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Online relationship marketing for banks in face-to-face economies

Muhammed S. Alnsour[1]

Abstract Online relationship marketing enables organisations to maintain and develop relationships with new and existing customers. In this study, we investigate online relationship marketing and the resulting loyalty for banks and their customers in an economy where face-to-face interactions are the norm. We introduce a model comprising relationship interaction and relationship quality and validate this for Jordanian banks and their SME customers. Increases in relational interaction were found to have a positive effect on the relationship quality dimensions of trust, satisfaction, and commitment. These then led to an increase in customer loyalty. Despite the preference in the economy for social presence in retail interactions, banks were able to establish effective online retail relationships with their SME customers.

Keywords Online relationship marketing · Relationship quality · Relational interaction · Loyalty

Introduction

Relationship marketing plays a vital role in achieving long-term profitability and sustainability in the marketplace (Nyadzayo and Khajehzadeh 2016; Athanasopoulou 2009). It typically involves the organisation developing long-term supportive relationships with existing profitable customers (Dwyer et al. 1987). In general, the effects depend on the quality of the relationship with this being influenced by the mutual trust held between both parties, their commitment to maintaining the relationship, and the overall satisfaction of the customer (Athanasopoulou 2009).

Researchers have examined the dynamics of relationship quality as an aspect of relationship marketing, within an online context (Chung and Shin 2015; Keating et al. 2003). However, most studies are from the UK, US, European Union, and Australia (Liang et al. 2008). However, a limited number of studies investigate the determinants of relationship quality within a business-to-business (B2B) environment (Rauyruen and Miller 2007), again, from within these regions. These studies suggest that trust, understanding, commitment, communication, cooperation, and satisfaction are vital for establishing and maintaining relationship quality (Leonidou et al. 2006b). Although the relationships between these constructs have been previously validated, it is not known if they continue to hold in cultures primarily oriented towards face-to-face interactions or across business sectors that typically trade through personal contacts.

In this study, we appeal to relationship marketing theory and investigate the relational interactions between Jordanian SME customers and their financial institutions, the impact of these on relationship quality, and subsequent effect on loyalty. In particular, we focus on the effect communication, cooperation, and understanding, as measures of relationship interaction, have on relationship quality, namely, commitment, satisfaction, and trust, leading eventually to their impact on customer loyalty.

The aim of this research is to establish if relationship marketing can engender loyalty in SMEs within an online B2B context, in a culture that prefers traditional communications.

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SMEs in Jordan

In Jordan, SME customers have traditionally preferred personal contacts and face-to-face interactions with their financial providers (Hill et al. 1998; Bataineh et al. 2015). However, financial institutions in the region are now beginning to show a preference for online interactions, given their proven advantages (AbuShanab and Pearson 2007). These online communications enable businesses to interact with large customer bases whilst still treating each organisation individually (Harrison-Walker and Neeley 2004).

In the banking sector, effective relationships are most critical when the environment is dynamic and uncertain, particularly if customers are relatively unfamiliar with a service that is complex, customised, and delivered over a continuous stream of transactions (Crosby et al. 1990). The attraction of internet banking is enhanced by the ability to conduct transactions quickly and relatively inexpensively compared to traditional banking (Sayar and Wolfe 2007). Indeed there are advantages associated with online banking for both customers and suppliers alike.

Although both SME customers and banks may recognise these advantages, interactive online relationships can lead to problems due to issues of mistrust, a lack of commitment, and dissatisfaction with poor-quality interactions. Internet-based relationships are sufficiently different from traditional relationships and, consequently, require specialised attention (Colgate et al. 2005). Failure to recognise and accommodate this can lead to a weakening of established relationships and, in extreme cases, potential customer retention problems. In light of these differences, the use of online communications is creating higher expectations and customers are demanding closer relationships with their suppliers (Chaston and Mangles 2003). By further studying in the Jordanian market, a greater understanding of the potential opportunities for marketers that are attempting to attract or retain online customers in cultures typically oriented towards face-to-face interactions will be gained.

Need for this research

Jordan is moving from face-to-face economy to more of a digital economy. However, this is not the case in every industry; many are still not convinced of doing their business online. Jordan is becoming a hub for other Arab countries investments since there is a lot of instability around Jordan. All this is pressuring businesses to move towards digital economy. However, people who still prefer traditional methods of doing business are still very important. This research sheds the light on this situation and offers a number of solutions and recommendations through developing a special model for this context.

Theoretical background

The term, "relationship marketing" was first introduced by Berry (1983) and emerged from the services and industrial marketing literature as an important approach to marketing. According to Christopher et al. (1991), relationship marketing goes back to the basics of finding ways to attract customers, satisfying them with a good service and retaining them as committed customers. The popularity of relationship marketing in the 1980s and 1990s came as a result of the energy crisis, the rise in service-based industries (Palmer et al. 2005; Hingley et al. 2015), and the emergence of supplier partnerships (Sheth 2002). It is considered an evolved "new-old" concept that maintains continuity of contact with existing customers (Ballantyne 2000), using sophisticated equipment and techniques more likely to retain customers (Richard and Thirkell 2007).

Social exchange theory involves "… a two-sided, mutually contingent, and mutually rewarding process involving transactions or simply exchange" (Emerson 1976, p. 336). There are clear parallels between social exchange theory and relationship marketing, which has resulted in the use of the theory within the relationship marketing context (Zineldin 1995; Andaleeb et al. 2016). Indeed, social exchange is imperative in explaining the interaction process that occurs between partners. This interaction typically affects the atmosphere of the environment surrounding the relationship (Zineldin 1995), which is largely founded on communication, the level of cooperation exerted to achieve mutually beneficial goals, and an understanding of the needs of both parties. Other theories, such as transaction cost theory, resource dependence theory, and political economy theory, have also been used in relationship marketing research (Fynes et al. 2005). However, in this study, we primarily focus on social exchange theory as mutual benefits are involved and there is the potential for enhanced customer loyalty as a consequence.

Ulaga and Eggert (2006) argue that relationship quality is the main outcome of relationship marketing (De Wulf et al. 2001; Huang 2015) and is largely dependent on customer satisfaction and trust (Crosby et al. 1990). Consistent with the additional relationship of trust with commitment, identified by Morgan and Hunt (1994), trust, satisfaction, and commitment are identified as important components of relationship quality (Athanasopoulou 2009) and argued to be central to successful relationship marketing.

Loyalty is often also considered an outcome of relationship quality and, ultimately, successful relationship marketing. It is argued that loyalty tends to create stronger and more stable relationships, reduces opportunism, and generates positive word-of-mouth. As such, loyalty is considered to produce positive outcomes for organisations (Sanzo et al. 2007).

Relational interaction

Within the relationship marketing banking context, it has been argued from social exchange theory that the interaction between financial institutions and their suppliers is influenced by the atmosphere in which exchanges take place (Zineldin 1995; Sarmento et al. 2015). This interaction process involves the communication exchanged between the organisations, their level of cooperation on jointly held strategies, and their understanding of the other party's objectives.

The importance of communication is acknowledged in the marketing literature and can be considered the most important element in developing successful relationships (Lages et al. 2005). It is defined as "the formal and informal exchange of information and meaning between the parties of a working relationship, concerning day-to-day, tactical or strategic issues of the relationship" (Leonidou et al. 2006b, p. 150).

Within a B2B context, cooperative behaviour involves the coordination of jointly undertaken tasks to pursue common goals and activities that are aimed at developing and maintaining a relationship (Woo and Ennew 2004). Coordination is defined as the responsive actions that are concerned with maintaining the relationship, the willingness to collaborate, the promotion of mutual interests, supporting the achievement of business objectives, and generating team spirit (Leonidou et al. 2006a).

Understanding involves the keenness to appreciate and comprehend the circumstances that can result in problems facing the relationship (Leonidou et al. 2006b). Common understanding is an ideal state that partners endeavour to achieve (Jaatinen and Lavikka 2008). It also involves being more responsive to the requirements of one's partner by developing long-term relationships that are flexible, timely, and open (Leonidou et al. 2006a; Hsu et al. 2015).

Researchers have studied the interaction effects of these three relational interaction constructs (Fynes et al. 2005). Leonidou et al. (2006b) found that understanding, cooperation, and communication were highly correlated. We therefore consider these as manifestations of the interaction that takes place amongst exchange partners and conceptualised these variables as reflective latent dimensions of a second-order latent variable representing relational interaction. When the organisations function at a high level of effective interaction, it is likely that the relationship will continue in the long term (Zineldin 1995).

Relationship quality

Anderson and Narus (1990) found that communication and cooperation positively impacted trust and ultimately resulted in customer satisfaction (Lambe et al. 2001). It is further suggested that good communication tends to result in increasing levels of trust, satisfaction, and loyalty (Ball et al. 2004) with Athanasopoulou (2009) also arguing that information sharing through communication, mutual disclosure through cooperation, and understanding are antecedents of relationship quality. However, inspection of the extant literature suggests that there is conceptual confusion between the relationship quality constructs of trust, commitment, and satisfaction. Researchers do not always distinguish between these three constructs uniquely (Crosby et al. 1990) with some suggesting them to be interchangeable (Rust et al. 1995; Su et al. 2016).

Anderson and Narus (1990) defined trust as a belief that the partner company will perform the necessary actions that will lead to positive outcomes. Similarly, De Wulf et al. (2001, p. 36) define trust as "… a consumer's confidence in a retailer's reliability and integrity". It has been established as having a crucial and pivotal role in maintaining relationships between organisations (Rousseau et al. 1998). In the context of relationship quality, trust is central to achieving customer loyalty and developing successful service relationships (Rauyruen and Miller 2007).

De Wulf et al. (2001, p. 37) define commitment as "a consumer's enduring desire to continue a relationship with a retailer accompanied by this consumer's willingness to make efforts at maintaining it". Commitment is an important construct in the relationship marketing literature (Morgan and Hunt 1994) and is essential for successful long-term relationships. It refers to the assurance of relational continuity between exchange partners (Dwyer et al. 1987) and involves a continuing desire to sustain a valued relationship (Garbarino and Johnson 1999). It also plays a significant role in inter-firm relationships and being characterised by stability and sacrifice where members are willing to make temporary sacrifices to maintain long-term stable relationships (Wu et al. 2004).

In a relational marketing context, satisfaction is defined as "… a consumer's affective state resulting from an overall appraisal of his or her relationship with a retailer" (De Wulf et al. 2001, p. 36). Cumulative satisfaction is a result of past experiences of a relationship (Ganesan 1994); it builds up across a series of transactions between business partners and is an essential indicator of the firm's past, present, and future performance (Lam et al. 2004).

In the extant literature, relationship quality has been conceptualised as a second-order model (Smith 1998). However, with the introduction of the relational interaction second-order construct within the Jordanian context, it is important to understand the specific effects of this on each of the relationship quality latent variables of trust, satisfaction, and commitment, independently, and to explore their internal interrelationships. For this reason, and so that the internal relationships amongst these variables can also be reflected, we conceptualised relationship quality as represented by the three distinct first-order latent variables of trust, satisfaction, and commitment.

Loyalty

Loyalty has been defined using two main dimensions, namely, attitudinal and behavioural. Behavioural loyalty is defined as the tendencies of customers to perpetually purchase a particular brand, to only consider purchasing that brand, and to refrain from conducting product searches on competing brands within the product category (Brunner et al. 2008). Bloemer and de Ruyter (1998) define attitudinal loyalty as the biased response towards an organisational entity by a decision-maker in the presence of other potential suppliers. Attitudinal loyalty is therefore based on devotion, allegiance, and fidelity. As such, it can often be irrational as the customer is dedicated to a vender when they could receive more value by selecting an alternative supplier. Indeed, attitudinal loyalty is important in maintaining long-term relationships (Hennig-Thurau et al. 2002), whereby long-term relationships minimise risk and cost as loyal customers are typically less expensive to serve (Arnott and Bridgewater 2002). They also create a substantial entry barrier to competitors (Page and Lepkowska-White 2002). In general, loyalty tends to create stable relationships, reduces opportunism, and generates positive word-of-mouth (Sanzo et al. 2007). Loyalty can be fostered through networking (Hudson et al. 2015).

Relationship marketing model

Bennett and Barkensjo (2005) determined that communication and listening activities were important antecedents to relationship quality. Moreover, in their review of the relationship quality literature, Doney et al. (2007) found that communication was an antecedent of trust and that commitment is an outcome of trust. In their study, Dagger and O'Brien (2010) found that relationship quality positively affected loyalty. de Ruyter et al. (2004) determined that cooperation and communication were antecedents of relationship quality, which subsequently resulted in increased customer loyalty. There is strong evidence that the relational interaction variables influence relationship quality, which ultimately has an effect on loyalty. However, it has yet to be determined if this relationship holds in a B2B online context and, particularly, within a culture that prefers face-to-face interactions.

Hypothesis development

Shared understanding and communication are vital for relationship marketing (Duncan and Moriarty 1998) and have been argued to be dimensions of the relationship interactive component. They are manifestations of shared meanings (Zineldin 1998), experiences, and knowledge (Jaatinen and Lavikka 2008). Indeed, for successful cooperation to occur, shared knowledge needs to be present, suggesting that an accompanying degree of mutual understanding will also be present (Steinheider 2000). Moreover, when individuals are communicating successfully, their partners are generally cooperating more effectively (Kollock 1998). We therefore argue that communication, understanding, and cooperation are positive reflective dimensions of a second-order relational interaction latent variable:

H1a Communication is a positive reflective dimension of relational interaction.

H1b Understanding is a positive reflective dimension of relational interaction.

H1c Cooperation is a positive reflective dimension of relational interaction.

The presence of a positive and direct relationship between cooperation and trust has been established in the literature (Anderson and Narus 1990). However, researchers often disagree about the direction of causality. Using Rodriguez et al. (2007) position, we argue that trust cannot be achieved until cooperation has been established. It is also contended that there cannot be trust without first exchanging appropriate communication or an understanding of the needs of the other party (Conway and Swift 2000). Social behaviours that are needed to build trust involve fostering interpersonal relationships, sharing information, and demonstrating an understanding of the partner's needs (Doney et al. 2007). Understanding one's partner also reduces the distance in the relationship and gradually fosters trust (Leonidou et al. 2006b). Given the known relationships between the relational interaction variables, cooperation, communication, and understanding to trust, we hypothesise:

H2 Relational interaction is positively related to trust.

A shared understanding between exchange partners is an important source of satisfaction (Selnes 1998). Rodriguez

et al. (2007) found that when there is effective cooperation between inter-departmental entities, satisfaction improved. Consistent with the effect of relational interaction on trust, it is unlikely that a customer will be truly satisfied with their experiences unless there is appropriate communication, understanding, and cooperation. This view is reinforced by Leuthesser (1997) who found communication, disclosure of information, and frequency of interaction between companies were antecedents of satisfaction. As such, we hypothesise:

H3 Relational interaction is positively related to satisfaction.

The relationship between trust and satisfaction has been established in the extant marketing literature. It is argued that increased trust between exchange partners tends to reduce negative conflict, increases satisfaction, and leads to building long-term relationship (Brashear et al. 2003). We therefore hypothesise:

H4 Trust is positively related to satisfaction.

Morgan and Hunt (1994) contend that commitment is positively related to trust; however, Garbarino and Johnson (1999) argue that although this positive relationship exists, it is causally the reverse to that suggested by Morgan and Hunt. Considering commitment involves potential vulnerability and sacrifice, it is unlikely that organisations would be willing to commit to a partner unless trust has been previously established. Trust is therefore a necessary pre-requisite for developing relationship commitment which is achieved when the customer has the confidence that the supplier will meet demand (Caceres and Paparoidamis 2007). We therefore posit:

H5 Trust is positively related to commitment.

Customer satisfaction contributes to good customer–organisation relations and is related to commitment (Rexha et al. 2003). Gustafsson et al. (2005) distinguish between satisfaction, as being "backward looking", and commitment, as being "forward looking", with both influencing customer retention. The dominant view in the literature is that satisfaction causes commitment (Currivan 1999) with Brashear et al. (2003) introducing satisfaction as an antecedent to commitment. We therefore hypothesise:

H6 Satisfaction is positively related to commitment.

Although commitment and loyalty have been considered similar, these constructs are distinct (Caceres and Paparoidamis 2007). Commitment involves the willingness of a customer to maintain a long-term relationship with a supplier, whereas attitudinal loyalty involves a customer's biased, often irrational, positive response towards a supplier. It has often been argued that for a customer to be

loyal, they must first be committed to the supplier, with this commitment being found to be related to loyalty (Dagger and O'Brien 2010). We therefore expect a positive relationship between commitment and loyalty within the Jordanian online B2B banking context:

H7 Commitment is positively related to loyalty.

Satisfaction is also known to effect loyalty (Dagger and O'Brien 2010). Bloemer and de Ruyter (1998) with Ball et al. (2004) concluding that higher levels of satisfaction are related to higher levels of customer loyalty and Beerli et al. (2004) determining that satisfaction is the most important variable in explaining loyalty. As such, we postulate that satisfaction is positively related to loyalty:

H8 Satisfaction is positively related to loyalty.

To capture these relationships, a structural equation model was developed (see Fig. 1).

Methods

Questionnaire

To measure trust, four items were adapted from Larzelere and Huston (1980) and a single item was used from Dagger and O'Brien (2010) ($\alpha = 0.94$). Three items were adapted from Morgan and Hunt (1994) and a single item from Kim and Frazier (1997) to measure commitment ($\alpha = 0.92$). As attitudinal loyalty is argued to be a biased and irrational statement of devotion (Bloemer and de Ruyter 1998), loyalty is measured using a mono-method approach adapted from Aydin and Ozer (2005). Satisfaction was composed of five items all adapted from Leverin and Liljander (2006) ($\alpha = 0.94$). Four items were adapted from Menon et al. (1999) to measure communication ($\alpha = 0.86$) with cooperation consisting of four items adapted from Kahn (1996), Metcalf et al. (1992), and Leonidou et al. (2006b) ($\alpha = 0.90$). Finally, we measured understanding using six items adapted from Leonidou et al. (2006b) ($\alpha = 0.94$). Each measure in the questionnaire was obtained using a Likert scale with the extreme anchors: 1 = strongly disagree, to 5 = strongly agree.

The questionnaire was developed in English and translated into Arabic. The preliminary translation to Arabic was carried out by one of the authors who is bilingual and familiar with both cultures (MA). Bilingual Arab academics were subsequently given the original and translated questionnaires to evaluate the items in terms of content, meaning, clarity, and comparability. All suggested refinements were implemented and the process was repeated to ensure all items were deemed consistent.
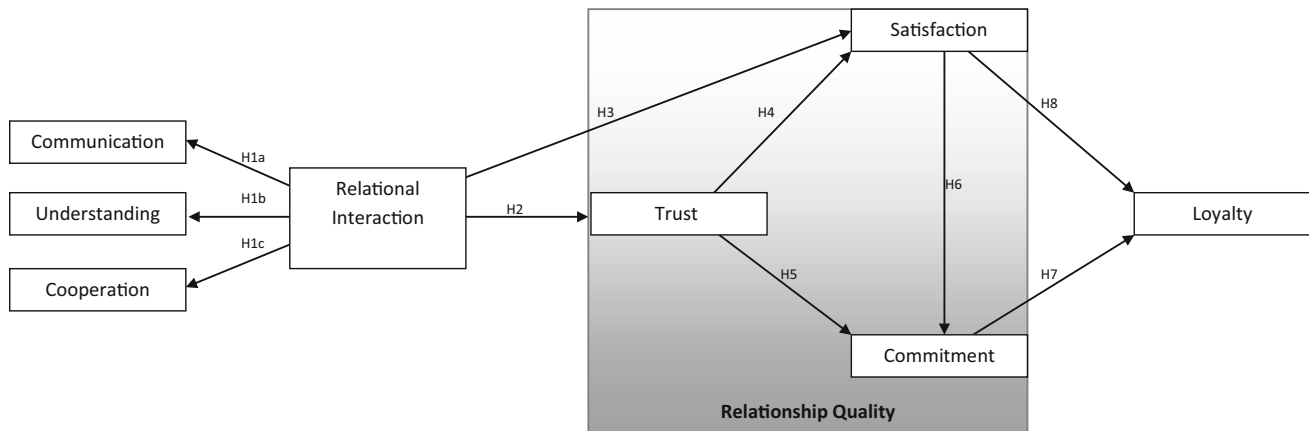
Fig. 1 Conceptual framework of relational interaction, relationship quality, and loyalty

Sampling

A list of 850 SMEs from the Small and Medium Enterprises Centre at the Arab Academy for Banking and Financial Sciences in Jordan, a non-profit organisation, formed the sampling frame for this study. Questionnaires were sent by mail to the CEOs of these firms and 442 were returned. Of these, 47 were incomplete, which resulted in a final sample size of 395, giving a response rate of 46.5%. Approximately half of the Jordanian SMEs (48.1%) were from the manufacturing sector, whilst wholesale and retail (19.0%), construction (12.6%), and other business sectors (20.3%) comprised the remainder. This is consistent with the profile of SMEs in the Jordanian economy (JDSAR 2006) and suggests that our data are representative.

Data analysis

The model representing the research hypotheses was fitted to these data using the SmartPLS partial least squares structural equation modelling (PLS-SEM) software program (Ringle et al. 2005). The reliability of the measures obtained was assessed using Cronbach's α coefficient for each of the first-order putative latent variables. Each should ideally exceed 0.7 (Hair et al. 2009). The dimensionality of the model was also investigated using principal component factor analyses. Initially, the dimensionality for the relational interaction second-order latent variable was investigated. Following this, the dimensionality of the relationship quality latent variables and that of loyalty was appraised. Finally, the dimensionality of the full model was investigated. From these factor analyses, the total percentage of variability explained by each of the three separate models was 75.5, 78.0, and 78.5%, respectively, all in excess of the recommended level of 70% (Hair et al. 2009). An eight factor model accounted for 80.4% of the total variability and so the additional complexity introduced was

not considered to be merited. The more parsimonious seven factor model comprising the second-order relational interaction and relational quality reflective constructs was therefore the preferred model and the one used in the subsequent data analysis.

Validity for the seven construct SEM was tested using the two-phase approach advocated by Hulland (1999). In the first phase, the measurement model was validated. To test for convergent validity, the average variance extracted (AVE) for each first-order latent variable was reviewed to ensure that they were all above 0.50 (Fornell and Larcker 1981). Discriminant validity was initially appraised by inspection of the cross-loadings for each manifest variable. It was required that each loaded satisfactorily onto its designated construct and that this loading was greater than any cross-loading for the indicator with any other construct. Discriminant validity was further tested by ensuring that the square root of the AVE for each construct was greater than the correlation of the construct with any of the remaining constructs (Fornell and Larcker 1981). In the second phase, the standardised structural paths for the SEM, representing the research hypotheses, were tested for statistical significance using Student's t tests.

Results

Summary statistics are exhibited in Table 1. The mean values for each of the manifest variables associated with their designated construct are similar, with the variances, overall, also having a consistent limited range. The Cronbach α coefficient values range from 0.88 to 0.94, all well above the suggested 0.70 threshold and yet below the 0.95 value that Hair et al. (2009) consider demonstrating insufficient discrimination amongst the manifest variables for a construct (Table 2). The AVE from the six first-order multiple item constructs and the composite second-order

Table 1 Descriptive statistics for indicator variables

Latent variable	Indicator	Criterion	Mean	SD	Loading
Trust	TrustA	We feel that our bank has a high level of integrity	4.07	1.14	0.87
	TrustB	We feel that we can trust our bank completely	3.96	1.14	0.92
	TrustC	We feel that we can count on our bank to help us	3.93	1.16	0.90
	TrustD	Our bank can always be counted on to do the right thing	3.83	1.22	0.87
	TrustE	Based on past experience, I can say that our bank is trustworthy	4.08	1.13	0.92
Commitment	ComitA	We intend to maintain the relationship with our bank indefinitely	3.97	1.19	0.88
	ComitB	The relationship our firm has with our bank deserves our firm's maximum efforts to maintain	3.90	1.13	0.92
	ComitC	Our company is committed to our bank	4.03	1.08	0.91
	ComitD	We have been with our bank for a long time	4.13	1.16	0.86
Loyalty	LoyA	Nothing would make us change our bank	3.88	1.22	–
Satisfaction	SatA	Our firm is satisfied with our bank's services	3.90	1.16	0.88
	SatB	When our firm experiences a difficult situation, our bank manages this in a satisfactory manner	3.77	1.17	0.91
	SatC	Our firm is satisfied with the interactions that we have had with our bank	3.90	1.10	0.92
	SatD	Our bank satisfies our firm's financial needs	3.77	1.21	0.87
	SatE	Our bank satisfies our firm's service needs	3.80	1.13	0.88
Communication	CommA	We have extensive formal and informal communications with our bank	3.91	1.15	0.81
	CommB	Our needs were communicated clearly to our bank	3.95	1.03	0.87
	CommC	We have continuous interaction with our bank	4.06	0.99	0.82
	CommD	We communicate openly with our bank	4.02	0.99	0.84
Cooperation	CoopA	Our bank works with us to achieve our goals	3.91	1.07	0.93
	CoopB	Our bank cooperates closely with our firm	3.94	1.04	0.91
	CoopC	Our bank cooperates extensively with us to provide mutual support	3.90	1.03	0.87
Understanding	UnderA	We can sense that our bank is sympathetic about our problems	3.91	1.17	0.91
	UnderB	There is a common understanding that there will be difficulties that may face the relationship with our bank	3.65	1.21	0.91
	UnderC	Our bank understands the conditions under which our firm operates	3.70	1.16	0.89

Table 2 Average variance extracted (AVE), reliability (Cronbach's α), and R^2

	AVE	Cronbach α	R^2
Trust	0.80	0.94	0.56
Commitment	0.80	0.92	0.70
Loyalty	–	–	0.71
Satisfaction	0.80	0.94	0.66
Communication	0.70	0.86	0.86
Cooperation	0.82	0.89	0.84
Understanding	0.81	0.88	0.83
Relational interaction	0.84	0.94	–

relational interaction construct are in the range of 0.70–0.82, all exceeding the 0.5 guideline (Table 2). From this, we have evidence that the model is reliable and that the constructs exhibit convergent validity. In addition, the R^2 coefficient of multiple discrimination values for each of the first-order constructs show that the model has good

predicative power between 55% of the variance for trust to 86% of that for communication being accounted for by the proposed model (Table 2).

Table 3 Latent variable correlations with $\sqrt{\text{AVE}}$ (average variance extracted) along lead diagonal

Construct	1	2	3	4	5	6	7
Cooperation (1)	**0.91**						
Commitment (2)	0.61	**0.89**					
Communication (3)	0.77	0.70	**0.84**				
Loyalty (4)	0.55	0.84	0.61	**1.00**			
Satisfaction (5)	0.66	0.77	0.70	0.70	**0.89**		
Trust (6)	0.67	0.80	0.71	0.70	0.77	**0.89**	
Understanding (7)	0.77	0.58	0.76	0.49	0.63	0.66	**0.90**

Bold values show the square root of the AVE for each construct is greater than the corresponding construct's correlations with the remaining constructs

As exhibited in Table 3, the square root of the AVE for each construct is greater than the corresponding construct's correlations with the remaining constructs. In addition, each manifest variable loads higher onto its designated latent variable than any of the remaining constructs. Moreover, all of these loadings onto the designated constructs exceed 0.70 (Table 1). From this, we also have evidence of good discriminant validity.

For the structural model, communication, understanding, and cooperation are hypothesised to be reflective dimensions of the relational interaction second-order construct (H1a, H1b, and H1c, respectively). From the t tests, these hypotheses are highly supported (H1a: $\beta = 0.93$, $p < 0.001$), (H1b: $\beta = 0.91$, $p < 0.001$), and (H1c: $\beta = 0.92$, $p < 0.001$) with each having an effective loading substantially in excess of 0.7 (Hair et al. 2009).

The second-order relational interaction construct is hypothesised to be positively related to trust (H2: $\beta = 0.74$, $p < 0.001$) and satisfaction (H3: $\beta = 0.34$, $p < 0.001$) and both are highly supported. Trust is found to be positively related to satisfaction (H4: $\beta = 0.52$, $p < 0.001$) and commitment (H5: $\beta = 0.51$, $p < 0.001$). Satisfaction is also shown to be positively related to commitment (H6: $\beta = 0.37$, $p < 0.001$). Finally, looking at the postulated positive drivers of loyalty; commitment is shown to have a strong positive relation to loyalty, which was again highly supported (H7: $\beta = 0.72$, $p < 0.001$) and satisfaction is also shown to have a weak positive relation to loyalty (H8: $\beta = 0.15$, $p < 0.01$). From Fig. 2, it is evident that commitment is the most important determining variable of loyalty within a Jordanian online B2B context.

Discussion

In this study, we found that the previously validated relationships between relational interaction, relationship quality, and loyalty were also present in an online context and in a culture that traditionally prefers face-to-face interactions. We also found that the relational interaction construct comprised the communication, understanding, and cooperation dimensions and so it is appropriate to model this as a second-order construct. Furthermore, relational interaction was found to be positively related to trust and satisfaction within a Jordanian context, which is contrary to Leuthesser (1997). Indeed, the most interesting aspect of this finding is that not only did the relationships hold in an online B2B context, which is often classified as less-media rich (Shirani et al. 1999), but they also held in a culture that is traditionally oriented towards face-to-face interactions. This finding contributes to knowledge as the relationship is validated in a context which, according to Leuthesser (1997), should have falsified the theory.

Consistent with Fullerton (2005), but contrary to Morgan and Hunt (1994), we further observe that commitment acts as a mediator for the relationship between trust and loyalty. The standardised path coefficient value for the direct relationship between trust and loyalty in the absence of the indirect paths from trust through either satisfaction or commitment, or both, is $\beta = 0.703$ ($p < 0.001$). With the indirect path between trust and commitment also present, the direct path from trust is reduced to $\beta = 0.04$ ($p = 0.829$), which is not statistically significant demonstrating that the relationship between trust and loyalty is fully mediated by commitment. With the indirect path from trust to satisfaction also present, the direct path is reduced from 0.703 to 0.402, which is a significant reduction
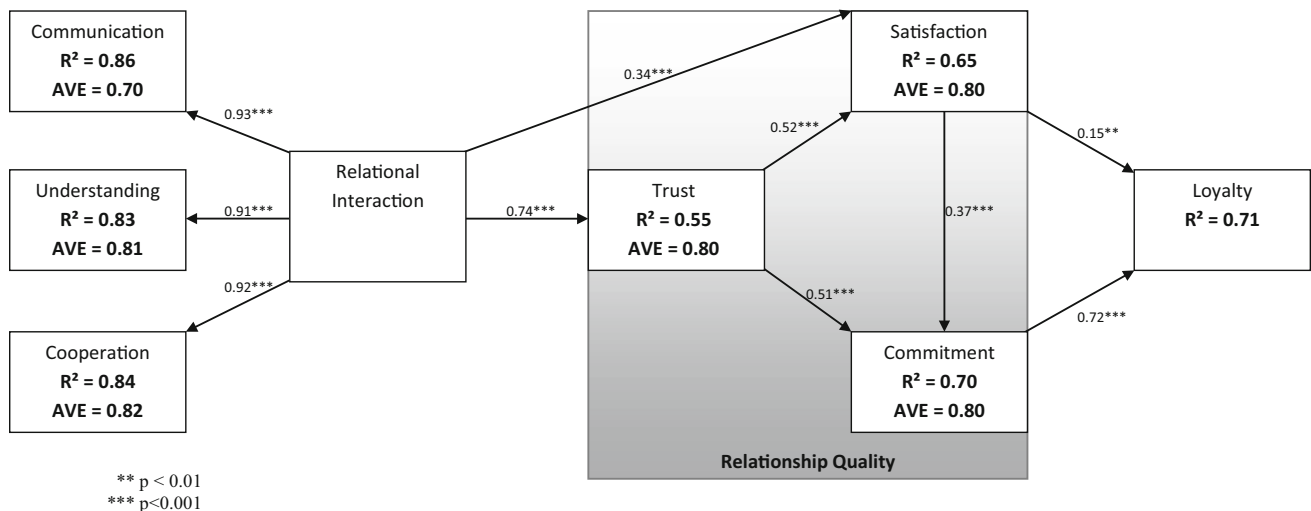

Fig. 2 Structural equation model of 395 SMEs

($\Delta = 0.301$, $p < 0.001$). The direct positive relationship that trust has with loyalty is, however, still seen to be significant ($\beta = 0.402$, $p < 0.001$) and so satisfaction is seen to partially mediate this relationship.

Traditionally, Jordanians prefer face-to-face interactions with their customers and suppliers. However, it is expensive to maintain such relationships long term. From this research, we can infer that online relationships within a traditional exchange environment are also important nonetheless. Online relationship building can be cost-effective and efficient and yet still establish and maintain a high level of relationship quality and resultant loyalty. Considering it is significantly cheaper to manage relationships asynchronously, these findings are clearly beneficial to marketers as they suggest that customer relations can be managed in a resource efficient manner without jeopardising customer loyalty or retention.

Limitations and future study

Although this research provides insight into relationship quality within an online B2B environment, it is not without limitations. First, the study was conducted in a single economy that has a traditional preference for face-to-face interactions between business partners. Researchers should therefore consider investigating the differences between cultures to further understand their influence on relationship quality and the degree it engenders customer loyalty regardless of the conduciveness of the business environment. Second, the study was based on cross-sectional data and, as such, is incapable of providing information on the evolving or long-term effects of relationship quality. To address this deficiency, longitudinal studies using various organisational contexts should be undertaken. Finally, the results of this study are limited to online banking. Researchers should consequently consider investigating several different, more diverse, B2B and B2C online contexts.

Contributions of this research

The research thus has a number of important contributions to the body of research. Commitment was found to be the most important determining variable of loyalty within a Jordanian online B2B context.

This research also validated relationships between relational interaction, relationship quality, and loyalty in the context of a traditionally face-to-face culture. Relational interaction was found to be positively related to trust and satisfaction within a Jordanian context, which is contrary to certain other contexts.

Face-to-face interactions are expensive to maintain; that is why it is important to build online relationship which can be cost-effective and efficient and yet still establish and maintain a high level of relationship quality and resultant loyalty. These findings are clearly beneficial to marketers in Jordan and elsewhere.

Conclusion

Through the use of electronic communication, marketers can maintain the relationship building process even in typically hostile or non-traditional environments. In this study, we have shown that online relational interaction between Jordanian banks and SME customers leads to continuous communication, cooperative behaviour, and understanding between exchange partners. As this interaction increases between the two parties, the relationship quality improves, leading to increases in customer loyalty.

By utilising the potential of relationship marketing, marketers can deliver cost-effective customised initiatives to their customers. The findings of our study suggest that organisations need to design and implement online marketing initiatives and to train their employees to develop appropriate interactive skills (Turel et al. 2013) to liaison with their exchange partners (Stewart 1996). This will lead to increased loyalty towards the organisation due to increased trust, satisfaction, and commitment, and address retention issues in environments where customers can be tempted to switch suppliers by stimulating continuance usage intention (Turel et al. 2013).

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