

Customer Relationship Management
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Lecture – 35
CRM in B2B Markets (Contd.)

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Hello everybody, welcome to the NPTEL SWAYAM course on customer relationship management. This is Doctor Swagato Chatterjee from VG Som, IIT Kharagpur, who is taking this course for you. We are in week 6 and we will be discussing basically B2B-CRM applications, in B2B context or business to business context.

In this particular video, we will discuss a paper called goods and service related brand image and B2B customer loyalty effects of construal level. So, this is an application of CRM in the B2B context and this work has been done jointly with my PHD student Prathamesh V Kittur. He is currently in his third year and this particular paper has already been published in the Journal of Business and Industrial Marketing in 2020.

So, I am going to present this paper and I have and how that, how this paper can bring the contextual discussion in the context of CRM in B2B — we will come to that. So, this presentation will follow the contents. This introduction then I will discuss about the research objectives.

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A little bit about the extant literature, then what is construal level? This term is something which is new. We have not used it till now in our course. So, we will discuss about that. The results, discussions, and references and appendices are there.

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Introduction

- Relationship management is a key aspect of B2B marketing
- Satisfaction, trust, perceived risk, brand image are important aspects in B2B purchase decision making process.
- All these important constructs behind purchase decision making are linked by one construct "Brand Loyalty". (Chow and Holden, 1997; Money 2004; Boles, 1997; Rauymen, 2007).
- Hence, Brand Loyalty plays important role in B2B purchase decision making process.

Brand Loyalty

Brand Loyalty is defined as "*a deeply held commitment to rebuy or repatronize preferred product/service consistently in future, there by causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior*" (Oliver, 1999)



So, relationship management is a key aspect of B2B marketing and satisfaction, trust, perceived risk, and brand image are important aspects in B2B purchase decision making. This is something that we discuss that the supplier and the customer, the relationship has to be very strong in B2B context, because the switching cost is high, because probably it is difficult to find out a supplier who is good enough.

So, generally customers want to create a strong relationship and once that relationship is built, they want to sustain that relationship and that is probably true from the suppliers' point of view also, because the numbers of customers are very low. So, if you miss one customer, you are going to miss a huge chunk of money, because the ticket size is high.

So, that is why the satisfaction, trust, perceived risk, brand image these are some of the important factors that come up and all these important constructs. All these important constructs behind purchase decision making are basically ultimately linked with brand loyalty.

So, satisfaction leads to brand loyalty; trust leads to some way, some way or other it leads to brand loyalty; risk perceptions leads to brand loyalty; If you think that this purchase will be very risky you want to be very brand loyal, you want to be only buy from only those kind of suppliers who can give you trust enough trust and then there is brand image.

So; obviously brand image also, actually reduces a little bit of perceived risk and that is how it is related to trust. So, all of these components are related to trust which becomes a very important factor in case of brand loyalty in a B2B context.

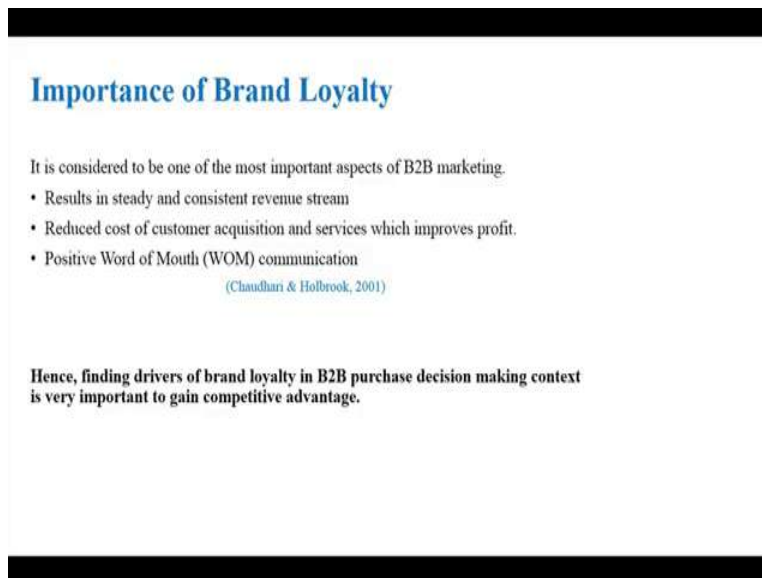
Hence, brand loyalty plays an important role. So, that is why we have to in this particular paper, we are trying to focus that, what drives brand loyalty? What are the various things that might impact brand loyalty?

So, what is brand loyalty? What is the definition? It is defined as a deeply held commitment to rebuy or re-patronize preferred product/services consistently in the future, means first of all you have to buy it and patronize it and re-patronization has two things; one is I will talk good about these to others and somebody if somebody says bad about this product, I will defend this product. That is patronization. You say good about a certain product and you defend bad words by other people when that is made about this product.

So, a deeply held commitment to re-buy or re-patronize preferred product or service consistently in the future, thereby causing repetitive same brand or same brand set purchasing, either you bought the, buy the same band or same band set and despite situational influences; even if there are situational influence means let's say offer going on for the competing brand, still you will be sticking to this brand and marketing efforts despite situational influence and marketing efforts having the potential to cause switching over.

So, there can be certain kinds of influences that might ask you that, why do not you switch over, why do not you switch over, switch to some other brand, switch to us, there can be competing brands who can keep on telling you, but you still stay back with the original brand. So, that is called brand loyalty. It becomes a very important construct in the context of B2B marketing.

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Importance of Brand Loyalty

It is considered to be one of the most important aspects of B2B marketing.

- Results in steady and consistent revenue stream
- Reduced cost of customer acquisition and services which improves profit.
- Positive Word of Mouth (WOM) communication

(Chaudhari & Holbrook, 2001)

Hence, finding drivers of brand loyalty in B2B purchase decision making context is very important to gain competitive advantage.

Now, what is the importance of brand loyalty? Why is brand loyalty important? Why am I spending so much time? One is, it results in a steady and consistent revenue stream. So, it will keep on giving you revenue from multiple sources, because you, because the customer will keep on purchasing from you. It is a repeat purchase that will happen. It reduces customer acquisition cost and services which improves profit.

So, this is something very important. As we told in the earlier classes of CRM that when, as the company knows a customer better, the companies know that, what small things that I have to do to make my customer happy. If you do not know your customer, you have to try out multiple things and one of, some of them might make your customer happy, some of them might not make your customer happy.

So, this lack of information about your customer, lack of knowledge of your customer, your customers preconceived bias towards you, all of this thing, if it is not there then then you, it becomes very difficult to satisfy the customer. On the other hand if the customer is biased towards you and you also know what customers are biased towards, you can easily tweak your offering and make customer happy.

So, the cost involved in making acquiring a customer:so the cost of customer acquisition, reduce cost of customer acquisition, so you do not have to acquire new customer, you can keep your new existing customer and you can also give better services or products to this customer which increases profit at the end of the day.And it also has a positive effect in your word of mouth. What happens when word of mouth happens many people listen about your brand and they come and buy your brand! So, some kind of referrals get generated that again creates further revenue which is the first point.

So, basically in various ways brand loyalty can help you means; finding drivers of brand loyalty in B2B purchase decision making context is very important to gain competitive advantage. So, you have to know what you have to do to get a brand loyalty in the B2B purchase decision making process.

So, what is the B2B purchase decision making process? In the last video we discussed; the first they will actually, there will be a need that will be understood.

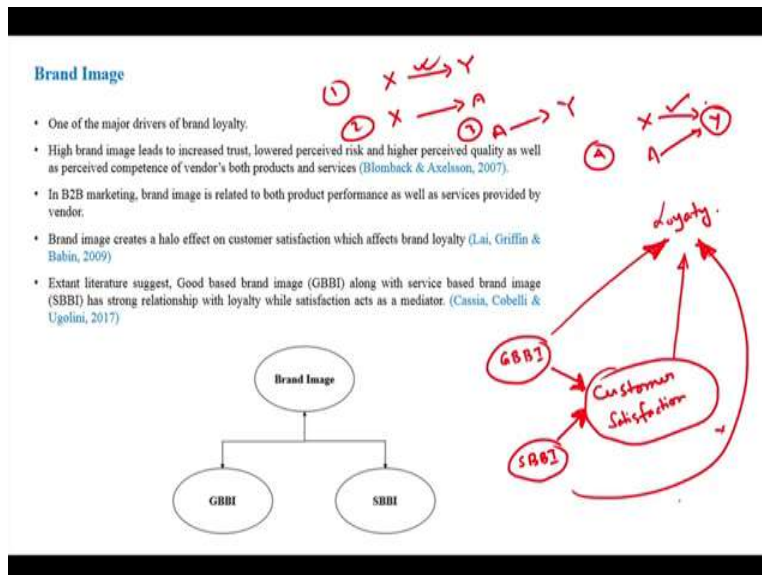
So, then the a technical report has been will be created based on that need, then based on the technical report RFP will be generated and that RFP will be sent to the limited suppliers or to the open people and you will solicit bids and people will bid or offered their propose their offerings and consistent price, you will evaluate them and then after you evaluate them you choose somebody based on your technical and financial criteria, you choose somebody and then you create further negotiate with that person to finalize the bid, deal.

Now, once you finalize the deal you send a purchase order, once the purchase order is sent this guy gives you the product or services and after a certain period of time you go and do an evaluation of that product and services.

Now, in this process B2B plays multiple roles, because whom to send? Whom will you send this limited bid or how much importance will you give to the brand name? Or in the post purchase situation if it is a credence kind of good, if you have limited idea about the quality of the good, then how will you judge that whether the services provided is good enough or not?

So, these kinds of decisions can be taken if brand loyalty is strong. It becomes very easy to make these decisions if brand loyalty is strong, because brand loyalty will play an important role. So, that is why what drives brand loyalty is important for the supplier to know.

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So, one of the classic drivers of brand loyalty as I was telling in the previous video, the previous slide is called brand image. Now, what is brand image? One of this is one of the major drivers of brand loyalty as told, high brand image leads to increased trust, lower perceived risk, and higher perceived quality, the three things that creates.

So one is brand image. Brand image leads to trust, brand image leads to perceived quality perceptions, and brand image reduces risk perceptions. These are the three ways that it does and that is why these, all of these things ultimately lead to the perceived competence of the vendors both products and services.

This is what brand image does and in B2B marketing brand image is related to both product performance as well as service. So, many people actually have broken this brand image, the image brand has in a B2B context into two parts. For example, let's say you try to buy, you are buying. Let's say, lots of systems for your office. Let's say, 50 systems, 50 computer systems for your office.

So, what do you do? You give an order to somebody and let's say, HP has given one bid. Now, HP, when you give this order to HP you will not only look at the product quality of HP or Dell, you will also check how much, how good is the service they are giving.

So, whether HP or Dell or Lenovo or Compaq, whoever is giving better service and whoever product quality is good enough, both of these two things might have an effect on your decision whether to buy a product or not from a particular vendor.

So, both of the brand images will be a brand so, so there can be companies which have very good brand image about their product. For example, Ford has a very good brand image about the product, but there are certain other companies which have very good brand image about the service than the product.

For example Maruti, their service centers are all over India and they boast on that they never say that our products are absolutely better than other companies, they don't boast on that. They boast on their service center; obviously, their product is some of the products are probably better or at par with many other companies, but the primary selling point is it is a India 'ka gaadi hai'. This is something that you should buy, because it is an Indian car and we are our service center. Everywhere you go there will be somebody to help you. So, that is something that they boast on. So, the brand image can be of both product types and service type.

So, when it is product types we call it goods-based brand image and when it is service types we say it is a service-based brand image and brand image creates a halo effect of customer satisfaction. See, loyalty comes from satisfaction this match is created, but what is the brand image's job? Brand images job is creating a halo effect.

Sometimes, even before you purchase the product, you might be satisfied with the product or satisfied with the services not, because of the product quality, but because of the halo effect. For example, somebody comes. Let's us say some XYZ person who is very famous comes and gives you a lecture.

Oftentimes, it happens that the lecture content is not very strong that probably the judgment, the, the arguments that this person is putting is not very strong, but this person is very well known and

you are in an awe kind of a thing that okay this this XYZ person who is a celebrity he is coming and speaking in front of him.

So, even if your, his judgment is weak, sometimes the you are very much satisfied with the lecture, because the lecture, is the satisfaction of the lecture is coming from the halo effect, the halo effect is coming from is the brand image of this person rather than the actual quality of the content.

So, that also sometimes and you might want to repeat the listening to that lecture, you might want to go to multiple places to listen to this guy's lecture and that creates a brand loyalty. So, oftentimes the brand image to brand loyalty relationship is not through customer satisfaction. In some of the cases it is through customer satisfaction, in some of the cases it is beyond customer satisfaction as well. So, that kind of relationship is possible.

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Research Objectives

- To find relationship of goods based brand image (GBBI) with brand loyalty
- To find relationship of service based brand image (SBBI) with brand loyalty
- To find role of satisfaction in drivers of brand loyalty.

H1: GBBI has a positive relationship with customer loyalty which is mediated through satisfaction.

H2: SBBI has a positive relationship with customer loyalty which is mediated through satisfaction.

Now, here what we are trying to check is that basically whether these goods-based brand image and service-based brand image have separate impacts on brand loyalty or not, whether these two guys have different kinds of impact on brand loyalty or not.

So, and to find the role of satisfaction in the driver; so, last in a previous study there was a model which said that GBBI; good-based brand image and service-based brand image, these two brand image leads to customer satisfaction through this halo effect. You become happy without the brand image itself makes you happy without the quality or irrespective of the quality.

I am not saying the quality is bad, but irrespective of the quality, it might have there can be other things which might affect customer satisfaction. I am not saying that quality will not affect quality can also affect, this can very much occur. But I am saying that even after controlling for quality that this image, brand image will also affect your perception about satisfaction, because you might have a bias and that will lead to loyalty.

So, this is a model that was established and then there were another person, another researcher who told that this GBBI to loyalty, this will be, there might be a direct effect on; that means, even when this or GBBI to loyalty or SBBI loyalty, these two might have a direct effect without customer satisfaction. There can be situations when you are not happy, but you are still loyal to these customers.

So, in what kind of situation; this is something that is more prominent and not this, because in some of the situations that if the product quality you might not be happy with, but still you might be loyal and in other situations SBBI might affect loyalty directly without customer satisfaction.

So, there can be certain judgment, certain—certain arguments for that. What are the arguments? Let us talk about SBBI to loyalty. This one was given by the past researcher who was telling that see, service-based brand image comes from something called a service dominant logic. Service dominant logic says what? It says that everything is, you have to see everything as a solution rather than a product kind of a thing, you are trying to give a solution to customers' problems.

For example if somebody is driving an Uber, Uber is not giving the rental services of a cab; it is actually giving you a transportation solution. Some tomorrow a new transportation solution can come up and make this Uber service absolutely irrelevant.

So, it is a transportation solution that it is giving you. As long as the need for transportation solution is there, Uber will be there. If some transportations needs go away or let's say you can give something else which will solve the transportation problem, you might not need Uber or cabs at all.

So, basically we are trying to provide certain solution which is, solution to a need or want, rather than product or service we are providing a solution which can be a combination of product and service and there is nothing called, this is absolutely product and absolutely service. For example Uber, Uber what does it give? Does it give a service?

If it gives a service, if only service is important why do we feel bad when the Uber driver, Uber cars exterior is not good looking? Let's say the Uber car's exterior which has nothing to do with the service, you will sit inside. Let us say the exterior is a little bit broken, some dent is there in the car, some scratches are there in the car, sometimes we do not feel good or at least we feel extra better when the car that has arrived is absolutely clean.

Why do you absolutely in outside, forget about inside, absolutely clean outside, why will you feel like that? That is not your service, but that is the goods part, the tangible part, which is visible part. So, even when what is giving you the trust service of transportation and let's say everything is fine, the car arrived at time, you had no hassle in getting the cab, you got no hassle in reaching the space, still if the cabs exterior is not good looking, it is muddy or dirty or something like that you might not feel good.

So, they have to take care about that part also. So, everything, even if you, every service you can think about has some product component, every product that you think about has some service component and it is basically a continuum.

So, at a certain site when tangible things are more important, it becomes more productive and when intangible things are more important, it becomes more servicing. Now, in this particular context

what I am trying to say is that, that there are certain kinds of services in B2B, where services are heavily human-oriented. You, it cannot be. It is not like that you made something and you sell it. In the service delivery process both the provider and the taker has to participate. For example, in the Uber process, if you are a person who delays or you are not tech savvy enough or you do not know how to behave properly with a driver then your own service experience can deteriorate.

So, it is something where both the service provider and the service taker together has to participate in the service delivery process; and, because together they have to participate in the service delivery process more so in B2B context there is some part where the quality might not be good, but still you will be loyal, because you have invested on that service you have spent time on that service, you have done something for the service as a customer.

So, even if the customer satisfaction does not come, even if the thing that quality, service quality is not so good, this service-based brand image can lead to loyalty, because you have contributed to that image. So, you have created that image in your mind by contributing to the service delivery process.

So, when we contribute, we do something, even if that does not come out to be, at best we have a little bit of bias towards that side, because you feel that it is something where I have done something, I have contributed. So, that kind of thing will lead to loyalty which is called co-creation. When customers and the companies come together and co-create which is a very much part of service-based brand image, that co-create, co-creation leads to loyalty irrespective of satisfaction.

When I and another person create something let's say, I cooked, even if I do not feel good about the food, even if the food quality everybody is saying that this happens in my house actually. Let's say, I cooked and my family members are saying that this is not so good and we do not like it blah blah blah, I think that why are they not liking it; I am liking it like anything.

So, because that is, because even if the service quality or the product quality in that context is not so good, because I have spent my effort, I have given my effort on that food making process I might feel good about that food. So, that is what happens.

Now, we actually told that in Indian context this might not be very true, because in Indian context this is something which is expected. Generally, the purchaser has more purchasing power than in a B2B context majorly.

The person who is purchasing has higher bargaining power and if by chance he has a higher bargaining power they always poke nose and they always they generally the B2B customers do not self-attribute a failure, if the product quality is not good even if he pokes nose, even the product quality is not good he will always attribute the failure towards the person who is the driver.

So, this SBBI to loyalty impact which you can see in other countries might not be very much visible in India. On the other hand, GBBI to loyalty effect, the previous research has told that always goes through satisfaction I we argued that it might not go always through satisfaction. There are situations— that is why I was giving the example of a printing machine in the last class that there are certain things where you have to create a strategic relationship.

You might not be happy with this service product quality of this particular supplier, but because of strategic reasons you are loyal to this person. What kind of strategic reasons? The strategic reasons are related to whether this person can be relied on or not, whether this product can be obtained or not.

So, I might not be satisfied, but this product quality is good enough to be considered. If it is good enough to be considered, we will consider this particular person and we will be loyal to this particular person more so when the, when it is a resource constrained environment, the one that we are giving. Why this particular company, the printing company was more loyal, very much loyal to a local paper producer, because paper is not something which is produced in large scale in India.

So, if paper is not something which is produced on a large scale in India, even if the quality is not so good you might rely on the major paper creators of India, because that is that is something that creates a hindrance. We are in a resource constrained environment in terms of paper, if the papers imported from the external world. Let's say some other countries get stopped, I have to rely on these people only. Otherwise my whole business will go for a toss.

So, there, even with this satisfaction line is not there, still there will be a direct effect. So, basically we try to test this particular model that we have that GBBI will affect loyalty with customer satisfaction as a mediator. So, there can be partial mediation, there can be full mediation. So, those who have a little bit of academic background will understand this part.

What is mediation? Mediation means let us say X affects Y, X affects A, A affects Y, all these three conditions have to be fulfilled and then when X and A both affect Y together, this strength whatever is the strength of this relationship that goes down. Either that becomes insignificant at all, it becomes insignificant then that is called full mediation, if it is reduced, only the strength is reduced it is called partial mediation.

So, we tried to test that. So, that is why our hypothesis where GBBI has a positive relationship with customer loyalty which is mediated through satisfaction and same is the case for SBBI.

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Research Objectives

- The extant literature has not focused on importance of GBBI and SBBI in different contexts such as length of engagement, past relationship & physical accessibility.
- To be precise, current literature doesn't give an idea about when the vendors should focus more on GBBI and when they should focus on SBBI.

H3: Relationship of GBBI with customer satisfaction and loyalty is moderated by construal level. For high construal level, this relationship becomes weaker.

H4: Relationship of SBBI with customer satisfaction and loyalty is moderated by construal level. For high construal level, this relationship becomes stronger.

H5: The mediation effect of customer satisfaction in GBBI-loyalty and SBBI-loyalty relationship is moderated by construal level. For lower construal level, the mediation effect gets stronger in case of GBBI-loyalty relationship and weaker in case of SBBI-loyalty relationship.

Now, we are bringing in a new concept here, which is called construal level and I told in the last class that I will discuss something about the application of, application of cost consumer behavior, the behavioral theories in the context of B2B.

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Construal Level Theory

- construal level theory deals with the influence of the psychological distance of an individual's thoughts and behavior (Trope & Liberman, 2003)
- This theory focuses on abstract and concrete psychological thinking.
- If the psychological distance from the object is high person thinks more stable and abstract which is considered as high construal level.
- If the psychological distance from the object is less, person thinks more contextual, concrete and detailed which is considered as low construal level. (Trope, Liberman & Wakslak, 2007)

Abstract
- 10 yrs

Concrete
- 2 months



So, in the recent years this kind of research is being accepted, what people are saying is that when people make decisions, people are not robots; we are human beings who make decisions. We can think a little bit more, but still the overall decision is taken by human beings.

So, some of the effective part which is not cognitive, not I would say very much analytical part, it still comes up in the decision making process and there are other cases where decision making is done by a small number of people. We call them the purchase champions, in B2B marketing this purchase champions are coming up.

So, let's say, I have been given all the responsibility for certain kinds of purchases for my department, they know that okay Swagato knows these XYZ things. So, Swagato will actually buy this product and whatever he says we will rely on him.

So, in that kind of a situation when and mainly small purchases are like that other than the big huge strategic purchase decision makings, smaller level purchase decision making are left aside with the person who is the champion of that purchase.

For example let's say if I am pretty sure many of you are academicians who are doing my course, you will know that if your purchase let's say there is a budget for, for academicians in institutes, government institutes we are given a budget we call that is called CPDA, Cumulative Professional Development Allowance.

That allowance is something that is given by government of India, 1 lakh rupees per year something like that to do, buy something, to do my professional development, I can buy books, I can buy the let's say cartridges, some stationery, I can go for a conference, I can probably get memberships, blah blah blah.

Now, what I will do with that 1 lakh rupees is my decision and I am the champion of the purchase, I will decide that okay I will buy from this particular guy as long as it is within a limit. I am following the procedure of B2B purchase, I can decide from whom I purchase, how much to purchase, what product to purchase.

So, I am the decision champion and these decisions are left on to me and if this decision is left on to me then my psychological factors also impact the customer decision making even. This is not very uncommon; this is common in multiple places where these decisions are taken at an individual level.

So, if individual level decision making matters, then what will come, what kind of theories will come into the picture we will be discussing? There is one theory called construal level theory given by Trope and Liberman. Trope and Liberman told construal level theory; in construal level theory he told that our mind has different kinds of thinking frames. One thinking frame is an abstract thinking frame and another thinking frame is concrete thinking frame.

So, sometimes we think very abstractly and something we think very concretely. For example today, I asked one of my students what do you want to be in next 5 years or next 3 years or if I ask I asked this PHD student who was doing the work on the first day I have asked him when we were discussing construal level theory, I asked him that what do you want to be in next 1 year.

So, how do you see yourself? So, he says that sir one of my papers should go out, my PHD's registration should be complete, I should be completing two three courses, additional courses. So,

he gave me a plan that these are some of the things that I want now. I said that what do you want to be in the next 10 years?

So, he said that sir I want to be in a good place in a good, as a professor I want to teach in a good place, I want to be well published, I want to be a good teacher. Now, well published, good teacher, teaching in a good academy, these are very abstract terms. What is good? For certain people, probably IITs, IIMS are only good places, for certain other people probably abroad is a good place, Ivy League Universities are good a place, for certain other people even universities will be a good place.

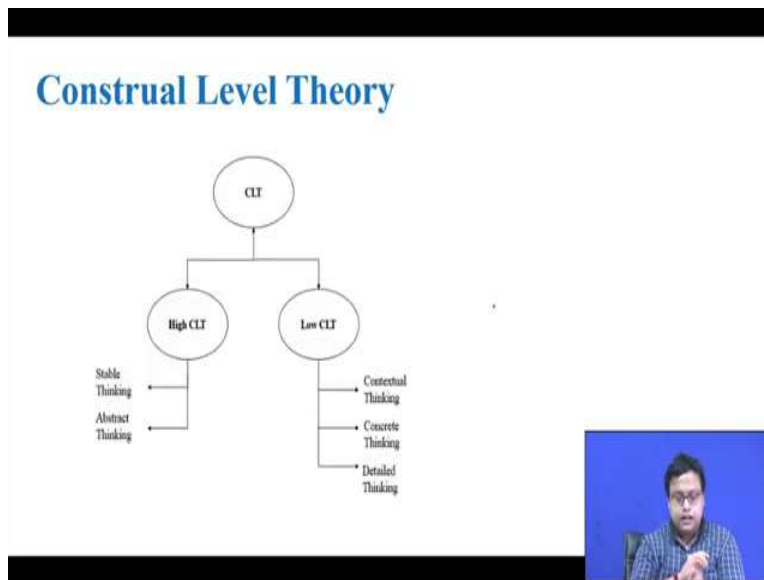
How do you define Good? I don't know. How do you define well published? I don't know. How do you define, you to be a good teacher? How good is a good teacher? You don't know. So, these are abstract thinking and on the other hand, I want a paper published. This particular part of this paper published in this particular journal or my registration is over or I want to do three courses, these are very concrete. You know which three courses —you know which paper you want to get published. And in which journal you would know which exam you want to pass.

So, these are concrete thinking. So, you will see the only questions. The questions only difference was I, in one case I asked him for 10 years and in another case I asked him for 2 months or 3 months. So, the only difference here is that this is short term and this is long term.

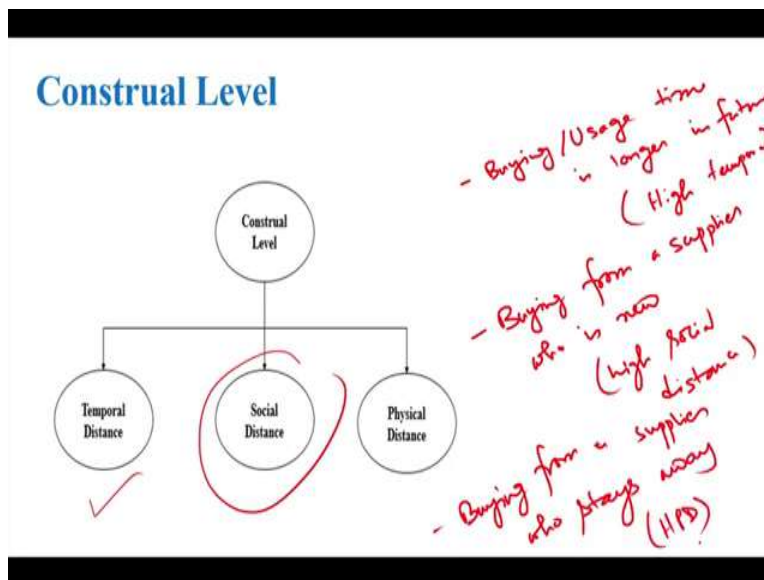
So, there are different kinds of things which can induce concrete thinking and abstract thinking in your mind; one of them is distance. So, distance leads to concrete smaller distance leads to concrete distance, larger distance leads to abstract thinking.

So, it is saying that; it is the, if the psychological distance from the object is high, the person, thinks more stable and abstract which is considered to be high construal level. If psychological distance from the object is less, a person thinks more contextual, concrete and detailed and it is called low construal level. So, in high construal level, in high psychological distance you will think abstractly, in low psychological distance you will think concretely.

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Now, this is something that I just told. Now, there are three types of distances: when we say psychological distance majorly, there are other types of distance also, but majorly these are the three types, one what that we taught. And the one that I just told is an example of temporal distance. Two life conditions; one 2 months later, one 10 years later, how will you see yourself is a classic example of temporal distance construal level. What is social distance? For example, what do I? What, what will I—if I have to buy a gift, what will I buy for my wife and what will I buy for

somebody else? Who? Who is my colleague? Let's say, for my wife I know what she needs exactly what is required for her.

So, I will be going and buying exactly the thing that she wants. I will not focus on the brand image, I will not focus on the how I will look like while buying this or whether this is something that is worthy of my income, higher expectations, blah blah blah, I will not think about that. I will do exactly whatever she needs. I will work by that.

On the other hand, for a person who is socially distant from me, I will focus on abstract things rather than concrete things. What kind of abstract things? I will focus on brand image, brand image of that particular product, whether the product has I will focus on the price, I will try to buy something which is high price.

So that this guy does not say that okay this is a cheap person, he has bought a cheap product. So, I don't know what this person needs, he is socially distant from me. So, if he is socially, he or she is socially distant from me I will try to create and buy stuff which are 'risk averse'. So, I will focus on abstract stuff rather than concrete stuff.

So, a classic example of that is social distance and the third one is physical distance. For example, somebody who is away from you and somebody who is close by to you or let's say if I ask you that how will you? If you are planning for a trip let us say, you are planning for a trip from Kharagpur to Calcutta versus you are planning for a trip from Kharagpur to Mumbai.

Kharagpur to Calcutta is physically less distant. You know that place very well, you know what you can expect there. So, you will, your packing of your bag will be very concrete okay. On day 1, I will need this, day 2, I will need that, day 3, I will need this, you will be only packing up those stuff and go, but when we go for a long term trip or for an away trip, there is lots of these components, there are lots of things which you do not know and that's why you do abstract thinking and you probably pack up a lots of stuff.

So, those are the examples of temporal distance construal level which can be analyzed as temporal distance, social distance, physical distance. Now, how does that apply in B2B context? It applies in B2B context in this way; we say that even in a B2B purchase context there can be these three kinds of distances.

So, for example, if you are buying it for a longer period of time, buying or usage time is longer in future that is a high temporal distance. So, whenever you are buying, if you are buying it for 10 years versus if you are buying it for 10 days, 10 years is a high temporal distance. For example, let's say, many products we buy when we are buying a product stationary for a month versus you are buying a laptop for a longer period of time, per unit time usage probably same, but the stationary we will think at a different way and for a laptop we will think in a different way okay.

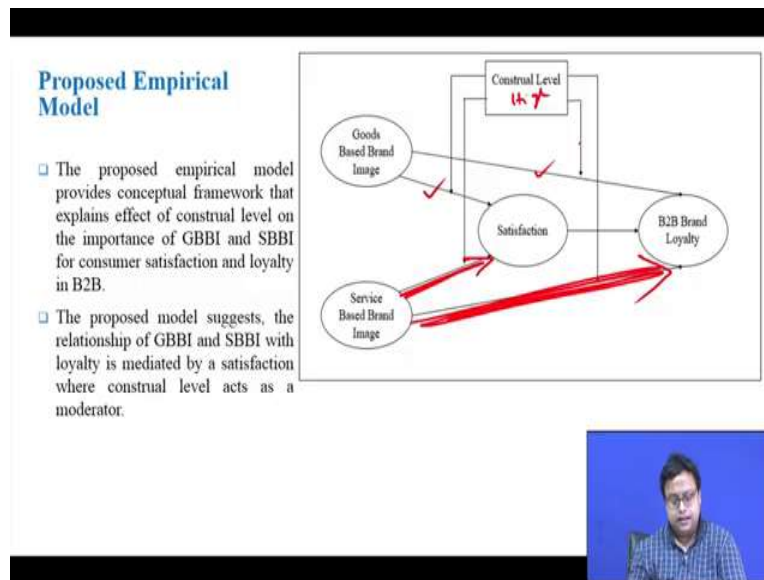
High social distance, social distance means what you are buying from a person, from a supplier, who is new, you don't know, that is high social distance and high physical distance buying from a supplier, buying from a supplier who stays away, means whose office is away the example of high physical distance.

So, these are the some of the stuff and we are trying to say, does these stuff are actually impacting your decision. How is it impacting your decision? As I just said that in a high construal level you

will focus on abstract stuff and in a low construal level you will focus on concrete thinking, you will do concrete thinking.

Now, GBBI and SBBI, good-based brand image and service-based brand image which one is concrete, probably goods, the performance and the quality of the product is more concrete and the service concepts are more abstract.

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So, that is why the relationship that I have just drawn before all the relationship will be moderated means; they, they in the relationship construal level will have an impact and whenever the high construal level here is there, whenever this is high, these two relationships will get stronger. These two relationships will get stronger and whenever it is low these two relationships will get stronger. So, that is what we proposed and then we went ahead and collected data and we actually found support for that.

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Results

Survey Details

Sample:
Data was collected through a pen and paper survey. In order to generate meaningful data, we have connected with the purchase managers of 589 companies out of which 135 respondents have responded to the survey which ensures 23% response rate.

Sampling Type: Random Sampling (Retrospective Sampling)

Model Testing: Regression

Scale: 5-point Scale (Strongly Disagree- Strongly Agree)

Industrial Sectors

- ▶ Hotels and Hospitality
- ▶ IT
- ▶ Retailers
- ▶ Transporters
- ▶ Manufacturers and suppliers
- ▶ Telecom

So, what did we do? We collected from 135 respondents, 23% response rate was around 23% and we have done data collection in 5 point, 5 point scale and the industries from where we collected data is hospitality, IT, retailers. So, different types of transporters, manufacturers, suppliers, different kinds of industries we focused on and then we collected data and checked the model.

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Results

Table 5: Model without construal level

	Model 1	Model 2	Model 2a
	CSAT	LOY	LOY
Intercept	.00	.00	.00
SBBI	0.78***	0.20*	-0.41**
GBBI	0.18***	0.43***	0.28***
CSAT			0.78***
Adj.R ²	0.75	0.28	0.43

*** means p<.001, ** means p<.01, * means p<.05

CSAT=Customer Satisfaction, SBBI= Service Based Brand Image, GBBI = Goods Based Brand Image.

Model 1: Effects of GBBI & SBBI on Satisfaction
Model 2: Effects of GBBI & SBBI on loyalty
Model 3: Effects of GBBI & SBBI on loyalty considering

So, first we check the effect of SBBI and GBBI loyalty. It becomes significant, on customer satisfaction is also significant, loyalty is also significant, but with customer satisfaction inside this SBBI changes, its sign changes; that means, it is a full mediation absolutely happening through customer satisfaction. On the other hand GBBI comes down, that is why it is partial mediation. So, that is what we have told and then here also if you check the figures carefully. Here, also you will find that GBBI SBBI and they are, these terms the multiplication terms of longest GBBI, SBBI and PA and SBBI.

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Results

Table 6: Model with construal level

	Model 1.1			Model 1.2			Model 2.2			Model 2.3		
	CSAT	LOY	VIF	CSAT	LOY	VIF	CSAT	LOY	VIF	CSAT	LOY	VIF
Intercept	-0.01	-0.07		-0.01	-0.05							
SBBI	0.73***	0.32**	2.32	0.73***	0.30**	2.30				-0.35**	4.88	
GBBI	0.20**	0.26*	2.11	0.20**	0.28**	2.10				0.09*	2.29	
LNG	0.01	0.20*	1.42	0.01	0.21*	1.40				.19*	1.41	
RS	0.03	0.14	1.94	0.03	0.13	1.93				.10	1.94	
PA	0.02	0.03	1.54	0.01	0.00	1.48				-0.00	1.48	
LNG*SBBI	-0.17*	-0.33**	2.30	-0.17*	-0.31**	2.29				-0.16**	2.42	
LNG*GBBI	0.12**	0.02	2.16	0.12**	0.00	2.15				-0.10	2.20	
RS*SBBI	0.05	0.17*	4.07									
RS*GBBI	0.03	-0.12	2.09	0.04	-0.07	1.84				-.11	1.85	
PA*SBBI	-0.16*	-0.13	4.23	-0.12**	-0.05	1.81				-0.07	1.67	
PA*GBBI	0.05	0.01	1.81	0.04	0.00	1.67				.11	1.94	
CSAT										0.892**	1.868	
AdjR ²	0.77	0.40		0.77	0.40							

*** means p<.001, ** means p<.01, * means p<.05 and ° means p<.1

CSAT=Customer Satisfaction, SBBI=Service Based Brand Image, GBBI=Goods Based Brand Image, LNG=Time temporal distance, RS=Relationship Strength (Reverse coded social distance), PA=Physical accessibility (Forward code Loyalty, VIF=Variance Inflation Factor, AdjR²=Adjusted R Square



These are also something which is basically significant. Significant means that moderating effect is present; And that moderating effect, mediating effect is further moderated means whenever this point 0.89 is included; that means, customer satisfaction is included, this minus 0.31 becomes minus 0.16.

So, the moderation effect comes down. So, it is a moderated mediation that we have tried to focus on in this particular result. So, you can go and read about this paper with the same name. You can find out in my ResearchGate profile and I can share the proof version you can read the paper thoroughly and that is what we have done.

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Results

	HIGH CLT (Abstract)	LOW CLT (Concrete)
GBBI- Loyalty Relationship	Weaker ✓	Stronger ✓
SBBI- Loyalty Relationship	Stronger ✓	Weaker ✓

So, this is what we wanted to ultimately say that in high construal level this relationship becomes stronger this becomes weaker, in low this becomes stronger and this becomes weaker something like that.

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Managerial Implications

B2B managers should focus on abstract-concrete paradigm of GBBI and SBBI while building effective strategies for long term relationship with a customer.

While delivering value to a customer, they should give relative importance to a product or service based on three types of distance frames

- 1.Temporal Distance
2. Social Distance
- 3.Physical Distance

- ▶ **High Construal :** Focus more on services and SBBI
- ▶ **Low Construal:** Focus more on product and GBBI

So, what are the managerial implications? Managerial implication means a person who is a supplier, he can decide by while discussions are going on that whether these purchases are being made for longer term or shorter term, he can know.

He can also know that whether I have a very long relationship with this customer or not. He can also know that whether this particular product that I am going to sell whether I will be close to my customer or not. He knows the situation, he knows the physical distance, he knows the psychological, the social distance, and he knows the temporal distance also.

Now, if he knows the temporal distance and all these things. He well might know that if I have a marketing budget of 100 rupees how much I post on the product quality improvement, how much I will invest on the service quality improvement.

So, in what condition service becomes more important, in what conditions the product becomes more important relative to the other conditions is something that this particular paper is focusing on. So, you can future scope is probably trying to check this in a real-life situation rather than a survey or try to see other kinds of effects which can also come into this GBBI SBBI relationship with the customer loyalty.

So, if there are some academicians in this, in this audience who would want to collaborate in this kind of work in this context after reading this paper. You can write to me. So, that's all for this particular session.

Thank you for, very much for being with me. I will see you in the next video.