 191)	α=0.70

continued opposite ...

Researcher(s)	Method	Reliability
	Expectations	
Heffernan, O'Neill, Travaglione and Droulers (2008)	"Do more than is formally expected* / Help with additional requests that are outside the normal* / Deliver beyond my customer's expectation" (p. 191)	α=0.63

Table A.2 Quality Relationship

Researcher(s)	Method	Reliability
	Commitment	
Hennig-Thurau, Gwinner and Gremler (2002)	the commitment construct was composed of a subset of items from Morgan and Hunt (1994) (p. 238). my relationship to this specific service provider ... / is something that I am very committed to.* / is very important to me.* / is something I really care about.* / deserves my maximum effort to maintain" (p. 244).	
Kim and Cha (2002)	***relationship continuity*** I believe a hotel employee will provide better service in the future* / I will continue the relationship with this hotel* / I will visit this hotel again in the future* ***word of mouth*** I want to recommend this hotel to others* / I want to tell other persons about good things of this hotel (p. 326)	relationship continuity α=0.90 word of mouth α=0.81
Wong, A and Sohal (2002)	unspecified	
Adamson, Chan and Handford (2003)	Customers' perceptions of a bank's commitment was measured by straightforward questions as to whether the banking relationship is something the respondent is really committed to, plus two augmented questions: one concerning whether the relationship was something the respondent intends to maintain indefinitely, and one other concerning whether the relationship deserves the respondent's maximum effort to maintain (p. 351)	
Walter, Müller, Helfert, and Ritter (2003)	CC1: We focus on long-term goals in this relationship. / CC2: We are willing to invest time and other resources into the relationship with this supplier. / CC3: We put the long-term cooperation with this customer before our short-term profit. / CC4: We expand our business with this supplier in the future. / CC5: We defend this supplier when outsider criticizes the company" (p. 168).	
Johnson, Sivadas and Garbarino (2008)	***affective commitment*** I am proud to belong to the (name of theatre).* / I feel a sense of belonging to the (name of theatre).* / I am a loyal patron of the (name of theatre) (p. 361).	α=0.90
Athanasopoulou (2009)	unmeasured	
	Satisfaction	
Naudé and Buttle (2000)	unspecified	
Shamdasani and Balakrishnan (2000)	All the items were summed up to obtain an overall satisfaction score and the items were adapted from satisfaction scales used by Crosby et al. (1990), Oliver and DeSarbo (1988), Westbrook (1980) and Bitner (1990) (p. 410)	α=0.83
Hennig-Thurau, Gwinner and Gremler (2002)	satisfaction items used a subset of the items from Oliver (1980)" (p. 238) / My choice to use this company was a wise one.* / I am always delighted with this firm's service.* / Overall, I am satisfied with this organization.* / I think I did the right thing when I decided to use this firm (p. 244).	
Hocutt (2002)	unmeasured	
Kim and Cha (2002)	I think a service provider is favorable* / I am pleased with a hotel employee* / I am satisfied with hotel employees* / I am satisfied with hotel's overall products" (p. 325)	α=0.92

continued overleaf ...

Researcher(s)	Method	Reliability
Walter, Müller, Helfert, and Ritter (2003)	CS1: Compared to our ideal, we are very satisfied with the performance of this supplier. / CS2: All in all, we are very satisfied with this supplier. / CS3: Our company is not completely satisfied with the performance of this supplier (reverse scored). / CS4: With reference to our expectations, we are very satisfied with this supplier" (p. 168).	
Chandrashekaran, Rotte, Tax and Grewal (2007)	Per Tax, Brown & Chandrashekaran (1998): I was not happy with how the organization handled my complaint (p. 74).	α=0.96
Johnson, Sivadas and Garbarino (2008)	How would you rate your overall satisfaction with the (name of theatre)? / In general, how satisfied are you with the choice of plays at the (name of theatre)? / How would you rate the overall satisfaction with the current theatre facilities? / How would you rate your overall satisfaction with the performances of the actors at the (name of theatre)? How would you rate the (name of theatre) compared to other Off-Broadway companies in your overall satisfaction? (p. 361)	α=0.84
Athanasopoulou (2009)	unmeasured	
Rajaobelina and Bergeron (2009)	Satisfied with the information provided* / Satisfied overall with the financial advisor* / Satisfied with the monetary benefits provided*	Client sample α=0.874 Financial Advisor sample α=0.731
	Trust	
Hennig-Thurau, Gwinner and Gremler (2002)	In accordance with our intention to integrate the confidence benefits and trust constructs, our measure combined confidence benefits items from Gwinner, Gremler and Bitner (1998) and trust items from Morgan and Hunt (1994) (p. 238). ***Confidence benefits/trust*** I know what to expect when I go in / This company's employees are perfectly honest and truthful / This company's employees can be trusted completely / This company's employees have high integrity (p. 244).	
Kim and Cha (2002)	A hotel employee keeps promises* / A hotel employee is sincere* / A hotel employee is reliable* / A hotel employee is honest* / A hotel employee puts customers' interests first" (p. 326)	α=0.88
Walter, Müller, Helfert, and Ritter (2003)	CT1: When making important decisions, the supplier is concerned about our welfare. / CT2: We can rely on the supplier handling critical information on our company confidentially. / CT3: When we have an important requirement, we can depend on the supplier's support. / CT4: We are convinced that this customer performs its tasks professionally. / CT5: The supplier is not always honest to us (reverse scored) / CT6: We can count on the supplier's promises made to our firm (p. 168).	
Athanasopoulou (2009)	unmeasured	
Rajaobelina and Bergeron (2009)	"Usually keeps his/her promises* / Is dependable* / Is trustworthy*"	Client sample α=0.846 Financial Advisor sample α=0.794

continued opposite …

Researcher(s)	Method	Reliability
	Sustainability	
Reddy and Czepiel (1999)	***Future usage*** Likelihood of using bank's services in the future ***Long-term relationship*** Has long-term relationship with my company / Importance of long-term relationship as a reason for choosing and judging financial institutions ***Relative perceived performance*** Overall impression of bank's performance / Commercial banking capabilities / Performance for use as a commercial bank ***Pricing*** Bank has competitive pricing ***Past usage*** Number of services for which the bank is a significant supplier / Bank's share of services ***Knowledge of business*** Knows my business / Knows my industry ***Seeks my business*** Aggressively seeks my commercial banking business Aggressively seeks my investment banking business	Relative perceived performance α=0.848 Past usage α=0.852 Knowledge of business α=0.906 Seeks my business α=0.849
Narayandas and Rangan (2004)	unmeasured	

Table A.3 Crucial Stages in the Relationship Life Cycle

Researcher(s)	Method
	Exploration
Dwyer, Schurr and Oh (1987)	Exploration refers to the search and trial phase in relational exchange (p. 16).
Wong, YH (1998)	unspecified
Jap and Ganesan (2000)	Both firms are discovering and testing the goal compatibility, integrity, and performance of the other, as well as potential obligations, benefits, and burdens involved with working together on a long-term basis (p. 244).
Andersen (2001)	This is usually described as a matching and negotiation phase, during which wants, issues, inputs and priorities are exchanged (p. 174).
Hsieh, Chiu and Hsu (2008)	The exploration phase involves search and trial, during which the potential obligations, benefits, and burdens of continued exchange are considered, with the central goals of reducing uncertainty and assessing the potential value of continued interactions" (p. 383).
	Expansion
Dwyer, Schurr and Oh (1987)	Expansion refers to the continual increase in benefits obtained by exchange partners and to their increasing interdependence (p. 18).
Wong, YH (1998)	unspecified
Jap and Ganesan (2000)	***Build-up*** Both firms are receiving increasing benefits from the relationship, and a level of trust and satisfaction has been developed such that they are more willing to become committed to the relationship on a long-term basis (p. 244).
Andersen (2001)	This phase is characterized by the continued increase in benefits obtained by the exchange partners and their increasing interdependence … the critical distinction between the phases is that the rudiments of trust and joint satisfaction established in the exploration phase now lead to increased risk taking within the dyad. Consequently, the range and depth of mutual dependence increase. [This stage is also] characterized by the increasing experience of the [exchange] partners, which reduces the uncertainty and distance between them" (p. 176).
Hsieh, Chiu and Hsu (2008)	***Build-up*** During the build-up phase, firms experience a continual increase in their benefits and interdependence (p. 383).
	Maturity
Dwyer, Schurr and Oh (1987)	***Commitment*** refers to an implicit or explicit pledge of relational continuity between exchange partners (p. 19).
Wong, YH (1998)	unspecified
Jap and Ganesan (2000)	Both firms have an ongoing, long-term relationship in which both are receiving acceptable levels of satisfaction and benefits from the relationship (p. 244).

continued overleaf …

Researcher(s)	Method
Hsieh, Chiu and Hsu (2008)	In the maturity stage, the parties have implicitly or explicitly made a promise to continue their relationship on a regular basis, with a high level of investments in the relationship (p. 383).
	Dissolution
Dwyer, Schurr and Oh (1987)	Dissolution begins with an intra-psychic stage in which one party privately evaluates his or her dissatisfactions with the other party, concluding that costs of continuation or modification outweigh benefits. Subsequently, the relationship enters an interactive phase in which the parties negotiate their unbonding. Dissolution then is presented publicly in the social phase. Finally, "grave dressing," social and psychological recovery from the breakup, concludes the process—though neither party returns to their pre-relationship state." (p. 20)
Jap and Ganesan (2000)	***Decline*** One or both members have begun to experience dissatisfaction and are contemplating relationship termination, considering alternative manufacturers or customers, and beginning to communicate an intent to end the relationship (p. 244). ***Deterioration*** The firms have begun to negotiate terms for ending the relationship and/or are currently in the process of dissolving the relationship (p. 244).
Hsieh, Chiu and Hsu (2008)	***Decline*** In the decline phase, at least one party is contemplating terminating the relationship, exploring alternative relationships, or communicating its intent to end the relationship (p. 384).

Table A.4 Identification of Key Relationships

Researcher(s)	Method		
	Identify	Implement	Role of R'ship Mgr
Gosselin and Bauwen (2006)	Unspecified		
Gosselin and Heene (2005)	Unmeasured		Unmeasured
McDonald, Millman and Rogers (1997)	Unmeasured		Unmeasured
Millman and Wilson (1995)		Unmeasured	Unmeasured
Napolitano (1997)		Unmeasured	Unmeasured
Ojasalo (2001)	Unmeasured	Unmeasured	
Payne, Storbacka and Frow (2008)			
Pels (1992)			Unspecified
Prahalad and Ramaswamy (2000)			
Prahalad and Ramaswamy (2004)			
Spencer (1999)	Unspecified		
Weinstein (2002)	Unmeasured		
Wengler, Ehret and Saab (2006)	Unspecified		

Note: *papers were primarily conceptual in nature.*

Table A.5 Co-creation of value

Researcher(s)	Method
Payne, Storbacka and Frow (2008)	Unspecified
Prahalad and Ramaswamy (2000)	Unspecified
Prahalad and Ramaswamy (2004)	Unspecified

Note: *papers were primarily conceptual in nature.*

Table A.6 Long-term Value-adding Relationships

Researcher(s)	Method
	Value
Ravald and Grönroos (1996)	unmeasured
Grönroos (1997)	unspecified
	Added Value
Napolitano (1997)	***Solid Foundation: Determining Added Value*** The supplier has an effective system for evaluating its core strengths, applying them in ways that add the most value to the customer, and getting the customer to buy-in.* / The supplier has an effective process for thoroughly understanding the customer's needs, organization structure, and vital success factors.* / The partners have a system for evaluating their compatibility and agreeing on it so that both recognize the values of the relationship.* / Senior management leads, involves and empowers everyone who can add value. The National Account Manager acts as the catalyst.* / Everyone at the supplier takes ownership, has a well-practiced set of disciplines, and a mind-set for continuously adding value.* ***Joint Integration: Delivering Added Value*** Both supplier and customer form cross-functional teams from the best/most relevant talent available and work well together within their own companies and across companies.* / Communications and information flows are accurate, timely, and effectively analysed and managed in both organizations as they relate to the partnership.* / The partners have a proven process for methodically evaluating every aspect of costs within all operations in which they link, and applying this knowledge to cut costs in both organizations.* / The supplier is driven by a mind-set to add value to the customer and to help the customer achieve continual, rapid improvement in all aspects of quality and operations.* / The supplier routinely provides technical support on a proactive basis, as well as on a traditional, trouble-shooting basis.* / The partners work jointly together to develop new business opportunities, to design new products/services, and to conduct market/product research.* ***Measuring Success: Guaranteeing Added Value*** Together the partners develop a vision, define all aspects of the relationship, link all parties together, and enforce implementation of a business or relationship plan.* / The partners join forces to define measurements and monitor their performances.* / The partners modify their processes continuously based upon changes within their organizations.* / Mutual trust and respect are felt by both partners toward each other's values and cultures.
de Chernatony, Harris and Dall'Olmo Riley (2000)	How would you define a 'brand'?* / Within the branding context, what does 'added value' mean to you?'* / What role does 'added value' play in brands?* / With the threat of competition, is it possible to sustain some 'added values' more than others?* / Which 'added values' can be sustained the longest against competitors?' (p. 44)
	Relationship Value
Eggert, Ulaga and Schultz 2006)	Value 1 – Compared to the second supplier, the main supplier adds more value to the relationship overall.* (α=0.90) / Value 2 – Compared to the second supplier, we gain more in our relationship with the main supplier.* (α=0.92) / Value 3 – Compared to the second supplier, the relationship with the main supplier is more valuable.* (α=0.76) / Value 4 – Compared to the second supplier, the main supplier creates more value for us when comparing all costs and benefits in the relationship (α=0.90) (p. 26).

Table A.7 Similarity

Researcher(s)	Method	Reliability
Shamdasani and Balakrishnan (2000)	***Customer Similarity*** The nine items were adapted from Crosby's et al. (1990) salesperson similarity index (p. 410) ***Similarity Scale*** The seven items were adapted from Crosby's et al. (1990) salesperson similarity index" (p. 410).	Customer Similarity α=0.90 Similarity Scale α=0.84
Coulter and Coulter (2002)	My service provider … has values and beliefs similar to mine* / has tastes and preferences similar to mine* / is quite a bit like me (p. 41)	Cronbach's alpha = 0.94
Palmatier, Dant, Grewal and Evans, (2006)	***Definition of Similarity*** Commonality in appearance, lifestyle, and status between individual boundary spanners or similar cultures, values, and goals between buying and selling organizations (p. 138).	

Table A.8 Emotional Intelligence

Researcher(s)	Method
Goleman (1996)	Competence Based – unspecified
Mayer, JD and Salovey (1997)	unmeasured
Goleman (1998)	Competence Based – unspecified
Dulewicz and Higgs (2000)	***Instruments used – 16PF Questionnaire, Belbin Team Roles and Myers–Briggs Type Inventory.*** ***Self-awareness*** The awareness of one's own feelings and ability to recognise and manage these feelings in a way which one feels that one can control. This factor includes a degree of self-belief in one's ability to manage emotions and to control their impact in a work environment (α=0.70). ***Emotional resilience*** This scale reflects the ability to perform consistently in a range of situations under pressure and to adapt behaviour appropriately. The facility to balance the needs of the situation and task with the needs and concerns of the individuals involved and the ability to retain focus on a course of action or need for results in the face of personal challenge or criticism are also encompassed within this scale (α=0.67) ***Motivation*** This scale covers the drive and energy to achieve clear results and make an impact and to balance both short- and long-term goals with an ability to pursue demanding goals in the face of rejection or questioning (α=0.62) ***Interpersonal sensitivity*** relates to the facility to be aware of, and take account of, the needs and perceptions of others in arriving at decisions and proposing solutions to problems and challenges. The ability to build from this awareness and achieve 'buy in' to decisions and action ideas; the willingness to keep your own thoughts on solutions open and actively listen to, and reflect on, the reactions and inputs from others are also aspects of this scale (α=0.77). ***Influence*** The ability to persuade others to change a viewpoint, based on the understanding of their position and the recognition of the need to listen to this perspective and provide a rationale for change, are core elements of this scale (α=0.60) ***Decisiveness*** This scale is concerned with the ability to arrive at clear decisions and drive their implementation when presented with incomplete or ambiguous information, using both rational and 'emotional' or insightful perceptions of key issues and implications. (α=0.56) ***Conscientiousness and integrity*** The ability to display clear commitment to a course of action in the face of challenge and to match words and deeds in encouraging others to support the chosen direction is core to this scale together with the personal commitment to pursuing an ethical solution to a difficult business issue or problem of key issues and implications (p. 244–5) (α=0.59)
	16PF Factors second order Extrovert / Anxiety / Toughness / Independent ***16PF Factors first order*** Outgoing / Assertive / Happy-go-lucky / Venturesome / Self-sufficient / Emotional stability / Suspicious / Apprehensive / Controlled / Tense / Abstract thinking / Conscientious / Tender minded / Imaginative / Shrewd / Experimenting ***Team Role*** Plant / Shaper / Co-ordinator / Resource investigator / Team worker / Implementer / Completer finisher / Monitor evaluator ***Myers–Briggs Type Indicator*** Introversion / Extroversion / Intuitive / Sensing / Thinking / Feeling / Perceiving / Judging

continued opposite …

Researcher(s)	Method
Deeter-Schmelz and Sojka (2003)	***Empathy*** • When dealing with a customer, do you feel like you know what that customer is thinking/feeling? • If yes, what cues do you use or how do you do that? • How important is it for a successful sales representative to be able to empathize with his or her customers? ***Perceiving Others' Emotions*** • Can you read your customers' moods? If so, how? • How does understanding your customer's mood influence your sales call? • How important is it for a successful sales representative to be able to perceive his or her customers' emotions? ***Self-Awareness*** • Do you think you need to present your desired image to customers? • How do you know that you are projecting your desired image? • How important is it for a successful sales representative to be aware of the image he or she projects? ***Self-Regulation*** • What do you do when a customer says something that makes you really angry? • How do you control your emotions during a sales call? • How important is it for successful representatives to control their emotions during a sales call? ***Self-Motivation*** • Do you consider yourself to be self-motivated? • What motivates you to do a good job? • How important is self-motivation for a successful sales representative? ***Sales Performance*** • How would you rate yourself as a salesperson relative to your peers? • How would you rate your sales organization's performance relative to competitors? • Have you won any performance-based sales awards or bonuses? (p. 219–20).
Higgs (2004)	unspecified
Mayer, JD, Salovey and Caruso (2004)	***The Mayer–Salovey–Camso Emotional Intelligence Test (MSCEIT)*** (p. 200). The MSCEIT is, indeed, a convenient-to-administer test that is highly reliable at the total-score, area, and branch levels, and provides a reasonably valid measure of EI in the many psychometric senses of the word valid … Our perspective has led us to focus in these early days of EI research on the broader issues of EI: What it is and what it predicts. Studies thus far support the idea that the MSCEIT is at least an adequate test to address key issues about EI in these ways (p. 211).
Kernbach and Schutte (2005)	***Emotional intelligence scale*** Developed by Schutte et al. (1998) and based on Salovey and Mayer's (1990) original conceptualization of emotional intelligence. It consists of 33 self-report items that assess the extent to which respondents characteristically identify, understand, harness, and regulate emotions in themselves and in others. Items include ones such as 'When I experience a positive emotion I know how to make it last' and 'I know why my emotions change'. Respondents rate themselves on each item from 1 (strongly disagree) to 5 (strongly agree) (p. 440).
Andersen and Kumar (2006)	unmeasured
Heffernan, O'Neill, Travaglione and Droulers (2008)	***MSCEIT V2*** The MSCEIT provides an aggregate EI score and four Branch scores: 1 Perception of emotion / 2 Integration and assimilation of emotion / 3 Knowledge about emotions / 4 Management of emotions (p. 189).

Table A.9 Customer Loyalty

Researcher(s)	Method	Reliability
Hennig Thurau, Gwinner and Gremler (2002)	I have a very strong relationship with this service provider.* I am very likely to switch to another service provider in the near future. (inverted item) (p. 244).	
Chandrashekaran, Rotte, Tax and Grewal (2007)	unspecified	
Ndubisi (2007)	Considering the bank as first choice among other banks in the area; and the bank that first comes to my mind when making purchases decision on bank services (p. 102).	α=0.93

Appendix B – Ethics Committee approval memo

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MEMO

TO	Prof. Anona Armstrong Centre for International Corporate Governance Research City Flinders Campus	DATE	30 June 2011
FROM	Dr Nick Billington Chair Faculty of Business and Law Human Research Ethics Committee		
SUBJECT	Ethics Application – HRETH 08/166		

Dear Prof. Armstrong,

Thank you for resubmitting this application for ethical approval of the project:

HRETH 08/166 Factors contributing to effective relationship management within the banking sector
(BHREC 08/67)

> The Faculty of Business and Law Human Research Ethics Committee at its' meeting on 28th June 2011 assessed your application. The Committee resolved to **approve** of the application. The researchers have satisfactorily addressed the requirements of the Committee in this resubmission.

On behalf of the Committee, I wish you all the best for the conduct of the project.

If you have any queries, please do not hesitate to contact me at **nick.billington@vu.edu.au**

Kind regards,

Dr Nick Billington
Chair
Faculty of Business and Law Human Research Ethics Committee

Note: *parts of this memo that do not affect the outcome have been removed.*

Appendix C – Questionnaires

Relationship Manager survey information, consent and questionnaire

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INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled: *The factors contributing to effective relationship management within the banking sector*. This project is being conducted by a student researcher Mr Luay Khreish as part of a PhD study at Victoria University under the supervision of Professor Anona Armstrong and Professor Mukti Mishra from the Faculty of Business and Law.

Project explanation

The aim of this research is to develop a model that will equip Relationship Managers within business-banking with a viable guide to behaviour when developing new relationships or maintaining existing ones with customers.

The research will investigate the main contributors to relationship success (such as trust and relationship quality) from the first stage of the relationship with the client through to the matured stages of the developed ongoing relationship. This study will enhance practices in Relationship Management thus having a favourable impact on the Bank with potentially closing more deals, attracting more new customers and maximising key customer retention.

What will I have to do?

Fill in a questionnaire

What will I gain from participating?

The results of the project will be made available to the Bank. It is hoped that knowing about the behaviour involved in building successful relationships will enhance the performance of bank managers, bank performance, and contribute to greater customer satisfaction.

How will the information I give be used?

Information gathered will be used for research purposes only. The results from the surveys and interviews will be collated and used towards the formulation of viable guide to behaviour through the stages of the relationship life cycle.

What are the potential risks of participating in this project?

Minimum potential risks are associated with this research. Confidentiality/anonymity will be assured by aggregating the data so that no individual responses will be identifiable. Participants are free to withdraw from this study at any stage.

How will this project be conducted?

This project will be conducted via literature review and the completion of survey questionnaires. The questionnaire will take approximately 15 minutes to complete. Customers will be asked to complete a similar questionnaire.

Who is conducting the study?

Mr Luay Khreish	Professor Anona Armstrong	Professor Mukti Mishra
PhD Candidate	Governance Research Program	Chairman
Victoria University	Victoria Law School, Victoria University	Centurion Group of Institutes
luay.khreish@live.vu.edu.au	Tel: +61 3 9919 6155	Tel: +91 94 3700 7777
	anona.armstrong@vu.edu.au	mukti.mishra@gmail.com

Any queries about your participation in this project may be directed to the Principal Researcher, Professor Anona Armstrong (Tel: +61 3 9919 6155), or Professor Mukti Mishra (Tel: +91 94 3700 7777). If you have any queries or complaints about the way you have been treated, you may contact the Secretary, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 Tel: +61 3 9919 4781.

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CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

Certification by subject

I certify that I am at least 18 years old and that I am voluntarily giving my consent to participate in the study:

The factors contributing to effective relationship management within the banking sector

being conducted at Victoria University by: Mr Luay Khreish.

I certify that I understand the objectives of the study as set out above, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, and that I freely consent to participation involving the use on me of these procedures:

- Questionnaire

I certify that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I understand that the information I provide will be kept confidential.

By proceeding past this point I give my consent to participate in this study.

Click to Proceed »

Benevolence Trust

Emotional Intelligence
Empathy

R01 I usually know what a customer is thinking

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R02 I usually know what a customer is feeling

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R03 It is important for a successful relationship manager to be able to empathise with his or her customers

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Perceiving Others' Emotions

R04 I can usually read my customers' moods

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R05 Understanding your customer's mood enhances your sales call

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R06 It is important for a successful relationship manager to be able to perceive his or her customers' emotions

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Self-Awareness

R07 It is important for a successful relationship manager to be aware of the image he or she projects

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R08 I prefer action over reflection

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R09 I talk things over in order to understand them

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R10 I think things through in order to understand them

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R11 I prefer written communication over oral communication

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R12 I enjoy working in groups

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R13 I enjoy working alone or with only one or two others

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Self-Regulation
When a customer says something that makes you really angry, would you usually …
R14 Leave the room immediately

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R15 Tell the customer how it made you feel

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R16 Pretend it doesn't affect you

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R17 Continue on as if nothing happened

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R18 React with the same hostility

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R19 I control my emotions during a sales call

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R20 It is important for successful relationship managers to control their emotions during a sales call

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Self-Motivation
R21 How self-motivated do you consider yourself to be?

◉ Not very self-motivated ○ Not self-motivated ○ Neutral ○ Self-motivated ○ Very self-motivated

R22 How important is self-motivation for a successful relationship manager?

◉ Very unimportant ○ Unimportant ○ Undecided ○ Important ○ Very important

Sales Performance
R23 How would you rate yourself as a relationship manager relative to your peers?

◉ Very poor ○ Poor ○ Average ○ Good ○ Excellent

R24 How would you rate the Bank's performance relative to competitors?

◉ Very poor ○ Poor ○ Average ○ Good ○ Excellent

R25 Have you won any performance-based sales awards or bonuses?

◉ Yes ○ No ○ N/A

R26 What was the customer satisfaction score from your latest Performance Management Review?

◉ 1 ○ 2 ○ 3 ○ 4 ○ 5 ○ Don't know

Competence

R27 I am more likely to trust my customers if they are knowledgeable within their own industry

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Integrity

Interpersonal credibility

R28 I am more likely to trust my customers if they are honest with me and keep to their word

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R29 I am more likely to trust my customers if the information they provide me with is accurate

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Quality Relationship

Commitment

R30 I put the long-term cooperation with my customers before my short-term profit

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R31 My relationship with my customers is something that I am very committed to

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R32 My relationship with my customers is something I really care about.

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R33 My relationship with my customers deserves my maximum effort to maintain

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R34 I seek to expand my dealings with my customers into the future

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R35 I consider my customers as friends

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Satisfaction

Organisational satisfaction

R36 Overall, I am satisfied with my relationship with my clients

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R37 I am more likely to maintain a long-term orientation in terms of relationships with clients if I am satisfied with the relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Sustainability

Seeks my business

R38 I actively seek my customers' commercial-banking business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R39 I actively seek all of my customers' general banking business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R40 I am more likely to maintain my relationship with my customers if I can trust them

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R41 I am more likely to maintain my relationship with my customers if we share a quality relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Crucial Stages – Stages in the Relationship Life Cycle

The crucial stages within the relationship life cycle are those phases at which the relationship is most vulnerable.

This research proposes that vigilance and knowledge are required in order to identify these phases and address them precisely so that the customer's needs are satisfied in that particular point of the relationship. The below statements (once addressed) aim to provide an understanding as to the behaviour of relationship managers and customers during each stage of the relationship life cycle.

Exploration

R42 You use small initial transactions to test the future viability of your relationship with a new customer

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R43 You use small initial transactions to test whether you would like to pursue and maintain a relationship with a new customer

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Expansion

R44 I feel like the relationship benefits tend to increase after successful initial transactions with customers

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R45 I feel like there is a growing interdependence between my customers and myself post successful initial transactions

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Maturity

R46 You are committed to the continuity of the mature relationships within your portfolio

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Dissolution

R47 You wish to terminate your relationship with a particular customer within your portfolio

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R48 You feel that your relationship with a particular client is declining

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Recovery

R49 Even if you wanted to terminate your relationship with a customer, you believe that in most cases the relationship could be saved.

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R50 Even if you felt that your relationship with a customer was declining, you believe that in most cases the relationship could be saved

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Identification of Value Accounts

Definition of 'Value Accounts'

Value Accounts are potential or existing customers which are, or may be of strategic importance to the Bank and/or relationship manager and where the Bank and/or the relationship manager is/are recognised as, or may be strategically important for the customer.

Identify

R51 Please select the boxes of the following attributes that you think comprise a *Value Account*:

⊗ R51a Profitability
○ R51b Whole-of-wallet potential
○ R51c Large volume of lending limits
○ R51d Large volume of deposits
○ R51e Accessible business networks
○ R51f Credit worthiness
○ R51g Status
○ R51h All of the above

Definition of 'Value Account Management'
The Bank's activities including identifying and analysing their value accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-term relationships with them.

Implement
Please select all the boxes you consider to be appropriate for the below statement with the above definition in mind.

R52 The implementation of a Value Account Management strategy is dependant on the following process:

- ⊗ R52a Securing top management support and involvement
- ○ R52b Selecting the right account executives;
- ○ R52c Choosing the right accounts;
- ○ R52d Analysis of each value account in terms of characteristics, history, commitment to the relationship, and switching costs;
- ○ R52e Allocation of resources to the relational mix appropriate to the stage in the relationship;
- ○ R52f Tailoring suitable strategies for each value account;
- ○ R52g Periodically evaluating the strategic importance of a portfolio of current and potential value accounts
- ○ R52h All of the above

Role of the Relationship Manager
R53 Please select all the roles that you think best describe the role of the relationship manager:

- ⊗ R53a Develop the relationships within their portfolio
- ○ R53b Tend to their customers' banking requirements
- ○ R53c Understand their customers' goals
- ○ R53d Provide banking and finance advice to their customers
- ○ R53e Co-ordinate and tailor the Bank's suite of products to suit their customers' needs
- ○ R53f Provide solutions to their customers' problems based on the Bank's resources
- ○ R53g Grow their portfolio and increases its profitability and that of each of the individual relationships within that portfolio through competence and superior relational skills
- ○ R53h Understand their customers' business
- ○ R53i Sell the Bank's products/services to their customers
- ○ R53j Understand their customers' business environment
- ○ R53k Negotiate terms with their customers
- ○ R53l All of the above

Co-Creation of Value

R54 You and your customer create value together when you enjoy full access to your customer's banking requirements and their commitment to the relationship, and they are able to leverage off your knowledge/experience and network

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Long-term Value-adding Relationship

Do you agree that the relationship that adds the best value to both the bank and customers is when …

R55 You have full access to a customer's banking requirements

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R56 Customers are able to leverage off your knowledge and experience and network

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R57 It continues over a long time period

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R58 It continues to add value over the long term

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R59 It contributes to my financial targets

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R60 It contributes to my career aspiration

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R61 It contributes to my personal aspirations

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

R62 I add value to the customer

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Demographics

The following questions relate to yourself and will only be used for statistical purpose. These questions are completely voluntary. All information collected will be reported in an aggregated manner and no individuals can be identified.

RD01 State

◉ ACT ○ NSW ○ NT ○ QLD ○ SA ○ TAS ○ VIC ○ WA

RD02 Age group

◉ 18–27 years ○ 28–37 years ○ 38–47 years ○ 48–57 years
○ 58–67 years ○ 68–77 years ○ 78+ years

CD03 Sex

◉ Male ○ Female

CD04 Place of Birth

◉ Oceania
○ North-West Europe
○ Southern and Eastern Europe
○ North Africa and the Middle East
○ South-East Asia
○ North-East Asia
○ Southern and Central Asia
○ America, Northern
○ America, South
○ America, Central
○ America, Caribbean
○ Sub-Saharan Africa
○ Other

CD05 Religion

◉ Buddhism ○ Christianity ○ Hinduism ○ Islam ○ Judaism ○ Sikhism ○ None ○ Other

CD06 Highest Education Level

◉ School ○ TAFE ○ Undergraduate ○ Postgraduate ○ Other

CD07 Relationship status

◉ Single ○ Married ○ De facto ○ Other

CD08 Years of experience in the banking industry

◉ <1 ○ 1–9 ○ 10–19 ○ 20–29 ○ 30–39 ○ 40+

Thank you for your participation in the survey.

INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled: *The factors contributing to effective relationship management within the banking sector*. This project is being conducted by a student researcher Mr Luay Khreish as part of a PhD study at Victoria University under the supervision of Professor Anona Armstrong and Professor Mukti Mishra from the Faculty of Business and Law.

Project explanation

The aim of this research is to develop a model that will equip Relationship Managers within business-banking with information about how to best meet their customers' expectations.

The research will investigate the main contributors to relationship success (such as trust and relationship quality) from the first stage of the relationship with the client through to the matured stages of the developed ongoing relationship.

What will I have to do?

Fill in a questionnaire

What will I gain from participating?

It is hoped that knowing about the behaviour involved in building successful relationships will enhance the performance of bank managers, bank performance, and contribute to greater customer satisfaction.

How will the information I give be used?

Information gathered will be used for research purposes only. The results from the surveys and interviews will be collated and used towards the formulation of viable guide to behaviour through the stages of the relationship life cycle.

What are the potential risks of participating in this project?

Minimum potential risks are associated with this research. Confidentiality/anonymity will be assured by aggregating the data so that no individual responses will be identifiable. Participants are free to withdraw from this study at any stage.

How will this project be conducted?

This project will be conducted via literature review and the completion of survey questionnaires. The questionnaire will take approximately 25 minutes to complete. Relationship Managers will be asked to complete a similar questionnaire.

Who is conducting the study?

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Any queries about your participation in this project may be directed to the Principal Researcher, Professor Anona Armstrong (Tel: +61 3 9919 6155), or Professor Mukti Mishra (Tel: +91 94 3700 7777). If you have any queries or complaints about the way you have been treated, you may contact the Secretary, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 Tel: +61 3 9919 4781.

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CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

Certification by subject

I certify that I am at least 18 years old and that I am voluntarily giving my consent to participate in the study:

The factors contributing to effective relationship management within the banking sector

being conducted at Victoria University by: Mr Luay Khreish.

I certify that I understand the objectives of the study as set out above, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, and that I freely consent to participation involving the use on me of these procedures:

- Questionnaire

I certify that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I understand that the information I provide will be kept confidential.

By proceeding past this point I give my consent to participate in this study.

Important information

- X respects your privacy. While both the X Privacy Policy and the X Privacy and Security Statement apply to this survey, the information below provides further details on how we deal with personal information provided by you in the course of the survey and how your survey responses will be used.
- X takes reasonable steps to store your responses in a secure manner. X will generally only store and report your survey responses in aggregate form.
- Your responses may be used to undertake internal quality control and to improve our provision of services to you. To help facilitate this, some information about your relationship with X may be linked to your survey data including your name. X Group Surveys does not disclose this information at an individual level internally unless express permission to do so has been provided by you, though it maybe reported on at an aggregated level.
- Furthermore, there may be occasions where a representative of X may contact you with regards to responses you have provided. This would only occur where you have expressly granted permission for such contact to take place.
- X may provide your response to a market research company to assist in processing the responses, but in this case we will prohibit the company from using your response except for the specific purpose for which we supply it.
- X is generally interested only in the responses of a group of persons, and not individuals. X may publicly report on the aggregated results of the survey to a global audience, including posting the report on our website at www…com.
- If you expressly voluntarily elect to provide your name to us, then X will record that your comments and responses were made by you, and X may attribute your comments (but not other responses) to you in any internal or public report produced from the survey responses.
- X takes reasonable steps to ensure the security of your survey results. If your browser is suitable configured, it will advise you that the information you are sending to us is encrypted. X currently uses 128 bit SSL encryption.

Click to Proceed »

Benevolence Trust

Interpersonal Goodwill
Thinking about your current Relationship Manager (or last Relationship Manager if you do not know who your current one is) ...

C001 I feel the relationship manager has supported me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C002 This relationship manager has often gone out of his/her way to help me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C003 This relationship manager is genuinely concerned about my business success

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C004 When making important decisions, this relationship manager considers my welfare as well as his/her own

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C005 I am more likely to trust a relationship manager that is concerned about my financial and general welfare

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Organisational Goodwill
C006 This bank considers our interests when problems arise

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C007 The Bank is genuinely concerned about our business success

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C008 When making important decisions, this bank considers our welfare as well as its own

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C009 I am more likely to trust a bank that is concerned about my financial and general welfare

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Emotional Intelligence
Sales Performance
C010 I am more likely to trust a relationship manager who reacts understandingly to my feelings and moods

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C011 I am more likely to trust a relationship manager who has control over their emotions

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C012 Whether a relationship manager is emotionally aware or not does not concern me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C013 I am more likely to like a relationship manager who has values and beliefs which are similar to mine

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C014 I am more likely to like a relationship manager who has tastes and preferences similar to mine

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Competence

C015 My relationship manager is an experienced banker

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C016 My relationship manager has a good knowledge base of the Bank's products

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C017 My relationship manager understands my business and is knowledgeable about the industry I am engaged in

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C018 I am more likely to trust an experienced and knowledgeable relationship manager who understands my business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Integrity

Interpersonal credibility

C019 Promises made by this relationship manager are reliable

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C020 If problems such as funding delays arise, the relationship manager is honest about the problems

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C021 This relationship manager is always on top of things related to his/her job

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C022 This relationship manager follows up on customer requests

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C023 I believe the information that this relationship manager provides me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C024 I am more likely to trust my relationship manager if they act with integrity

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Organisational credibility

C025 Promises made by this bank are reliable

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C026 This bank has been frank in its dealings with me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C027 If problems such as technological glitches arise, this bank is honest about the problems

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C028 This bank has been consistent in terms of its policies

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C029 I believe the information that this bank provides me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C030 I am more likely to trust the bank if it acts with integrity

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Quality Relationship

Interpersonal commitment

C031 My relationship with this relationship manager is something that I am very committed to

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C032 My relationship with this relationship manager deserves my maximum effort to maintain

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C033 I am willing to invest time and other resources into the relationship with this relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Organisational commitment

C034 My relationship with this bank is something that I am very committed to

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C035 My relationship with this bank deserves my maximum effort to maintain

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C036 I am willing to invest time and other resources into the relationship with this bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Relationship continuity
C037 I will continue the relationship with this bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C038 I believe that in the future my relationship with my relationship manager will continue to improve

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C039 I will utilise this bank's services again in the future

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C040 This Bank is the first bank that comes to my mind when making purchase decisions for bank services

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C041 I focus on long-term goals in this relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Word of mouth
C042 I will recommend this bank to others

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C043 I defend this bank when outsiders criticise it

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Commitment
C044 I feel a sense of belonging to this Bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C045 I am a loyal customer of this Bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C046 I am loyal to my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C047 I consider my relationship manager as my trusted advisor

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C048 I consider my relationship manager like a friend

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Satisfaction

Interpersonal satisfaction

C049 I am always delighted with my relationship manager's service

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C050 I am not happy with how my relationship manager handles my complaints

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C051 I am satisfied with the information provided to me by my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C052 Overall, I am satisfied with my relationship with my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C053 I am more likely to maintain a long-term relationship with my relationship manager if I am satisfied with the relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C054 How would you rate your overall satisfaction with your relationship manager?

◉ Very dissatisfied ○ Dissatisfied ○ Neither satisfied nor dissatisfied ○ Satisfied ○ Very Satisfied

C055 In general, how satisfied are you with the competence of your relationship manager as a business banker?

◉ Very dissatisfied ○ Dissatisfied ○ Neither satisfied nor dissatisfied ○ Satisfied ○ Very Satisfied

Organisational satisfaction

C056 I am always delighted with this bank's service

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C057 I think I did the right thing when I decided to use this bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C058 I am satisfied with the bank's employees in general

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C059 I am not completely satisfied with the performance of this bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C060 I am not happy with how the bank handles my complaints

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C061 I am generally satisfied with the rates of interest I pay and receive

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C062 Overall, I am satisfied with my relationship with this Bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C063 I am more likely to maintain a long-term relationship with this Bank if I am satisfied with the relationship between myself/company and my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C064 In general, how satisfied are you with the choice of products and services at this Bank?

◉ Very dissatisfied ○ Dissatisfied ○ Neither satisfied nor dissatisfied ○ Satisfied ○ Very Satisfied

C065 How would you rate your overall satisfaction with this Bank?

◉ Very dissatisfied ○ Dissatisfied ○ Neither satisfied nor dissatisfied ○ Satisfied ○ Very Satisfied

C066 How would you rate this Bank compared to other financial institutions in your overall satisfaction?

◉ Much worse ○ Worse ○ Neither better nor worse ○ Better ○ Much better

Sustainability

C067 I am more likely to maintain my relationship with my relationship manager if I can trust him/her

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C068 I am more likely to maintain my relationship with my relationship manager if we share a quality relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C069 I am more likely to maintain my relationship with the bank if I can trust it

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C070 I am more likely to maintain my relationship with the bank if I can trust the relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C071 I am more likely to maintain my relationship with the bank if I share a quality relationship with my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Future usage

C072 What is the likelihood of you using this bank's services in the future?

◉ Very unlikely ○ Unlikely ○ Undecided ○ Likely ○ Very likely

Long-term relationship

C073 How important is a long-term relationship as a reason for choosing and judging financial institutions?

◉ Very unimportant ○ Unimportant ○ Undecided ○ Important ○ Very important

Pricing

C074 How important is competitive pricing when choosing your main bank?

◉ Very unimportant ○ Unimportant ○ Undecided ○ Important ○ Very important

Relative perceived performance

C075 What is your overall impression of this bank's capabilities?

◉ Very poor ○ Poor ○ Average ○ Good ○ Excellent

C076 What is your overall impression of this bank's performance?

◉ Very poor ○ Poor ○ Average ○ Good ○ Excellent

Seeks my business

C077 How important is it that your relationship manager actively seeks your commercial-banking business?

◉ Very unimportant ○ Unimportant ○ Undecided ○ Important ○ Very important

C078 My relationship manager actively seeks my commercial-banking business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Crucial Stages – Stages in the Relationship Life Cycle

The crucial stages within the relationship life cycle are those phases at which the relationship is most vulnerable.

This research proposes that vigilance and knowledge are required in order to identify these phases and address them precisely so that the customer's needs are satisfied in that particular point of the relationship. The below statements (once addressed) aim to provide an understanding as to the behaviour of relationship managers and customers during each stage of the relationship life cycle.

C079 How long have you been a customer of this Bank?

◉ 0–5 years ○ 6–10 years ○ 11–15 years ○ 16–20 years
○ 21–30 years ○ 31–40 years ○ 41–50 years ○ 50+ years

C080 How long have you been a customer of your current relationship manager?

◉ 0–5 years ○ 6–10 years ○ 11–15 years ○ 16–20 years
○ 21–30 years ○ 31–40 years ○ 41–50 years ○ 50+ years

C081 How old is your business?

◉ 0–5 years ○ 6–10 years ○ 11–15 years ○ 16–20 years
○ 21–30 years ○ 31–40 years ○ 41–50 years ○ 50+ years

Exploration

C082 Your relationship manager has enticed you to do business with them

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C083 Your relationship manager has left a favourable first impression on you

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C084 You are happy to continue progressing your relationship with your relationship manger after a favourable first impression

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C085 You are happy to continue progressing your relationship with the Bank after a favourable first impression

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C086 You use small initial transactions to test the relationship manager's performance

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C087 You use small initial transactions to test the Bank's performance

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C088 You use small initial transactions to test the future viability of your relationship with the relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C089 You use small initial transactions to test the future viability of your relationship with the Bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Expansion

C090 I feel like the relationship benefits have increased since I first began dealing with my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C091 I feel like the relationship benefits continue to increase since I first began dealing with my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C092 I feel like there is a growing interdependence between my relationship manager and myself

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Maturity

C093 You are committed to the relationship between your relationship manager and yourself

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C094 You are committed to the relationship between the Bank and yourself

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Dissolution
C095 You wish to terminate your relationship with your relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C096 You wish to terminate your relationship with the Bank

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C097 You feel that your relationship with your relationship manager is declining

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C098 You feel that your relationship with the Bank is declining

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Recovery
C099 Even if you wanted to terminate your relationship with your relationship manager, you believe the relationship could be saved

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C100 Even if you wanted to terminate your relationship with the Bank, you believe the relationship could be saved

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C101 Even if you felt that your relationship with your relationship manager was declining, you believe the relationship could be saved

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C102 Even if you felt that your relationship with the Bank was declining, you believe the relationship could be saved

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Identification of Value Accounts

Definition of ‘Value Accounts’
Value Accounts are potential or existing customers which are, or may be of strategic importance to the Bank and/or relationship manager and where the Bank and/or the relationship manager is/are recognised as, or may be strategically important for the customer.

Please indicate to what extent you agree with the below statements with the above definition in mind.

Identify
C103 I feel like I am of strategic importance to my relationship manager

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C104 I feel like I am a value account as per the above definition from the Bank's perspective

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C105 I feel like I am a value account as per the above definition from my relationship manager's perspective

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C106 This Bank is or has the potential to be of strategic importance to me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C107 My relationship manager is or has the potential to be of strategic importance to me

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C108 My bank is of strategic importance to me when it possesses the following attributes:
C108a Ease of doing business,

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C108b Quality in products and services,

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C108c Quality in people

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C109 My relationship manager is of strategic importance to me when they possess the following attributes:

C109a Ease of doing business,

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C109b Is well connected in the Bank,

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C109c Is well connected in my industry,

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C109d Is well regarded by their peers/superiors

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Role of the Relationship Manager

C110 Please select all the roles that you think best describe the role of the relationship manager:

- ⊗ C110a Develops the relationship between you
- ○ C110b Tends to your banking requirements
- ○ C110c Understands your business environment
- ○ C110d Negotiates terms with you
- ○ C110e Co-ordinates and tailors the Bank's suite of products to suit you
- ○ C110f Understands your goals
- ○ C110g Provides you with banking and finance advice
- ○ C110h Understands your business
- ○ C110i Sells you the Bank's products/services
- ○ C110j Manages the relationship between you
- ○ C110k Provides solutions to your problems based on the Bank's resources
- ○ C110l All of the above

Co-Creation of Value

C111 You and your relationship manager create value together when you are able to leverage off the knowledge/experience and network of your relationship manager to your benefit while the relationship manager enjoys full access to your banking requirements and your commitment to the relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Long-term Value-adding Relationship

C112 A long-term relationship that adds value to your business is one that is there for the long-run, and continues to be a source of value to those in the relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C113 Compared to other banks we may be involved with, our relationship with this Bank is more valuable

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C114 Compared to other banks we may be involved with, this Bank creates more value for us when comparing all costs and benefits in the relationship

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C115 This Bank adds value to our relationship because it has an effective system for evaluating its core strengths and applying them in ways that add the most value to my business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C116 This Bank has an effective process for thoroughly understanding my needs, organisation structure, and vital success factors

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C117 Communications and information flows from the Bank are fast, knowledgeable and accurate

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C118 Communications and information flows between my relationship manager and I are fast, knowledgeable and accurate

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C119 The Bank is driven by a mind-set to add value to me and to help me achieve the continual and rapid improvement of my business

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C120 My relationship manager is driven by a mind-set to add value to me and to help me achieve continual, rapid improvement in all aspects of quality and operations

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

C121 I work with my relationship manager to achieve their targets (e.g. by giving them all my banking and by referring others to them where I can)

◉ Strongly Disagree ○ Disagree ○ Neither agree nor disagree ○ Agree ○ Strongly Agree

Demographics

The following questions relate to yourself and will only be used for statistical purpose. These questions are completely voluntary. All information collected will be reported in an aggregated manner and no individuals can be identified.

CD01 State

◉ ACT ○ NSW ○ NT ○ QLD ○ SA ○ TAS ○ VIC ○ WA

CD02 Age group

◉ 18–27 years ○ 28–37 years ○ 38–47 years ○ 48–57 years
○ 58–67 years ○ 68–77 years ○ 78+ years

CD03 Sex

◉ Male ○ Female

CD04 Place of Birth

◉ Oceania
○ North-West Europe
○ Southern and Eastern Europe
○ North Africa and the Middle East
○ South-East Asia
○ North-East Asia
○ Southern and Central Asia
○ America, Northern
○ America, South
○ America, Central
○ America, Caribbean
○ Sub-Saharan Africa
○ Other

CD05 Religion

◉ Buddhism ○ Christianity ○ Hinduism ○ Islam ○ Judaism ○ Sikhism ○ None ○ Other

CD06 Highest Education Level

◉ School ○ TAFE ○ Undergraduate ○ Postgraduate ○ Other

CD07 Your industry

◉ Agriculture, Forestry & Fishing
○ Mining
○ Manufacturing
○ Electricity, Gas, Water
○ Construction
○ Wholesale Trade
○ Retail Trade
○ Accommodation & Food Services
○ Transport, Postal & Warehouse
○ Information Media & Telecommunications
○ Financial & Insurance Services
○ Rental, Hiring & Real Estate
○ Professional, Scientific & Teaching
○ Administrative & Support Services
○ Public Administration & Safety
○ Education & Training
○ Health Care & Social Services
○ Arts & Recreation Services
○ Other

CD08 Turnover range of your business (in millions of AUD)

◉ <1 ○ 1–9 ○ 10–19 ○ 20–29 ○ 30–39 ○ 40–49 ○ 50–59 ○ 60–69
○ 70–79 ○ 80–89 ○ 90–99 ○ 100–109 ○ 110–119 ○ >119

CD09 Total business limits (i.e. debt, working capital facilities, bank guarantee lines etc.) (in millions of AUD)

◉ <1 ○ 1–4.9 ○ 5–9 ○ 10–14 ○ 15–19 ○ 20–24 ○ 25–29 ○ 30–34 ○ >34

CD10 Do you split-bank?

◉ Yes ○ No

CD11 Do you consider this bank to be your main bank

◉ Yes ○ No

CD12 Please indicate your role within the business

◉ Owner/Director ○ Director ○ Finance ○ Administration ○ Secretarial

Thank you for your participation in the survey.

Appendix D – Relationship Manager – Frequency Distribution Tables

Table D.1 Emotional Intelligence (Agreement Scales)

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Empathy											
Measure R01	0.7	1	4.7	7	20.8	31	67.8	101	6	9	3.74
Measure R02	0.7	1	2.7	4	18.1	27	71.8	107	6.7	10	3.81
Measure R03	0.7	1	–	–	–	–	34.2	51	65.1	97	4.63
Perceiving Other's Emotions											
Measure R04	0.7	1	1.3	2	8.1	12	79.9	119	10.1	15	3.97
Measure R05	0.7	1	0.7	1	5.4	8	71.1	106	22.1	33	4.13
Measure R06	0.7	1	–	–	4.7	7	64.4	96	30.2	45	4.23
Self-Awareness											
Measure R07	0.7	1	–	–	0.7	1	45	67	53.7	80	4.51
Measure R08	0.7	1	4.7	7	22.8	34	55.7	83	16.1	24	3.82
Measure R09	0.7	1	3.4	5	6.7	10	79.2	118	10.1	15	3.95
Measure R10	0.7	1	1.3	2	4	6	75.8	113	18.1	27	4.09
Measure R11	1.3	2	31.5	47	36.9	55	26.2	39	4	6	3
Measure R12	0.7	1	8.1	12	40.3	60	41.6	62	9.4	14	3.51
Measure R13	–	–	9.4	14	24.2	36	63.1	94	3.4	5	3.6
Self-Regulation											
Measure R14	45.6	68	47	70	6	9	1.3	2	–	–	1.63
Measure R15	5.4	8	25.5	38	38.3	57	30.2	45	0.7	1	2.95
Measure R16	2.7	4	32.9	49	32.9	49	30.9	46	0.7	1	2.94
Measure R17	4.7	7	38.9	58	38.9	58	16.8	25	0.7	1	2.7
Measure R18	53	76	42.3	63	6	9	0.7	1	–	–	1.56
Measure R19	0.7	1	0.7	1	4	6	74.5	111	20.1	30	4.13
Measure R20	0.7	1	0.7	1	4.7	7	67.1	100	26.8	40	4.19

Table D.2 Self-Motivation (Motivation Scales)

	Not very self-motivated		Not self-motivated		Neutral		Self-motivated		Very self-motivated		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure R21	–	–	–	–	1.3	2	55	82	43.6	65	4.42

Table D.3 Self-Motivation (Importance Scales)

	Very unimportant		Unimportant		Undecided		Important		Very important		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure R22	0.7	1	–	–	–	–	32.2	48	67.1	100	4.65

Table D.4 Sales Performance (Performance Scales)

	Very poor		Poor		Average		Good		Excellent		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure R23	–	–	–	–	12.8	19	70.5	105	16.8	25	4.04
Measure R24	–	–	2.7	4	30.9	46	60.4	90	6	9	3.7

Table D.5 Sales Performance (Definitive Scales)

	Yes		No		N/A		Mean
	%	n	%	n	%	n	
Measure R25	84.6	126	12.8	19	2.7	4	1.18

Table D.6 Sales Performance (Ranked Scales)

	1		2		3		4		5		Don't know		Mean
	%	n	%	n	%	n	%	n	%	n	%	n	
Measure R26	6.7	10	14.8	22	15.4	23	2	3	1.3	2	59.7	89	4.56

Table D.7 Total Trust

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
					Integrity – Interpersonal Credibility						
Measure R28	–	–	–	–	2	3	43	64	55	82	4.53
Measure R29	–	–	–	–	2.7	4	55	82	42.3	63	4.4
					Competence						
Measure R27	–	–	2.7	4	8.1	12	62.4	93	26.8	40	4.13

Table D.8 Quality Relationship

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
					Commitment						
Measure R30	–	–	0.7	1	5.4	8	69.8	104	24.2	36	4.17
Measure R31	–	–	–	–	0.7	1	55.7	83	43.6	65	4.43
Measure R32	–	–	–	–	1.3	2	53	79	45.6	68	4.44
Measure R33	–	–	–	–	4.7	7	56.4	84	38.9	58	4.34
Measure R34	–	–	–	–	2.7	4	55	82	42.3	63	4.4
Measure R35	1.3	2	18.1	27	45.6	68	30.9	46	4	6	3.18
					Satisfaction – Interpersonal Satisfaction						
Measure R36	–	–	1.3	2	4	6	80.5	120	14.1	21	4.07
Measure R37	–	–	1.3	2	7.4	11	71.1	106	20.1	30	4.1

Table D.9 Sustainability

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
					Commitment						
Measure R38	–	–	–	–	2.7	4	50.3	75	47	70	4.44
Measure R39	–	–	1.3	2	4.7	7	57	85	36.9	55	4.3
Measure R40	–	–	–	–	3.4	5	57.7	86	38.9	58	4.36
Measure R41	–	–	1.3	2	12.1	18	52.3	78	34.2	51	4.19

Table D.10 Crucial Stages

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
					Exploration						
Measure R42	2.7	4	22.8	34	31.5	47	39.6	59	3.4	5	3.18
Measure R43	3.4	5	22.8	34	33.6	50	36.2	54	4	6	3.15
					Expansion						
Measure R44	–	–	1.3	2	9.4	14	65.8	98	23.5	35	4.11
Measure R45	–	–	2	3	16.1	24	68.5	102	13.4	20	3.93
					Maturity						
Measure R46	–	–	0.7	1	4	6	62.4	93	32.9	49	4.28
					Dissolution						
Measure R47	3.4	5	32.9	49	28.9	43	30.9	46	4	6	2.99
Measure R48	2	3	28.2	42	28.9	43	38.9	58	2	3	3.11
					Recovery						
Measure R49	–	–	10.7	16	24.2	36	63.1	94	2	3	3.56
Measure R50	–	–	6	9	22.8	34	67.8	101	3.4	5	3.68

Table D.11 Identification of Value Accounts

	Confirmed		Mean		Confirmed		Mean
	%	n			%	n	
			Identify				
Measure R51a	30.2	45	0.3	Measure R51e	24.8	37	1.24
Measure R51b	28.2	42	0.56	Measure R51f	26.8	40	1.61
Measure R51c	18.8	28	0.56	Measure R51g	4	6	0.28
Measure R51d	16.1	24	0.64	Measure R51h	66.4	99	5.32
			Implement				
Measure R52a	14.1	21	0.14	Measure R52e	18.8	28	0.94
Measure R52b	7.4	11	0.15	Measure R52f	30.9	46	1.85
Measure R52c	14.8	22	0.44	Measure R52g	19.5	29	1.36
Measure R52d	24.2	36	0.97	Measure R52h	67.1	100	5.37
			Role of the Relationship Manager				
Measure R53a	16.8	25	0.17	Measure R53g	18.1	27	1.27
Measure R53b	11.4	17	0.23	Measure R53h	18.1	27	1.45
Measure R53c	16.1	24	0.48	Measure R53i	8.1	12	0.72
Measure R53d	13.4	20	0.54	Measure R53j	17.4	26	1.74
Measure R53e	16.8	25	0.84	Measure R53k	12.1	18	1.33
Measure R53f	14.8	22	0.89	Measure R53l	79.2	118	9.5

Table D.12 Co-Creation of Value

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure R54	–	–	–	–	4	6	63.8	95	32.2	48	4.28

Table D.13 Long-term Value-adding Relationship

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure R55	–	–	3.4	5	10.1	15	61.1	91	25.5	38	4.09
Measure R56	–	–	–	–	5.4	8	69.8	104	24.8	37	4.19
Measure R57	–	–	1.3	2	6.7	10	68.5	102	23.5	35	4.14
Measure R58	–	–	–	–	2	3	72.5	108	25.5	38	4.23
Measure R59	–	–	2	3	13.4	20	69.1	103	15.4	23	3.98
Measure R60	–	–	8.7	13	26.8	40	52.3	78	12.1	18	3.68
Measure R61	0.7	1	11.4	17	26.8	40	50.3	75	10.7	16	3.59
Measure R62	–	–	–	–	2	3	64.4	96	33.6	50	4.32

Appendix E – Relationship Manager – Factor Analysis Tables

This appendix contains reformatted data output from SPSS. In interpreting the data the following items should be considered: *(a)* the method of extraction for each matrix was Principal Component Analysis; *(b)* to avoid data duplication cells were shaded grey where the Initial Eigenvalues and the Extraction Sums of Square Loadings represent the same figures; *(c)* references to 'measure *xxx*' (where *xxx* is an alpha-numeric code) refers to the measures presented in Chapter Five, and; *(d)* the acronyms TVE (Total Variance Explained) and CM (Component Matrix) are used in table captions.

Table E.1 TVE – Empathy

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	1.836	61.214	61.214
2	.746	24.859	86.073
3	.418	13.927	100.000

Table E.2 CM – Empathy

	Component
	1
Measure R01	.849
Measure R02	.827
Measure R03	.657

Components Extracted: *1*

Table E.3 TVE – Perceiving Others' Emotions

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.065	68.827	68.827
2	.537	17.889	86.716
3	.399	13.284	100.000

Table E.4 CM – Perceiving Others' Emotions

	Component
	1
Measure R04	.791
Measure R05	.848
Measure R06	.849

Components Extracted: *1*

Table E.5 TVE – Self-Awareness

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	2.184	31.194	31.194
2	1.333	19.045	50.238
3	1.013	14.470	64.708
4	.711	10.157	74.865
5	.640	9.143	84.008
6	.589	8.409	92.417
7	.531	7.583	100.000

Table E.6 CM – Self-Awareness

	Component		
	1	2	3
Measure R07	.726	−.008	−.116
Measure R08	.567	−.081	−.570
Measure R09	.740	.078	−.125
Measure R10	.725	.135	.174
Measure R11	.217	.623	.551
Measure R12	.462	−.477	.542
Measure R13	−.022	.829	−.175

Components Extracted: *3*

Table E.7 TVE – Self-Regulation

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	2.233	31.903	31.903
2	1.810	25.858	57.761
3	1.091	15.584	73.346
4	.670	9.564	82.910
5	.496	7.083	89.993
6	.468	6.681	96.674
7	.233	3.326	100.000

Table E.8 CM – Self-Regulation

	Component		
	1	2	3
Measure R14	.580	−.135	.636
Measure R15	−.030	−.722	.170
Measure R16	.163	.793	.215
Measure R17	.250	.754	.131
Measure R18	.683	.249	.440
Measure R19	−.821	.109	.435
Measure R20	−.816	.002	.460

Components Extracted: *3*

Table E.9 TVE – Total Trust

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	2.177	72.568	72.568
2	.568	18.933	91.501
3	.255	8.499	100.000

Table E.10 CM – Total Trust

	Component
	1
Measure R28	.867
Measure R29	.909
Measure R27	.774

***Components Extracted:** 1*

Table E.11 TVE – Affective Commitment

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	3.498	58.299	58.299
2	.998	16.631	74.930
3	.645	10.755	85.685
4	.431	7.182	92.867
5	.316	5.264	98.132
6	.112	1.868	100.000

Table E.12 CM – Affective Commitment

	Component
	1
Measure R30	.589
Measure R31	.900
Measure R32	.936
Measure R33	.847
Measure R34	.809
Measure R35	.307

***Components Extracted:** 1*

Table E.13 TVE – Sustainability

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	2.452	61.311	61.311
2	.990	24.750	86.061
3	.328	8.198	94.259
4	.230	5.741	100.000

Table E.14 CM – Sustainability

	Component
	1
Measure R38	.834
Measure R39	.778
Measure R40	.779
Measure R41	.738

Components Extracted: *1*

Table E.15 TVE – Crucial Stages

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.394	26.602	26.602
2	1.821	20.229	46.832
3	1.568	17.424	64.256
4	1.365	15.163	79.418
5	.658	7.314	86.732
6	.494	5.489	92.221
7	.383	4.254	96.475
8	.233	2.590	99.065
9	.084	.935	100.000

Table E.16 CM – Crucial Stages

	Component			
	1	2	3	4
Measure R42	.837	.258	.005	−.412
Measure R43	.808	.275	−.027	−.427
Measure R44	.691	−.080	−.122	.406
Measure R45	.662	−.177	−.146	.399
Measure R46	.229	−.143	−.233	.714
Measure R47	−.071	.871	.218	.252
Measure R48	−.074	.814	.314	.316
Measure R49	.191	−.270	.835	.016
Measure R50	.165	−.355	.796	.122

Components Extracted: *4*

Table E.17 TVE – Identification of Value Accounts: Defining Value Accounts

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	5.420	67.749	67.749
2	1.115	13.936	81.685
3	.759	9.489	91.174
4	.264	3.299	94.473
5	.158	1.973	96.446
6	.125	1.568	98.014
7	.107	1.340	99.354
8	.052	.646	100.000

Table E.18 CM – Identification of Value Accounts: Defining Value Accounts

	Component	
	1	2
Measure R51a	.949	.095
Measure R51b	.914	−.029
Measure R51c	.781	−.354
Measure R51d	.760	−.422
Measure R51e	.846	.239
Measure R51f	.909	.015
Measure R51g	.223	.852
Measure R51h	−.951	−.134

Components Extracted: *2*

Table E.19 TVE – Identification of Value Accounts: Implementation

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	4.777	59.716	59.716
2	.860	10.745	70.461
3	.683	8.533	78.994
4	.600	7.498	86.493
5	.416	5.197	91.689
6	.403	5.034	96.724
7	.224	2.796	99.520
8	.038	.480	100.000

Table E.20 CM – Identification of Value Accounts: Implementation

	Component
	1
Measure R52a	.627
Measure R52b	.495
Measure R52c	.677
Measure R52d	.822
Measure R52e	.782
Measure R52f	.941
Measure R52g	.773
Measure R52h	−.955

Components Extracted: *1*

Table E.21 TVE – Identification of Value Accounts: Role of the Relationship Manager

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	9.327	77.729	77.729
2	.778	6.482	84.210
3	.465	3.877	88.088
4	.359	2.995	91.083
5	.334	2.782	93.864
6	.277	2.311	96.175
7	.170	1.420	97.595
8	.141	1.173	98.768
9	.073	.605	99.373
10	.048	.400	99.773
11	.022	.184	99.957
12	.005	.043	100.000

Table E.22 CM – Identification of Value Accounts: Role of the Relationship Manager

	Component
	1
Measure R53a	.925
Measure R53b	.801
Measure R53c	.954
Measure R53d	.810
Measure R53e	.943
Measure R53f	.886
Measure R53g	.920
Measure R53h	.972
Measure R53i	.614
Measure R53j	.957
Measure R53k	.782
Measure R53l	−.945

***Components Extracted:** 1*

Table E.23 TVE – Long-term Value-adding Relationship

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	4.016	50.205	50.205
2	1.265	15.810	66.015
3	.784	9.796	75.812
4	.565	7.059	82.871
5	.504	6.296	89.166
6	.383	4.782	93.948
7	.274	3.430	97.379
8	.210	2.621	100.000

Table E.24 CM – Long-term Value-adding Relationship

	Component	
	1	2
Measure R55	.654	.304
Measure R56	.717	−.300
Measure R57	.736	−.283
Measure R58	.807	−.289
Measure R59	.732	.288
Measure R60	.677	.614
Measure R61	.591	.645
Measure R62	.734	−.207

***Components Extracted:** 2*

Appendix F – Relationship Manager – Reliability Tables

Table F.1 Emotional Intelligence

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Empathy	16.2109	1.328	.575	.652
Perceiving Other's Emotions	16.1572	1.320	.594	.643
Self-Awareness	16.4880	1.634	.572	.672
Self-Regulation	16.4947	1.696	.346	.737
Self-Motivation	16.7344	1.546	.425	.712

Interpersonal Credibility & Competence (Total Trust): *α=0.732, n=5*

Table F.2 Total Trust

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure R28	8.53	1.143	.657	.711
Measure R29	8.66	1.062	.746	.621
Measure R27	8.93	1.015	.550	.845

Interpersonal Credibility & Competence (Total Trust): *α=0.797, n=3*

Table F.3 Quality Relationship

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure R30	28.97	6.952	.387	.767
Measure R31	28.71	6.153	.766	.709
Measure R32	28.70	6.010	.803	.701
Measure R33	28.80	6.121	.681	.718
Measure R34	28.74	6.353	.622	.730
Measure R35	29.96	6.674	.236	.818
Measure R36	29.07	7.374	.286	.780
Measure R37	29.04	7.147	.292	.783

Quality Relationship: *α=0.777, n=8*

Table F.4 Sustainability

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure R38	12.85	2.172	.660	.695
Measure R39	12.99	2.142	.560	.742
Measure R40	12.93	2.239	.616	.716
Measure R41	13.09	2.005	.538	.762

Sustainability: *α=0.781, n=4*

Table F.5 Crucial Stages

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure R42	28.82	7.636	.486	.452
Measure R43	28.85	7.735	.449	.466
Measure R44	27.89	9.223	.361	.513
Measure R45	28.07	9.468	.290	.530
Measure R46	27.72	10.376	.064	.578
Measure R47	29.01	8.912	.187	.564
Measure R48	28.89	8.894	.224	.548
Measure R49	28.44	9.734	.157	.562
Measure R50	28.32	10.001	.130	.566

Crucial Stages: *α=0.564, n=9*

Table F.6 Identification of Value Accounts

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
		Define		
Measure R51a	40.60	392.079	.492	.624
Measure R51b	40.34	384.267	.457	.617
Measure R51c	40.34	385.875	.303	.621
Measure R51d	40.26	382.830	.282	.619
Measure R51e	39.66	365.319	.377	.606
Measure R51f	39.30	354.155	.398	.600
Measure R51g	40.62	397.628	.301	.634
Measure R51h	35.59	486.946	−.598	.735
		Implementation		
Measure R52a	40.77	396.870	.307	.629
Measure R52b	40.76	396.968	.192	.629
Measure R52f	39.05	352.619	.392	.600
Measure R52c	40.46	388.615	.273	.623
Measure R52d	39.94	373.544	.373	.611
Measure R52e	39.97	370.735	.354	.610
Measure R52g	39.54	354.250	.375	.602
Measure R52h	35.54	490.358	−.619	.737
		Role of the Relationship Manager		
Measure R53a	40.74	389.100	.813	.621
Measure R53b	40.68	383.868	.679	.616
Measure R53c	40.42	363.597	.864	.595
Measure R53d	40.37	363.951	.679	.597
Measure R53e	40.07	338.366	.863	.568
Measure R53f	40.02	337.790	.750	.571
Measure R53g	39.64	321.125	.751	.556
Measure R53h	39.46	299.844	.858	.529
Measure R53i	40.18	349.514	.497	.591
Measure R53j	39.16	281.920	.820	.515
Measure R53k	39.58	303.205	.679	.546
Measure R53l	31.40	584.215	−.875	.802

Crucial Stages: *α=0.632, n=28*

Table F.7 Long-term Value-adding Relationship

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure R55	28.13	9.793	.506	.830
Measure R56	28.03	10.270	.590	.821
Measure R57	28.08	9.993	.586	.820
Measure R58	27.99	10.230	.675	.815
Measure R59	28.24	9.644	.653	.811
Measure R60	28.54	8.898	.618	.817
Measure R61	28.63	9.113	.512	.836
Measure R62	27.91	10.275	.599	.820

Crucial Stages: *α=0.840, n=8*

Appendix G – Relationship Manager – Correlation Tables

Table G.1 Total Trust

		Competence	Integrity	Total Trust
Competence	r	1	*.550*	*.913*
	sig.		.000	.000
Integrity	r	*.550*	1	*.843*
	sig.	.000		.000
Total Trust	r	*.913*	*.843*	1
	sig.	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.2 Emotional Intelligence

		Emotional Intelligence	Total Trust	Sustainability	Long-term Value-adding Relationship
Emotional Intelligence	r	1	*.334*	*.612*	*.580*
	sig.		.000	.000	.000
Total Trust	r	*.334*	1	*.767*	*.709*
	sig.	.000		.000	.000
Sustainability	r	*.612*	*.767*	1	*.902*
	sig.	.000	.000		.000
Long-term Value-adding Relationship	r	*.580*	*.709*	*.902*	1
	sig.	.000	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.3 Quality Relationship

		Commitment	Satisfaction	Trust	Quality Relationship
Commitment	r	1	*.328*	*.326*	*.817*
	sig.		.000	.000	.000
Satisfaction	r	*.328*	1	*.399*	*.813*
	sig.	.000		.000	.000
Trust	r	*.326*	*.399*	1	*.445*
	sig.	.000	.000		.000
Quality Relationship	r	*.817*	*.813*	*.445*	1
	sig.	.000	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.4 Sustainability

		Total Trust	Quality Relationship	Sustainability
Total Trust	r	1	*.445*	*.767*
	sig.		.000	.000
Quality Relationship	r	*.445*	1	*.869*
	sig.	.000		.000
Sustainability	r	*.767*	*.869*	1
	sig.	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.5 Co-Creation of Value

		Crucial Stages	Identification of Value Accounts	Co-Creation of Value
Crucial Stages	r	1	.073	*.924*
	sig.		.378	.000
Identification of Value Accounts	r	.073	1	*.450*
	sig.	.378		.000
Co-Creation of Value	r	*.924*	*.450*	1
	sig.	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.6 Long-term Value-adding Relationship

		Sustainability	Co-Creation of Value	Long-term Value-adding Relationship
Sustainability	r	1	*.417*	*.902*
	sig.		.000	.000
Co-Creation of Value	r	*.417*	1	*.768*
	sig.	.000		.000
Long-term Value-adding Relationship	r	*.902*	*.768*	1
	sig.	.000	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.7 Crucial Stages within the Relationship Life Cycle

		Exploration	Expansion	Maturity	Dissolution	Recovery
Exploration	r	1	*.346*	−.043	.041	.040
	sig.		.000	.605	.622	.630
Expansion	r	*.346*	1	*.335*	−.082	.080
	sig.	.000		.000	.320	.332
Maturity	r	−.043	*.335*	1	−.021	−.031
	sig.	.605	.000		.797	.704
Dissolution	r	.041	−.082	−.021	1	−.050
	sig.	.622	.320	.797		.543
Recovery	r	.040	.080	−.031	−.050	1
	sig.	.630	.332	.704	.543	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table G.8 Identification of Value Accounts and Subsequent Value Account Management against Long-term Value-adding Relationship

		Identification of Value Accounts	Long-term Value-adding Relationship
Identification of Value Accounts	r	1	*.295*
	sig.		.000
Long-term Value-adding Relationship	r	*.295*	1
	sig.	.000	

Note: *n=149, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Appendix H – Customer – Frequency Distribution Tables

Table H.1 Total Trust

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Benevolence – Interpersonal											
Measure C001	5.9	4	14.7	10	8.8	6	47.1	32	23.5	16	3.68
Measure C002	8.8	6	19.1	13	19.1	13	33.8	23	19.1	13	3.35
Measure C003	10.3	7	17.6	12	25	17	35.3	24	11.8	8	3.21
Measure C004	10.3	7	20.6	14	29.4	20	29.4	20	10.3	7	3.09
Measure C005	1.5	1	4.4	3	1.5	1	52.9	36	39.7	27	4.25
Benevolence – Organisational											
Measure C006	16.2	11	25	17	26.5	18	26.5	18	5.9	4	2.81
Measure C007	16.2	11	16.2	11	29.4	20	33.8	23	4.4	3	2.94
Measure C008	14.7	10	23.5	16	38.2	26	17.6	12	5.9	4	2.76
Measure C009	4.4	3	–	–	5.9	4	52.9	36	36.8	25	4.18
Emotional Intelligence – Empathy											
Measure C010	–	–	2.9	2	20.6	14	58.8	40	17.6	12	3.91
Measure C011	–	–	2.9	2	26.5	18	57.4	39	13.2	9	3.81
Measure C012	7.4	5	41.2	28	32.4	22	19.1	13	–	–	2.63
Measure C013	–	–	8.8	6	23.5	16	55.9	38	11.8	8	3.71
Measure C014	–	–	20.6	14	51.5	35	23.5	16	4.4	3	3.12
Competence											
Measure C015	2.9	2	5.9	4	26.5	18	42.6	29	22.1	15	3.75
Measure C016	–	–	7.4	5	20.6	14	54.4	37	17.6	12	3.82
Measure C017	7.4	5	22.1	15	27.9	19	33.8	23	8.8	6	3.15
Measure C018	–	–	–	–	8.8	6	47.1	32	44.1	30	4.35
Integrity – Interpersonal Credibility											
Measure C019	–	–	11.8	8	29.4	20	47.1	32	11.8	8	3.59
Measure C020	5.9	4	8.8	6	26.5	18	50	34	8.8	6	3.47
Measure C021	5.9	4	14.7	10	27.9	19	39.7	27	11.8	8	3.37
Measure C022	4.4	3	11.8	8	17.6	12	54.4	37	11.8	8	3.57
Measure C023	2.9	2	10.3	7	22.1	15	50	34	14.7	10	3.63
Measure C024	–	–	1.5	1	2.9	2	39.7	27	55.9	38	4.5
Integrity – Organisational Credibility											
Measure C025	10.3	7	7.4	5	30.9	21	45.6	31	5.9	4	3.29
Measure C026	10.3	7	14.7	10	19.1	13	47.1	32	8.8	6	3.29
Measure C027	7.4	5	7.4	5	36.8	25	42.6	29	5.9	4	3.32
Measure C028	8.8	6	8.8	6	26.5	18	48.5	33	7.4	5	3.37
Measure C029	4.4	3	8.8	6	27.9	19	52.9	36	5.9	4	3.47
Measure C030	–	–	–	–	–	–	50	34	50	34	4.5

Table H.2 Quality Relationship (Agreement Scales)

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Commitment – Interpersonal											
Measure C031	5.9	4	14.7	10	30.9	21	35.3	24	13.2	9	3.35
Measure C032	7.4	5	13.2	9	29.4	20	36.8	25	13.2	9	3.35
Measure C033	1.5	1	14.7	10	26.5	18	45.6	31	11.8	8	3.51
Commitment – Organisational											
Measure C034	10.3	7	13.2	9	30.9	21	32.4	22	13.2	9	3.25
Measure C035	8.8	6	19.1	13	33.8	23	30.9	21	7.4	5	3.09
Measure C036	7.4	5	17.6	12	26.5	18	42.6	29	5.9	4	3.22
Relationship Continuity											
Measure C037	7.4	5	4.4	3	26.5	18	48.5	33	13.2	9	3.56
Measure C038	4.4	3	10.3	7	32.4	22	45.6	31	7.4	5	3.41
Measure C039	4.4	3	7.4	5	17.6	12	58.8	40	11.8	8	3.66
Measure C040	11.8	8	11.8	8	17.6	12	41.2	28	17.6	12	3.41
Measure C041	2.9	2	11.8	8	13.2	9	50	34	22.1	15	3.76
Word of Mouth											
Measure C042	16.2	11	10.3	7	22.1	15	38.2	26	13.2	9	3.22
Measure C043	17.6	12	10.3	7	29.4	20	35.3	24	7.4	5	3.04
Commitment											
Measure C044	13.2	9	13.2	9	29.4	20	33.8	23	10.3	7	3.15
Measure C045	8.8	6	5.9	4	13.2	9	39.7	27	32.4	22	3.81
Measure C046	10.3	7	8.8	6	17.6	12	47.1	32	16.2	11	3.5
Measure C047	16.2	11	13.2	9	25	17	32.4	22	13.2	9	3.13
Measure C048	19.1	13	23.5	16	25	17	26.5	18	5.9	4	2.76
Satisfaction – Interpersonal											
Measure C049	10.3	7	19.1	13	27.9	19	33.8	23	8.8	6	3.12
Measure C050	13.2	9	36.8	25	25	17	22.1	15	2.9	2	2.65
Measure C051	4.4	3	13.2	9	27.9	19	45.6	31	8.8	6	3.41
Measure C052	8.8	6	13.2	9	17.6	12	51.5	35	8.8	6	3.38
Measure C053	–	–	–	–	2.9	2	66.2	45	30.9	21	4.28
Satisfaction – Organisational											
Measure C056	11.8	8	29.4	20	33.8	23	19.1	13	5.9	4	2.78
Measure C057	8.8	6	7.4	5	30.9	21	44.1	30	8.8	6	3.37
Measure C058	4.4	3	5.9	4	22.1	15	57.4	39	10.3	7	3.63
Measure C059	11.8	8	32.4	22	25	17	20.6	14	10.3	7	2.85
Measure C060	11.8	8	33.8	23	35.3	24	11.8	8	7.4	5	2.69
Measure C061	20.6	14	33.8	23	26.5	18	17.6	12	1.5	1	2.46
Measure C062	8.8	6	10.3	7	30.9	21	47.1	32	2.9	2	3.25
Measure C063	1.5	1	4.4	3	5.9	4	55.9	38	32.4	22	4.13

Table H.3 Quality Relationship (Satisfaction Scales)

	Very dissatisfied		Dissatisfied		Neither satisfied or dissatisfied		Satisfied		Very satisfied		Mean
	%	n	%	n	%	n	%	n	%	n	
Satisfaction – Interpersonal											
Measure C054	7.4	5	11.8	8	23.5	16	30.9	21	26.5	18	3.57
Measure C055	2.9	2	10.3	7	29.4	20	35.3	24	22.1	15	3.63
Satisfaction – Organisational											
Measure C064	5.9	4	10.3	7	26.5	18	52.9	36	4.4	3	3.4
Measure C065	10.3	7	16.2	11	19.1	13	45.6	31	8.8	6	3.26

Table H.4 Quality Relationship (Perception Scales)

	Much worse		Worse		Neither better or worse		Better		Much better		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C066	4.4	3	8.8	6	50	34	30.9	21	5.9	4	3.25

Table H.5 Sustainability (Agreement Scales)

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C067	–	–	2.9	2	5.9	4	57.4	39	33.8	23	4.22
Measure C068	–	–	5.9	4	22.1	15	55.9	38	16.2	11	3.82
Measure C069	–	–	–	–	4.4	3	57.4	39	38.2	26	4.34
Measure C070	–	–	2.9	2	2.9	2	63.2	43	30.9	21	4.22
Measure C071	–	–	2.9	2	19.1	13	57.4	39	20.6	14	3.96
					Seeks my business						
Measure C078	8.8	6	19.1	13	33.8	23	30.9	21	7.4	5	3.09

Table H.6 Sustainability (Likelihood Scales)

	Very unlikely		Unlikely		Undecided		Likely		Very likely		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C072	4.4	3	7.4	5	17.6	12	35.3	24	35.3	24	3.9

Table H.7 Sustainability (Importance Scales)

	Very unimportant		Unimportant		Undecided		Important		Very important		Mean
	%	n	%	n	%	n	%	n	%	n	
					Long-term Relationship						
Measure C073	1.5	1	4.4	3	2.9	2	47.1	32	44.1	30	4.28
					Pricing						
Measure C074	–	–	5.9	4	2.9	2	42.6	29	48.5	33	4.34
					Seeks my business						
Measure C077	1.5	1	7.4	5	23.5	16	45.6	31	22.1	15	3.79

Table H.8 Sustainability (Performance Scales)

	Very poor		Poor		Average		Good		Excellent		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C075	–	–	11.8	8	27.9	19	38.2	26	22.1	15	3.71
Measure C076	2.9	2	14.7	10	23.5	16	48.5	33	10.3	7	3.49

Table H.9 Crucial Stages (Lengths of time)

	Measure C079		Measure C080		Measure C081	
	%	n	%	n	%	n
0–5 years	13.2	9	75.0	51	11.8	8
6–10 years	23.5	16	19.1	13	11.8	8
11–15 years	10.3	7	5.9	4	19.1	13
16–20 years	5.9	4	–	–	10.3	7
21–30 years	20.6	14	–	–	26.5	18
31–40 years	13.2	9	–	–	10.3	7
41–50 years	7.4	5	–	–	2.9	2
50+ years	5.9	4	–	–	7.4	5
Mean	3.96		1.31		4.07	

Table H.10 Crucial Stages (Agreement Scales)

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Exploration											
Measure C082	14.7	10	32.4	22	22.1	15	29.4	20	1.5	1	2.71
Measure C083	7.4	5	14.7	10	16.2	11	57.4	39	4.4	3	3.37
Measure C084	4.4	3	10.3	7	19.1	13	61.8	42	4.4	3	3.51
Measure C085	4.4	3	8.8	6	17.6	12	64.7	44	4.4	3	3.56
Measure C086	14.7	10	32.4	22	38.2	26	13.2	9	1.5	1	2.54
Measure C087	13.2	9	29.4	20	39.7	27	17.6	12	–	–	2.62
Measure C088	14.7	10	32.4	22	39.7	27	13.2	9	–	–	2.51
Measure C089	14.7	10	30.9	21	39.7	27	14.7	10	–	–	2.54
Expansion											
Measure C090	13.2	9	19.1	13	25	17	35.3	24	7.4	5	3.04
Measure C091	14.7	10	13.2	9	38.2	26	29.4	20	4.4	3	2.96
Measure C092	14.7	10	17.6	12	45.6	31	19.1	13	2.9	2	2.78
Maturity											
Measure C093	5.9	4	20.6	14	23.5	16	42.6	29	7.4	5	3.25
Measure C094	5.9	4	17.6	12	22.1	15	48.5	33	5.9	4	3.31
Dissolution											
Measure C095	23.5	16	36.8	25	27.9	19	10.3	7	1.5	1	2.29
Measure C096	20.6	14	42.6	29	23.5	16	10.3	7	2.9	2	2.32
Measure C097	17.6	12	35.3	24	30.9	21	16.2	11	–	–	2.46
Measure C098	16.2	11	35.3	24	19.1	13	25	17	4.4	3	2.66
Recovery											
Measure C099	2.9	2	11.8	8	41.2	28	35.3	24	8.8	6	3.35
Measure C100	4.4	3	7.4	5	30.9	21	47.1	32	10.3	7	3.51
Measure C101	2.9	2	14.7	10	39.7	27	36.8	25	5.9	4	3.28
Measure C102	5.9	4	7.4	5	35.3	24	44.1	30	7.4	5	3.4

Table H.11 Identification of value accounts

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
					Exploration						
Measure C103	13.2	9	25	17	36.8	25	22.1	15	2.9	2	2.76
Measure C104	16.2	11	23.5	16	27.9	19	26.5	18	5.9	4	2.82
Measure C105	11.8	8	22.1	15	23.5	16	36.8	25	5.9	4	3.03
Measure C106	8.8	6	5.9	4	26.5	18	50	34	8.8	6	3.44
Measure C107	11.8	8	7.4	5	17.6	12	51.5	35	11.8	8	3.44
Measure C108a	1.5	1	4.4	3	7.4	5	55.9	38	30.9	21	4.1
Measure C108b	1.5	1	–	–	16.2	11	51.5	35	30.9	21	4.1
Measure C108c	1.5	1	1.5	1	10.3	7	50	34	36.8	25	4.19
Measure C109a	1.5	1	1.5	1	10.3	7	51.5	35	35.3	24	4.18
Measure C109b	1.5	1	1.5	1	17.6	12	50	34	29.4	20	4.04
Measure C109c	1.5	1	8.8	6	35.3	24	35.3	24	19.1	13	3.62
Measure C109d	1.5	1	–	–	32.4	22	44.1	30	22.1	15	3.85

Table H.12 Identification of Value Accounts – Role of Relationship Manager

	Confirmed		Mean		Confirmed		Mean
	%	n			%	n	
			Role of Relationship Manager				
Measure C110a	47.1	32	0.47	Measure C110g	47.1	32	0.47
Measure C110b	48.5	33	0.49	Measure C110h	32.4	22	0.32
Measure C110c	38.2	26	0.38	Measure C110i	27.9	19	0.28
Measure C110d	38.2	26	0.38	Measure C110j	44.1	30	0.44
Measure C110e	44.1	30	0.44	Measure C110k	51.5	35	0.51
Measure C110f	32.4	22	0.32	Measure C110l	30.9	21	0.31

Table H.13 Co-Creation of Value

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C111	2.9	2	8.8	6	26.5	18	51.5	35	10.3	7	3.57

Table H.14 Long-term Value-adding relationship

	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly agree		Mean
	%	n	%	n	%	n	%	n	%	n	
Measure C112	1.5	1	–	–	7.4	5	67.6	46	23.5	16	4.13
Measure C113	2.9	2	16.2	11	32.4	22	36.8	25	11.8	8	3.38
Measure C114	4.4	3	26.5	18	35.3	24	27.9	19	5.9	4	3.04
Measure C115	4.4	3	27.9	19	51.5	35	13.2	9	29	2	2.82
Measure C116	10.3	7	30.9	21	36.8	25	19.1	13	2.9	2	2.74
Measure C117	7.4	5	22.1	15	36.8	25	26.5	18	7.4	5	3.04
Measure C118	7.4	5	20.6	14	20.6	14	41.2	28	10.3	7	3.26
Measure C119	19.1	13	30.9	21	29.4	20	19.1	13	1.5	1	2.53
Measure C120	11.8	8	30.9	21	22.1	15	29.4	20	5.9	4	2.87
Measure C121	11.8	8	16.2	11	36.8	25	29.4	20	5.9	4	3.01

Appendix I – Customer – Factor Analysis Tables

This appendix contains reformatted data output from SPSS. In interpreting the data the following items should be considered: *(a)* the method of extraction for each matrix was Principal Component Analysis; *(b)* to avoid data duplication cells were shaded grey where the Initial Eigenvalues and the Extraction Sums of Square Loadings represent the same figures; *(c)* references to 'measure *xxxx*' (where *xxxx* is an alpha-numeric code) refers to the measures presented in Chapter Five, and; *(d)* the acronyms TVE (Total Variance Explained) and CM (Component Matrix) are used in table captions.

Table I.1 TVE – Interpersonal Benevolence

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	3.696	73.925	73.925
2	.838	16.765	90.689
3	.242	4.839	95.528
4	.126	2.512	98.040
5	.098	1.960	100.000

Table I.2 CM – Interpersonal Benevolence

	Component
	1
Measure C001	.900
Measure C002	.956
Measure C003	.944
Measure C004	.932
Measure C005	.461

***Components Extracted:** 1*

Table I.3 TVE – Organisational Benevolence

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.693	67.335	67.335
2	.938	23.460	90.795
3	.210	5.243	96.037
4	.159	3.963	100.000

Table I.4 CM – Organisational Benevolence

	Component
	1
Measure C006	.924
Measure C007	.933
Measure C008	.931
Measure C009	.320

Components Extracted: 1

Table I.5 TVE – Empathy

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	1.991	39.822	39.822
2	1.199	23.984	63.806
3	.821	16.416	80.222
4	.534	10.670	90.892
5	.455	9.108	100.000

Table I.6 CM Empathy

	Component	
	1	2
Measure C010	.708	−.475
Measure C011	.692	.045
Measure C012	−.231	.842
Measure C013	.694	.340
Measure C014	.690	.384

Components Extracted: 2

Table I.7 TVE – Competence

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.472	61.805	61.805
2	.982	24.549	86.353
3	.319	7.964	94.317
4	.227	5.683	100.000

Table I.8 CM – Competence

	Component
	1
Measure C015	.919
Measure C016	.881
Measure C017	.904
Measure C018	.185

Components Extracted: 1

Table I.9 TVE – Interpersonal Credibility

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	3.565	59.410	59.410
2	.887	14.789	74.198
3	.583	9.713	83.912
4	.420	7.008	90.920
5	.335	5.590	96.510
6	.209	3.490	100.000

Table I.10 CM – Interpersonal Credibility

	Component
	1
Measure C019	.853
Measure C020	.703
Measure C021	.883
Measure C022	.871
Measure C023	.768
Measure C024	.462

Components Extracted: 1

Table I.11 TVE – Organisational Credibility

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	3.177	52.953	52.953
2	1.080	18.000	70.953
3	.651	10.845	81.798
4	.517	8.619	90.417
5	.353	5.884	96.301
6	.222	3.699	100.000

Table I.12 CM – Organisational Credibility

	Component	
	1	2
Measure C025	.810	−.028
Measure C026	.886	−.077
Measure C027	.709	.348
Measure C028	.734	−.174
Measure C029	.812	−.247
Measure C030	.187	.928

Components Extracted: 1

Table I.13 TVE – Interpersonal Commitment

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.244	74.815	74.815
2	.486	16.199	91.014
3	.270	8.986	100.000

Table I.14 CM – Interpersonal Commitment

	Component
	1
Measure C031	.911
Measure C032	.840
Measure C033	.841

***Components Extracted:** 1*

Table I.15 TVE – Organisational Commitment

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	3.559	71.183	71.183
2	.640	12.795	83.978
3	.432	8.638	92.616
4	.223	4.469	97.085
5	.146	2.915	100.000

Table I.16 CM – Organisational Commitment

	Component
	1
Measure C033	.687
Measure C034	.931
Measure C035	.811
Measure C036	.928
Measure C037	.839

***Components Extracted:** 1*

Table I.17 TVE – Affective Commitment

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	3.501	70.022	70.022
2	.852	17.036	87.057
3	.329	6.578	93.636
4	.180	3.597	97.232
5	.138	2.768	100.000

Table I.18 CM – Affective Commitment

	Component
	1
Measure C044	.782
Measure C045	.776
Measure C046	.909
Measure C048	.830
Measure C047	.879

Components Extracted: 1

Table I.19 TVE – Relationship Continuity

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	2.850	71.241	71.241
2	.649	16.229	87.470
3	.309	7.730	95.200
4	.192	4.800	100.000

Table I.20 CM – Relationship Continuity

	Component
	1
Measure C038	.684
Measure C039	.908
Measure C040	.903
Measure C041	.861

Components Extracted: 1

Table I.21 TVE – Interpersonal Satisfaction

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	4.820	68.862	68.862
2	1.012	14.451	83.314
3	.438	6.263	89.577
4	.278	3.971	93.548
5	.238	3.394	96.942
6	.121	1.732	98.674
7	.093	1.326	100.000

Table I.22 CM – Interpersonal Satisfaction

	Component	
	1	2
Measure C049	.868	.132
Measure C050	−.859	−.111
Measure C051	.866	−.125
Measure C052	.925	−.168
Measure C053	.251	.957
Measure C054	.940	−.082
Measure C055	.882	−.123

Components Extracted: 2

Table I.23 TVE – Organisational Satisfaction

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	6.613	60.118	60.118
2	1.116	10.142	70.263
3	.803	7.301	77.563
4	.631	5.737	83.301
5	.409	3.717	87.018
6	.387	3.522	90.540
7	.306	2.783	93.323
8	.263	2.389	95.713
9	.217	1.969	97.682
10	.176	1.603	99.285
11	.079	.715	100.000

Table I.24 CM – Organisational Satisfaction

	Component	
	1	2
Measure C056	.831	.138
Measure C057	.891	.123
Measure C058	.756	.209
Measure C059	−.728	.361
Measure C060	−.809	.130
Measure C061	.513	−.051
Measure C062	.890	.092
Measure C063	−.027	.936
Measure C064	.854	−.030
Measure C065	.923	.028
Measure C066	.857	−.052

Components Extracted: *2*

Table I.25 TVE – Organisational Trustworthiness

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	1.986	66.216	66.216
2	.711	23.700	89.916
3	.303	10.084	100.000

Table I.26 CM – Organisational Trustworthiness

	Component
	1
Measure C069	.728
Measure C070	.905
Measure C071	.798

Components Extracted: *1*

Table I.27 TVE – Sustainability

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	3.027	43.239	43.239
2	1.035	12.788	58.027
3	1.017	14.530	72.557
4	.912	13.027	85.584
5	.608	8.690	94.274
6	.278	3.965	98.238
7	.123	1.762	100.000

Table I.28 CM – Sustainability

	Component		
	1	2	3
Measure C072	.861	−.211	−.148
Measure C073	.152	−.246	.822
Measure C074	.312	.822	−.062
Measure C075	.899	−.072	−.224
Measure C076	.904	−.124	−.112
Measure C077	.454	.467	.463
Measure C078	.577	−.126	.197

Components Extracted: *3*

Table I.29 TVE – Exploration

Component	Initial Eigenvalues and Extraction Sums of Square Loadings		
	Total	Percentage of Variance	Cumulative Percentage
1	4.202	52.523	52.523
2	2.203	27.538	80.061
3	.701	8.761	88.822
4	.410	5.128	93.950
5	.190	2.372	96.323
6	.175	2.193	98.516
7	.098	1.225	99.741
8	.021	.259	100.000

Table I.30 CM – Exploration

	Component	
	1	2
Measure C082	.613	.425
Measure C083	.495	.720
Measure C084	.510	.767
Measure C085	.340	.661
Measure C086	.910	−.317
Measure C087	.883	−.294
Measure C088	.891	−.388
Measure C089	.897	−.378

Components Extracted: *2*

Table I.31 TVE – Expansion

Component	Initial Eigenvalues and Extraction Sums of Square Loadings: Total	Percentage of Variance	Cumulative Percentage
1	2.576	85.881	85.881
2	.292	9.732	95.613
3	.132	4.387	100.000

Table I.32 CM – Expansion

	Component 1
Measure C090	.926
Measure C091	.954
Measure C092	.899

Components Extracted: 1

Table I.33 TVE – Dissolution

Component	Initial Eigenvalues and Extraction Sums of Square Loadings: Total	Percentage of Variance	Cumulative Percentage
1	3.116	77.910	77.910
2	.524	13.100	91.011
3	.282	7.046	98.057
4	.078	1.943	100.000

Table I.34 CM – Dissolution

	Component 1
Measure C095	.892
Measure C096	.856
Measure C097	.887
Measure C098	.895

Components Extracted: 1

Table I.35 TVE – Recovery

Component	Initial Eigenvalues and Extraction Sums of Square Loadings: Total	Percentage of Variance	Cumulative Percentage
1	3.176	79.402	79.402
2	.500	12.507	91.909
3	.251	6.269	98.178
4	.073	1.822	100.000

Table I.36 CM – Recovery

	Component
	1
Measure C099	.891
Measure C100	.869
Measure C101	.911
Measure C102	.893

Components Extracted: *1*

Table I.37 TVE – Defining Value Accounts

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	5.482	45.687	45.687
2	2.248	18.734	64.420
3	1.596	13.298	77.718
4	.738	6.147	83.865
5	.476	3.969	87.834
6	.381	3.175	91.009
7	.256	2.132	93.141
8	.239	1.995	95.136
9	.209	1.741	96.876
10	.172	1.430	98.306
11	.115	.959	99.265
12	.088	.732	100.000

Table I.38 CM – Defining Value Accounts

	Component		
	1	2	3
Measure C103	.707	−.570	.061
Measure C104	.725	−.525	.180
Measure C105	.730	−.529	.233
Measure C106	.614	−.163	.265
Measure C107	.712	−.412	.084
Measure C108a	.675	.494	.426
Measure C108b	.526	.623	.415
Measure C108c	.615	.609	.330
Measure C109a	.769	.210	−.277
Measure C109b	.723	.278	−.429
Measure C109c	.588	.207	−.604
Measure C109d	.684	.064	−.582

Components Extracted: *3*

Table I.39 TVE – Role of the Relationship Manager

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	6.471	53.923	53.923
2	1.210	10.086	64.009
3	.869	7.240	71.250
4	.647	5.396	76.645
5	.563	4.688	81.333
6	.521	4.341	85.674
7	.449	3.738	89.412
8	.336	2.800	92.212
9	.321	2.675	94.886
10	.250	2.079	96.966
11	.209	1.738	98.703
12	.156	1.297	100.000

Table I.40 CM – Role of the Relationship Manager

	Component	
	1	2
Measure C110a	.820	.058
Measure C110b	.743	.011
Measure C110c	.743	.097
Measure C110d	.678	−.201
Measure C110e	.707	−.137
Measure C110f	.703	.476
Measure C110g	.801	.088
Measure C110h	.760	.353
Measure C110i	.297	−.806
Measure C110j	.785	.078
Measure C110k	.801	−.175
Measure C110l	−.821	.304

Components Extracted: *2*

Table I.41 TVE – Long-term Value-adding Relationship

	Initial Eigenvalues and Extraction Sums of Square Loadings		
Component	Total	Percentage of Variance	Cumulative Percentage
1	6.098	60.983	60.983
2	1.076	10.763	71.746
3	.783	7.830	79.576
4	.622	6.219	85.795
5	.416	4.161	89.956
6	.369	3.693	93.650
7	.227	2.269	95.918
8	.190	1.895	97.814
9	.137	1.366	99.179
10	.082	.821	100.000

Table I.42 CM – Long-term Value-adding Relationship

	Component	
	1	2
Measure C112	.134	.907
Measure C113	.736	.267
Measure C114	.823	.241
Measure C115	.807	−.007
Measure C116	.841	−.273
Measure C117	.808	−.146
Measure C118	.822	−.016
Measure C119	.888	−.107
Measure C120	.878	−.114
Measure C121	.786	.057

Components Extracted: *2*

Appendix J – Customer – Reliability Tables

Table J.1 Total Trust

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Benevolence	7.3836	1.526	.808	.836
Competence	7.0777	1.118	.761	.855
Integrity	7.2309	1.166	.801	.804

Total Trust: *α=0.881, n=3*

Table J.2 Quality Relationship

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Commitment	7.5699	1.002	.714	.572
Satisfaction	6.8721	1.093	.806	.466
Trustworthiness	6.2484	1.697	.369	.916

Quality Relationship: *α=0.774, n=3*

Table J.3 Sustainability

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure C072	22.69	11.381	.674	.651
Measure C073	22.31	16.246	.102	.778
Measure C074	22.25	15.713	.203	.758
Measure C075	22.88	11.986	.727	.646
Measure C076	23.10	11.765	.743	.640
Measure C077	22.79	14.345	.350	.773
Measure C078	23.50	13.239	.416	.772

Quality Relationship: *α=0.742, n=7*

Table J.4 Crucial Stages

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Exploration	13.1581	7.788	.184	.754
Expansion	13.6710	4.755	.624	.604
Maturity	13.3180	4.809	.726	.557
Dissolution	13.0313	4.712	.763	.539
Recovery	13.2114	7.265	.140	.789

Sustainability: *α=0.719, n=5*

Table J.5 Identification of Value Accounts

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure C103	45.65	71.515	.589	.859
Measure C104	45.59	69.649	.609	.858
Measure C105	45.38	69.523	.633	.857
Measure C106	44.97	72.059	.553	.860
Measure C107	44.97	70.089	.590	.859
Measure C108a	44.31	74.306	.554	.860
Measure C108b	44.31	76.455	.433	.864
Measure C108c	44.22	75.786	.469	.863
Measure C109a	44.24	73.317	.664	.857
Measure C109b	44.37	74.415	.556	.860
Measure C109c	44.79	74.644	.452	.864
Measure C109d	44.56	74.847	.526	.861
Measure C110a	47.94	78.862	.427	.865
Measure C110b	47.93	79.711	.330	.867
Measure C110c	48.03	79.462	.370	.866
Measure C110d	48.03	80.327	.370	.868
Measure C110e	47.97	79.522	.354	.867
Measure C110f	48.09	78.888	.457	.865
Measure C110g	47.94	78.832	.431	.865
Measure C110h	48.09	79.306	.406	.866
Measure C110i	48.13	83.460	−.089	.875
Measure C110j	47.97	79.163	.395	.866
Measure C110k	47.90	79.437	.361	.867
Measure C110l	48.10	84.780	−.241	.877

Identification of Value Accounts (expanded): *α=0.869, n=24*

Table J.6 Long-term Value-adding Relationship

	Scale mean if item deleted	Scale variance if item deleted	Corrected item-total correlation	Cronbach's Alpha if item deleted
Measure C112	26.71	57.882	.114	.939
Measure C113	27.46	48.968	.671	.919
Measure C114	27.79	47.748	.776	.914
Measure C115	28.01	49.865	.746	.916
Measure C116	28.10	47.736	.775	.914
Measure C117	27.79	47.420	.749	.915
Measure C118	27.57	46.129	.775	.914
Measure C119	28.31	46.067	.842	.910
Measure C120	27.97	45.104	.836	.910
Measure C121	27.82	47.192	.731	.916

Quality Relationship: *α=0.925, n=10*

Appendix K – Customer – Correlation Tables

Table K.1 Total Trust

		Total Trust	Benevolence	Competence	Integrity
Total Trust	r	1	*.897*	*.908*	*.919*
	sig.		.000	.000	.000
Benevolence	r	*.897*	1	*.719*	*.782*
	sig.	.000		.000	.000
Competence	r	*.908*	*.719*	1	*.719*
	sig.	.000	.000		.000
Integrity	r	*.919*	*.782*	*.719*	1
	sig.	.000	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.2 Emotional Intelligence

		Emotional Intelligence	Benevolence	Long-term value-adding relationship
Emotional Intelligence	r	1	*.453*	.176
	sig.		.000	.152
Benevolence	r	*.453*	1	*.854*
	sig.	.000		.000
Long-term value adding relationship	r	.176	*.854*	1
	sig.	.152	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.3 Interpersonal Benevolence and Organisational Benevolence

		Interpersonal Benevolence	Organisational Benevolence	Total Trust	Commitment	Sustainability	Long-term value-adding relationship
Interpersonal Benevolence	r	1	*.614*	*.862*	*.743*	*.861*	*.848*
	sig.		.000	.000	.000	.000	.000
Organisational Benevolence	r	*.614*	1	*.705*	*.689*	*.735*	*.720*
	sig.	.000		.000	.000	.000	.000

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.4 Quality Relationship

		Commitment	Satisfaction	Trust	Quality Relationship
Commitment	r	1	*.870*	*.751*	*.988*
	sig.		.000	.000	.000
Satisfaction	r	*.870*	1	*.842*	*.911*
	sig.	.000		.000	.000
Trust	r	*.751*	*.842*	1	*.808*
	sig.	.000	.000		.000
Quality Relationship	r	*.988*	*.911*	*.808*	1
	sig.	.000	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.5 Interpersonal level customer satisfaction comparison

'Agree'	%	n	'Satisfied'	%	n
Measure C049	46.2	29	Measure C054	57.4	39
Measure C052	60.3	41	Measure C055	57.4	39
Measure C053	97.1	66			

Table K.6 Organisational level customer satisfaction comparison

'Agree'	%	n	'Satisfied'	%	n
Measure C056	25.0	17	Measure C065	54.4	37
Measure C062	50.0	34	Measure C066	36.8	25
Measure C063	88.3	60			

Table K.7 Interpersonal Satisfaction and Commitment against Organisational Satisfaction and Commitment

		Interpersonal Satisfaction	Organisational benevolence	Interpersonal Commitment	Organisational Commitment
Interpersonal Satisfaction	r	1	*.681*	*.729*	*.531*
	sig.		.000	.000	.000
Organisational Satisfaction	r	*.681*	1	*.529*	*.676*
	sig.	.000		.000	.000
Interpersonal Commitment	r	*.729*	*.529*	1	*.583*
	sig.	.000	.000		.000
Organisational Commitment	r	*.531*	*.676*	*.583*	1
	sig.	.000	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.8 Interpersonal Satisfaction against Organisational Satisfaction

		Unstandardised Coefficients		Standardised Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	**(Constant)**	1.9747	.199		9.779	.000
	Interpersonal Satisfaction	.414	.055	.681	7.560	.000

Dependent Variable: *Organisational Satisfaction*

Table K.9 Sustainability

		Total Trust	Quality Relationship	Sustainability
Total Trust	r	1	*.821*	*.945*
	sig.		.000	.000
Quality Relationship	r	*.821*	1	*.963*
	sig.	.000		.000
Sustainability	r	*.945*	*.963*	1
	sig.	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.10 Co-Creation of Value

		Crucial Stages	Identification of Value Accounts	Co-creation of Value
Crucial Stages	r	1	*.687*	*.958*
	sig.		.000	.000
Identification of Value Accounts	r	*.687*	1	*.866*
	sig.	.000		.000
Co-creation of Value	r	*.958*	*.866*	1
	sig.	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.11 Long-term Value-adding Relationship

		Sustainability	Co-Creation of Value	Long-term Value-adding Relationship
Sustainability	r	1	*.845*	*.972*
	sig.		.000	.000
Co-Creation of Value	r	*.845*	1	*.947*
	sig.	.000		.000
Long-term Value-adding Relationship	r	*.972*	*.947*	1
	sig.	.000	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.12 Crucial Stages: The Stages within the Relationship Life Cycle

		Exploration	Expansion	Maturity	Dissolution	Recovery
Exploration	r	1	.103	.124	.255	.074
	sig.		.402	.315	.036	.549
Expansion	r	.103	1	.694	.655	.091
	sig.	.402		.000	.000	.461
Maturity	r	.124	.694	1	.798	.115
	sig.	.315	.000		.000	.351
Dissolution	r	.255	.655	.798	1	.157
	sig.	.036	.000	.000		.201
Recovery	r	.074	.091	.115	.157	1
	sig.	.549	.461	.351	.201	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*

Table K.13 Identification of Value Accounts and Subsequent Value Account Management against Long-term Value-adding Relationship

		Identification of Value Accounts	Long-term Value-adding Relationship
Identification of Value Accounts	r	1	*.762*
	sig.		.000
Long-term Value-adding Relationship	r	*.762*	1
	sig.	.000	

Note: *n=68, correlations that were significant at the 0.01 level (2-tailed) are italicised*