
Understanding Relationship Quality Dimensions: A Study of Hotel Industry

Reema Dehal*

Associate Professor

Daulat Ram College, Delhi University

Dr. Archana Bhatia**

Associate Professor

Department of Commerce

DAV Centenary College, Faridabad.

Abstract

Purpose: This paper is an attempt to assist in understanding the concept of relationship quality and its dimensions. Relationship quality measures the strength of a relationship and an important asset with a service firm which cannot be duplicated by the competitors. It helps in customer retention and in increasing the profitability for the firms in the highly competitive environment.

Design/methodology/approach: Primary data is collected using a structured questionnaire administered on respondents who have used the services of hotel industry in the last one month in National Capital Region of India. A total of 362 usable complete questionnaires are used for data analysis. Exploratory factor analysis is used to explore and extract the dimensions of relationship quality. Confirmatory factor analysis is used to confirm the dimensions of relationship quality extracted. Reliability of the constructs is checked. The value of relationship quality is estimated by using a measurement model in AMOS 21.

Findings: Results indicate that three dimensions emerge that define and explain the construct of relationship quality, namely, trust, satisfaction and commitment. All three of them have a combined explained variance of 70 percent. Confirmatory factor analysis results show that the measurement model for estimating the value of relationship quality is overall a good fit. All the three dimensions of relationship quality are important, maximum contribution in explaining the concept is that of satisfaction followed by trust and then commitment.

Originality/value: Relationship Quality is a much-researched topic in the western part of the globe and in countries like China and Hongkong. This paper has been written to customize the concept of relationship quality to the hotel industry in the Indian context and find out the generalizability of this new concept of relationship quality to developing economy.

Keywords: Relationship Marketing, Relationship quality, Hotel Industry, Trust, Satisfaction, Commitment.



Introduction

Quality relationships are a prerequisite for success in all areas ranging from ranging from day-to-day activities to large business transactions. Today in an era of intense competition, all the organizations, business or non-business have an anxiety to create customers and to retain them. This can best be done by identifying and satisfying their needs and expectations. Firms respond to intense competition by building cooperative relationships with customers. These collaborative and close customer relationships have become as key assets for firms, especially for service firms. Such collaborative relationships rely on relational forms of exchange that enable both parties to focus on the long-term benefits of the relationship (Ganesan, 1994).

Over the past four and a half decades, the old marketing concept of product-orientation marketing has been switched over by new marketing concept of customer-oriented relationship marketing (Grönroos 1994). In the 1970s, customer-centered view was introduced by researchers which recognize the importance of identifying and meeting customer needs (e.g., Kotler 1972). Oliver (1980) extended earlier researches and proposed that *customer satisfaction* is an important factor in a flourishing marketing strategy. Oliver defined satisfaction as “a gratifying fulfillment and accentuated the importance of customers’ contentment with their purchases.” Since then there is no looking back and the marketers and researchers have been targeting on satisfying customers. However, even satisfied customers may not buy the same brands or makes again (Recheild and Sasser, 1990), leads the markets to question the predictability of satisfaction in consumer behavior. This has led to the concept of relationship quality which is the bond or the strength of a relationship with the customers.

Concept of Relationship Quality

Foundations of the concept of relationship quality, one of the pillars of relationship marketing, were laid by Crosby et al.’s (1990) and Morgan and Hunt’s (1994) in their seminal papers which have set the path for many studies. The concept of relationship quality has been explained as a second order construct with trust, commitment, and satisfaction as the most widely acknowledged dimensions (i.e. first order constructs). This conceptualization is the most appropriate for relationship quality as it has its settings in a long-term perspective and is primarily interpersonal in nature (Vieira, 2008).

The **concept of relationship marketing** was formally introduced in the field of Services Marketing in the decade of 1980s. The firms providing services face the challenges of the unique features possessed by service which are intangibility, variability, perishability. Services cannot be separated from its service provider, thus there is simultaneous production and consumption, i.e. co-production which make the use of relationship marketing strategies more relevant in the services sector (Berry, 1983; Nanda et al., 2017). Firms providing services found that it is more profitable to understand the needs and delivering accordingly to the existing customers instead of finding and serving new customers. In light of growing concern for and importance of customer retention, relationship marketing has emerged as a new concept. Berry (1983), one of the pioneer service-marketing researcher, introduced the term “relationship marketing” and defined it as “the attraction, maintaining and enhancing customer relationship”. Attraction of new customer is the first step and the following steps involve the efforts on the part of the sellers to maintain these customers.

Gronroos (1990) said that the focus of relationship marketing is on customers and other stakeholders, operating at a profit so that objectives of all the parties involved in the relationship are met. All this is done by establishing, maintaining and enhancing relationships between



customers and other stakeholders, through fulfilment of promises and mutual exchange. According to Gummesson (1990, 1994), relationship marketing is the process where information is gathered about customers and a decision is taken regarding developing dialogue with the selected customers. It is a process in which both buyers and sellers work together towards joint problem solving, thus easing out the pressure on the buyer. The success of marketing is measured by the use of customer retention as a policy instead of increased market share. In yet another work Gummesson (1999, 2002) said that relationship marketing is the total management of networks of relationships, interactions and joint creation of value between the parties involved.

Dimensions of relationship quality

As mentioned above, relationship quality is a second order construct, where in literature the most accepted and followed conceptualization includes the three dimensions of relationship quality, namely trust, satisfaction and commitment (Crosby, 1990; Kim et al., 2001; Kim and Cha, 2002; Kim et al, 2006 and Meng and Elliot, 2008).

Trust is defined as the willingness to rely on an exchange partner in whom one has confidence that the needs will be fulfilled in the future actions of the exchange partner. (Moorman, Zaltman, and Deshpande 1992).

Moorman, Zaltman, and Deshpande (1992, p. 316) define “commitment as an enduring desire to maintain a valued relationship.” It implies that the relationship is important to the participants in the exchange and they have a desire to continue with it in the future.

Another important dimension of relationship quality is customer satisfaction, which refers to an emotional state that is a result of their evaluation of the consumption experiences of the services. Customer satisfaction is important because only a satisfied customer will come back and think of having future healthy relationships with the sellers.

The consequences of high relationship quality are that the customers will recommend the product to friends and relatives (Word of Mouth), are willing to repurchase increasing the usage quantity and thus have a higher loyalty, decreased conflict (Crosby et al. 1990, Wu, S. I. and Li, P. C., 2011).

Need for and Benefits of Relationship Marketing

Morgan and Hunt (1994) put this in an interesting way, that it is somewhat contradicting yet true that to be an effective competitor in today’s global market place requires one to be an effective cooperator in some network of organizations. Success of relationship marketing to beat competition is achieved by being cooperative. Even Kalwani and Narayandas, (1995) propose that the competitive realities are forcing firms towards cooperative relationships with their customers and suppliers than having confrontation in relationships.

Cost efficiencies in production and marketing, economizing on learning costs and experience effects, reduced customer turnover which reduces the cost of finding and start-up cost of dealing with new parties, simplification of governance structures and monitoring systems. There are also a number of benefits that accrue from flexibility, adaptability and reduced role ambiguity. Lastly there are better sales and increased profitability resulting from customer satisfaction, customer loyalty and improved product quality.

It can be concluded that relationship marketing gives benefits to both the parties in the relationship whether in B2B or B2C. Manufacturing firm as a member in the channel of

distribution can benefit from maintaining relationship with suppliers of raw material as well as buyers of final goods.

Objective and Research Methodology

The objective of this paper is to identify the dimensions of relationship quality and test them in the hotel industry in the National Capital Region of India and to make suggestions for managing and improving the quality of relationship with customers in the service sector, especially for the hotel industry.

Primary data is collected from the respondents who have used the services of hotel industry in the last one month. A pre-designed, non-disguised questionnaire is used to collect information. One section of the questionnaire is devoted to questions related to the dimensions of relationship quality, namely trust, satisfaction and commitment. Probability sampling could have been the best, but due to lack of availability of sampling lists, data was collected using judgment and convenience sampling, however due care has been taken that all the demographic profiles of the respondents and different star categories of hotels are covered. In data collection, 362 usable questionnaires were analyzed using SPSS 21.

Add Table 1 showing the demographic profile of the respondents.

Data Analysis: Techniques used

For exploring the dimensions, exploratory factor analysis is done on the 16 statements used for collecting data on dimensions of relationship quality from the respondents. The factorability of these 16 statements is tested through Kaiser- Meyer-Olkin (KMO) statistic and the Bartlett's Test of Sphericity (χ^2). The dimensions so extracted through the exploratory factor analysis (Principle Component Analysis) are confirmed through Confirmatory factor analysis (CFA). Structure equation modelling is used and first order confirmatory factor analysis is done to identify the structural relationships between the dimensions and their contribution in the explanation of relationship quality (measurement model). Unstandardized and standardized values are generated and reported.

Add Table.2 showing a list of 16 statements which were asked from the respondents on 5-point Likert Scale, where, SA=Strongly Agree; A= Agree; I= Indifferent; D = Disagree; SD = Strongly Disagree

Exploratory Factor analysis is a data reduction technique used to draw few meaningful manageable factors with the help of large number of variables/statements. The factorability of data is checked by using Kaiser- Meyer-Olkin (KMO) statistic which should be greater than .60 indicating the adequacy of our sample size. Bartlett's Test of Sphericity (χ^2) takes the null hypothesis that the original correlation matrix is an identity matrix and there is no significant relationship between the variables or statements under study. If $p < .001$, implying that the null hypothesis is rejected, indicating that correlations between items are sufficiently large for running Exploratory factor analysis (or Principle Component Analysis) (Field, A. 2009).

Add Table.3. for the results of the KMO and Bartlett's test

It is clear that Kaiser-Meyer-Olkin Measure of Sampling Adequacy of our data set is .921, which is above 0.60. Bartlett's Test of Sphericity, p value is less than .05 indicating that the null hypothesis is rejected. Therefore; it can be concluded that variables/statements have relationship between themselves and eligible to enter into Exploratory Factor analysis.



Principle Components analysis method was used to run the Exploratory factor analysis. The factors are extracted on the basis of eigen values and those factors having eigen values >1 are retained.

Exploratory factor analysis is run and the communalities (proportion of common variance present in a variable) derived are reviewed. The communality of all the statements are all comparatively large (greater than 0.5), suggesting that the statements are suitable to measure the factors (Stewart, 1981; Andy Field, 2010). The statements that share less than 0.50 of its variance with any variable are not considered in the final Exploratory Factor Analysis.

Add Table.4 showing the communalities of EFA applied on 16 statements. Statement no. 6 is dropped from further analysis as it has communality less than 0.50. Finally EFA was applied to the rest of the 15 statements.

Add Table 5 showing the results of KMO and Bartlett's Test on the remaining 15 statements indicating that sample is adequate and there is a relationship between statements, making it eligible to enter into further analysis.

Add Table.6 showing the communalities between the 15 statements related to dimensions of relationship quality now considered for further analysis.

Add Table.7 given showing the factor loadings of various statements generated by Principle component analysis (PCA) method and using varimax rotation to draw the results of Exploratory Factor Analysis using SPSS 21. A factor loading is the correlation between a variable and a factor that has been extracted from the data. Finally, 3 dimensions/factors were extracted and all of them have the Eigen value greater than 1. These factors are named as commitment, trust and satisfaction based on inputs from literature review.

Add Table.8 providing the individual and cumulative total variance explained by the three dimensions extracted from the Exploratory factor analysis using SPSS 21. The factors with Eigen values greater than one are extracted. Three main factors are extracted from the 15 statements and cumulative percentage of variance is 70.546 which is very good implying that about 70 percent of relationship quality is explained by these three dimensions

Two statements have the dual factor loadings indicating a cause of concern for discriminant validity. So, in order to handle the issue of discriminant validity, confirmatory factor analysis was applied to confirm the position of these statements in their respective Factor/Construct.

Add Table 9 showing the construct reliability. The reliability of each construct was found to be high (more than .8) and satisfactory. It was also stated by Hair et.al. (2010) that the reliability estimates more than 0.60 is considered adequate and suitable.

Confirmatory Factor Analysis: In the Exploratory factor analysis, we explore how the variables relate to each other and form groups/factors, based on inter-variable correlations. In CFA we confirm the factor structure extracted in the EFA. According to Ahire, Golhar and Waller, (1996), confirmatory factor analysis (CFA) provides enhanced control for assessing unidimensional character of the factors i.e., the extent to which items in a factor measure one single construct as compared to exploratory factor analysis (EFA). Confirmatory factor analysis also helps in the process of overall construct validation. In this study, confirmatory factor analysis model is run on the 15 statements related to the dimensions of relationship quality.

Results of Confirmatory Factor analysis: Parameters for goodness of fit: Hair et al., (2005) stated that the validity of the measurement model is ascertained by goodness of fit indices. The fit indices report how closely the data fits in the model. The parameters used to assess the goodness of fit are listed below:

1. Chi-square (χ^2)
2. GFI (Goodness of Fit Index)
3. CFI (Comparative Fit Index)
4. NFI (Normed Fit Index)
5. RMSEA (Root mean square error of approximation)

Add Table 10 showing the statements falling in each of the three factors derived from EFA and the codes given to them. This coding is used to draw the model in Confirmatory factor analysis. Following model on the dimensions of relationship quality was proposed to draw the results of Confirmatory Factor Analysis (refer Figure 1).

Empirical Results

Add Table 11 and Table 12 showing Model Fit indices/summary and goodness of fit indices **GFI, CFI, NFI and RMSEA**

CFI value of 0.9 and above testifies strong uni-dimensionality (Byrne, 1994) and GFI value of more than 0.9 shows the best fit of model (Joreskog and Sorbom, 1982). The value of RMSEA which describes badness of fit should be lower than .10. In this model, GFI is less than .90 and the value of RMSEA is more than .10 as seen from Table.11, so, modification is required in the model.

Modification indices indicate the improvement in fit. They show the covariances between the various error terms with other error terms and also the latent variables in the model. The model fit can be improved by including in the model the relationships which show the highest value of covariance or the modification indices. Modifications are made twice in e10 (corresponding to statement C1) and e11 (corresponding to statement C2) in the first step. which is showing the highest value of covariance of 111.057. The second highest modification index is between e14 (corresponding to statement C5) and e15 (corresponding to statement C6) with the value of covariance being 49.565. These modifications are executed step by step.

Add Table 13 showing the model fit summary and Table 14 showing the parameters of goodness of fit. Figure.1 given below shows the diagrammatic position of the proposed measurement model of dimensions of relationship quality after two modifications, and the unstandardized weights.

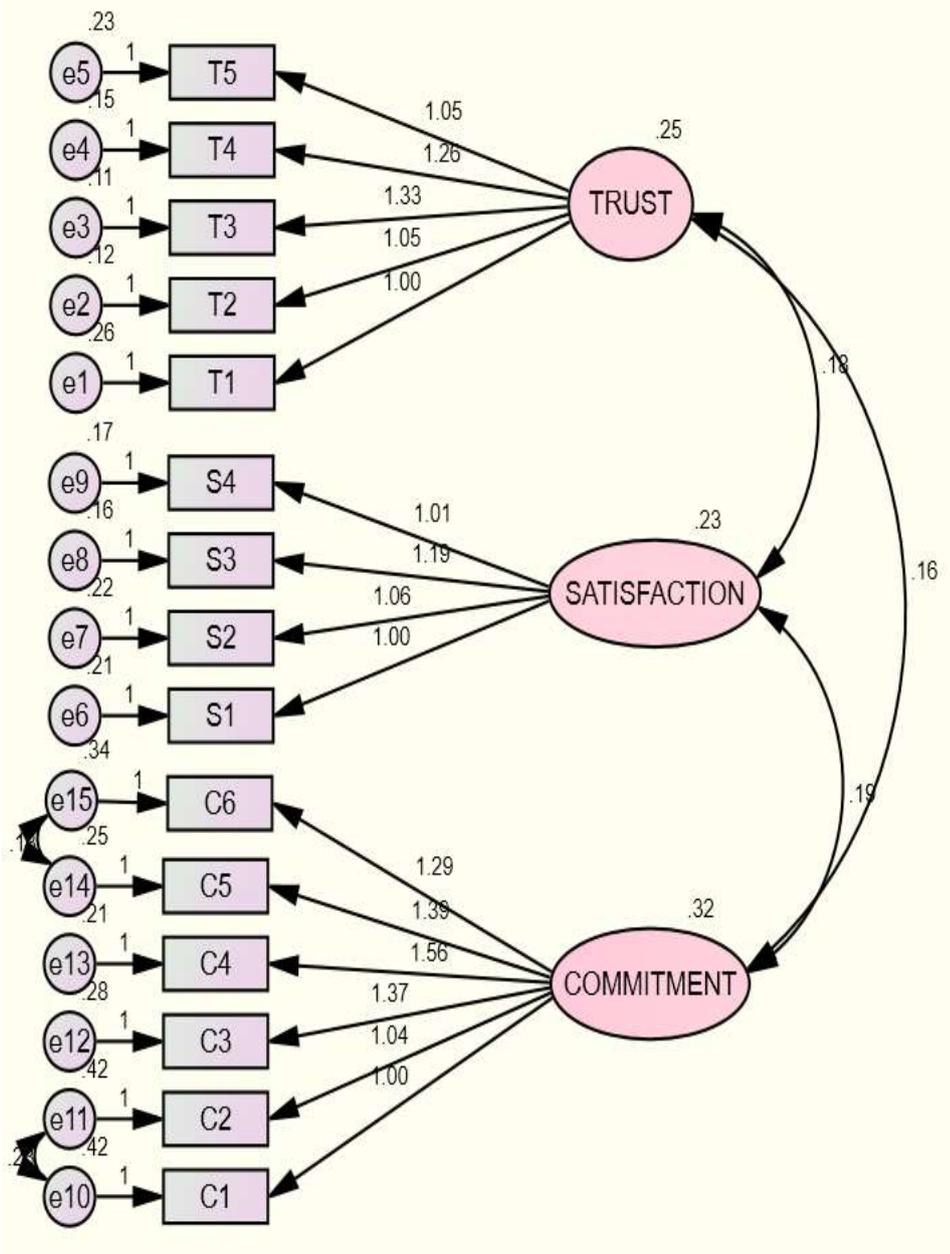


Figure.1: Relationship Quality Dimensions: Un-standardised Weights

In Table.13 relative/ normed chi-square is at a value of **3.268**. This value equals the chi-square index divided by the degrees of freedom. The criterion for acceptance varies across researchers, ranging from less than 2 (Ullman, 2003) to less than 5 (Schumacker & Lomax, 2004).

In Table.14, the **CFI** value came out to be **0.949** which is closer to 1. **CFI** values close to 1 indicate a very good fit. According to some researchers, **RMSEA** should be less than .08 (Browne & Cudeck, 1993). Alternatively, the upper confidence interval of the **RMSEA** should not exceed .08 (Hu & Bentler, 1998). In the present model **RMSEA** was **.079**, which makes the model acceptable on this criterion also.

Table.15 given below shows that all the un-standardized regression weights were significant at p value <0.01 which reveals good results for Confirmatory factor analysis. All

the statements related to each construct of dimensions of relationship quality namely, Trust, Satisfaction and Commitment are strong and significant, thus suitable for further analysis.

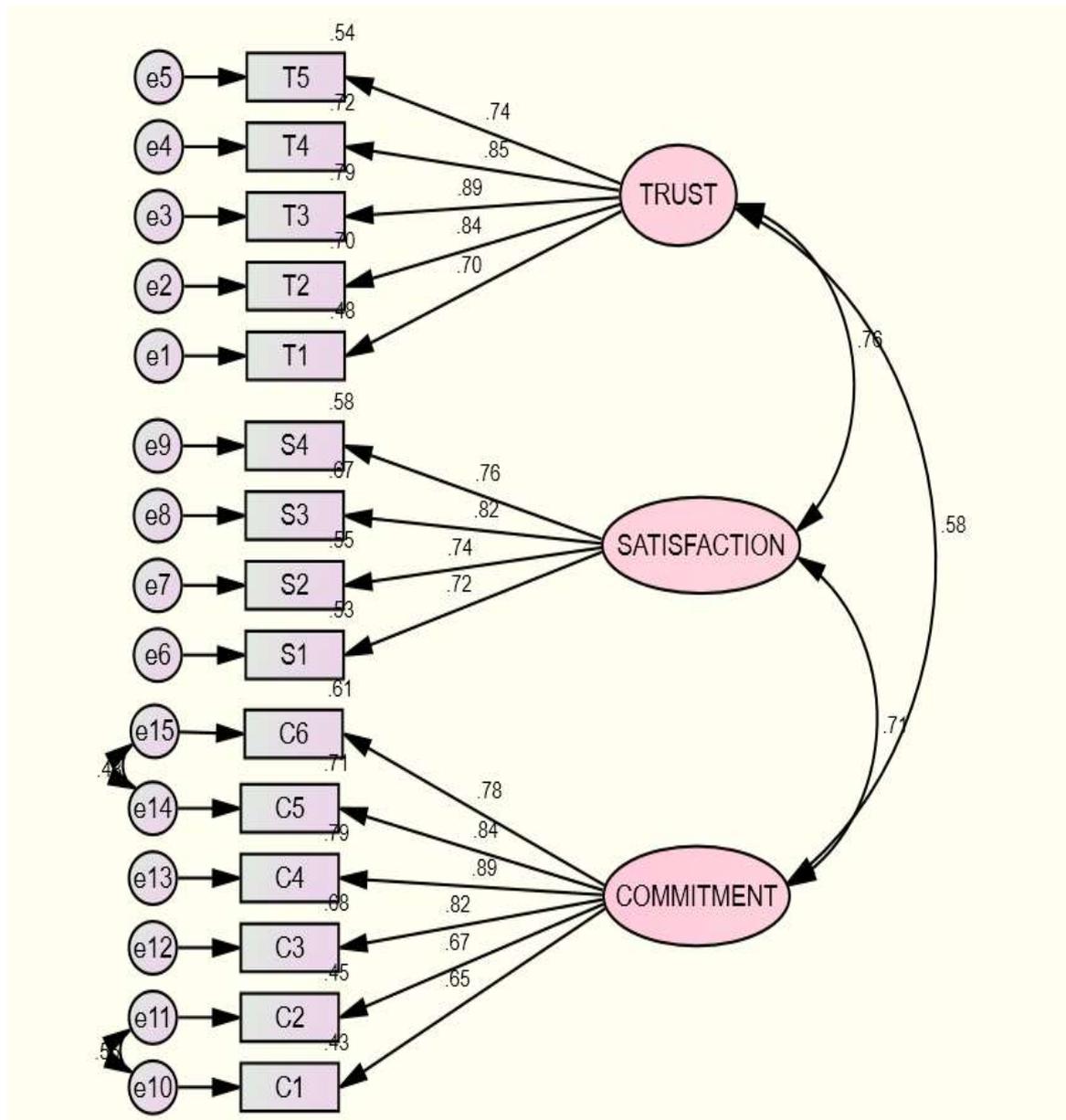


Figure. 2: Dimensions of Relationship Quality Model-Standardised Weights

Table.16 shows the standardized estimates for all the constructs related to the dimensions of relationship quality. These standardized weights also represent the factor loadings/relative importance of each statement to its construct. For example, there are five statements related to trust, all are significant in explaining the construct, but Trust is best explained by T3 with its standardized weight being **.891**, followed by T4 (.851), T2(.838), T5(.737) and T1 in the end with a standardized weight as .695. Similar results can be drawn for commitment and satisfaction. Statement C4 with standardized weight of .888 best measures commitment out of the six statements, followed by C5, C3, C6, C2, and C1. For satisfaction there are four statements where maximum explanation is given by S3 with a factor loading of .821, followed by S4, S2 and S1.



Figure.2 gives the model for dimensions of relationship quality with the standardised weights of each statement. The two-sided arrows between the latent variables shows the covariances between the constructs. It can be seen in the figure that, trust and satisfaction have a covariance of .76, satisfaction and commitment have a covariance of .71 and trust and commitment covary to an extent of .58.

Reliability and validity statistics of the First Order Confirmatory Analysis:

Add Table 17 showing the composite reliability, AVE, MSV and ASV.

In this table the composite reliability of constructs ranged from .903 to .848, exceeding the conventional cut-off value of .70. The average variance extracted (AVE) of constructs were higher than the suggested value of .50, demonstrating more than half of variances in constructs are explained by their corresponding measures. Discriminant validity was assessed by comparing the squared correlation (R^2) of the paired constructs with the AVEs of each construct. Discriminant validity can be said satisfactory if each R^2 between a pair of constructs is less than the AVE for each corresponding construct (Fornell & Larcker, 1981; Hair et al., 2010). Thus, it can be summarized that,

- For Convergent validity is there if $CR > .7$; $AVE > .5$; $CR > AVE$
- For Discriminant validity is there if $AVE > ASV$ and $AVE > MSV$

These conditions are fulfilled in the current study.

Discussion and managerial implications

1. All the departments in the hotel industry, marketing as well as non-marketing, should support and adopt the relationship marketing policies to enhance relationship quality (satisfaction, trust and commitment).
2. Relationship quality has an impact the re-purchase intention and willingness to recommend. Relationship quality tells about the long-term health of a relationships between service provider and client and helps in determining its future wellbeing.
3. Relationship quality provides with an **interaction of continuous nature** with the clients which provides them with an opportunity to **identify their needs**, both **unmet or new** and thus they can propose new solutions and services. Ability to tap these opportunities further depend on the **competence, conviction and persuasiveness of the sales person/sales staff (relationship manager)**.
4. When relationship marketing is practiced, guests feel good about their quality of relationship with the service provider i.e. **feel good factor** about satisfaction with the services and trust placed in each other. This cannot be duplicated by the competitor
5. Customers make a long-term commitment to any seller, especially in service selling situations, for the following three main purposes, a) to reduce the transaction cost in further purchases, b) to reduce uncertainty about future benefits, c) to obtain advantages not available in short-term exchanges like counselling (Crosby, 1990). Relationship marketing efforts therefore should be directed at meeting these objectives of customers.
6. It is also necessary to keep in mind that all the customers are not appropriate for practicing relationship marketing strategies to the fullest extent. The “80/20” rule seems to apply; that is, 20% of a hotel’s customers account for approximately 80% of its total revenue (Kim et.al 2001, Kim et.al 2006, Meng and Elliot 2008). This implies that this important segment of guests needs special attention from hotel marketers. Hotel marketers should concentrate more on these loyal guests when implementing their relationship marketing strategies.



Customer database is an important tool and a strategic asset for the implementation of relationship marketing.

7. Hotels can increase the confidence of the guests by **providing them the serv-ices as per the promises or offers made** in their advertisements and brochures, their websites or through online and offline travel agents (booking and rating sites).
8. **Frequent and loyal guests/clients** should be given benefits and programs designed for them to make their visits and stay more rewarding. **Membership programs** may be designed and VIP members or golden and platinum membership cards, programs may be designed for them. The aim is to develop a bond with the guests and this bond will lead to the natural consequences of relationships (repurchase intention and willingness to recommend) and its strength or quality.
9. Guests should not feel irritated and their **privacy must be respected**. Some guests who don't have any complaints, don't want any additional services.

Conclusion

Today it is the world of digital revolution where the social media and commercial websites are used for hotel bookings with ratings of hotels, satisfied customers and their positive ratings can be much more than a good advertisement. The results of a question asked on sources of information from the respondents revealed that **forty percent of the people use electronic media which could be in the form of booking sites, rating sites, hotel sites** or social media. Almost an equal amount of **41 percent respondents uses referrals from their family and friends and use their past experience to decide the hotel they are** going to stay in. This clearly implies that satisfying the customers will help in building relationship quality through the satisfaction of customers, developing trust and commitment. This will lead to repurchases from the customers and referrals by them.

Bibliography

- Ahire, S. L., Golhar, D. Y., & Waller, M. A. (1996). Development and validation of TQM implementation constructs. *Decision Sciences*, 27(1), 23-56.
- Berry, L. (1983). Relationship Marketing. Emerging Perspectives on Services Marketing. In L. Berry, G. L. Shostack, & G. D. Upah (Ed.), *American Marketing Association*, (pp. 25-28). Chicago.
- Berry, Leonard, & Parusraman, A. (1991). *Marketing Services*. New York: The Free Press.
- Browne, M. W., & Cudeck, R. (1993). *Alternative Ways of Assessing Model Fit*, in, *Testing Structural Equation Models*. (K. A. Bollen, & J. S. Long, Eds.) Newbury Park, CA: Sage.
- Byrne, B. M. (2013). *Structural equation modeling with AMOS: Basic concepts, applications, and programming*. Routledge.
- Crosby, L., Evans, K., & Cowles, D. (1990). Relationship quality in services selling: an interpersonal influence perspective. *Journal of Marketing*, Vol. 54, July, 68-81.
- Field, A. (2005). *Discovering Statistics using SPSS*. SAGE Publications.
- Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18(1), 39-50.
- Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *Journal of Marketing*, Vol. 58 No. 2, 1-19.



- Grönroos, C. (1990). *Service Management and Marketing: Managing the Moments of Truth in Service Competition*. Lexington, MA: Lexington Books.
- Gronroos, C. (1990). The marketing strategy continuum: Towards a marketing concept for the 1990s. *Management Decision*, 29(1), 7-13.
- Gummesson, E. (1987). The new marketing: developing long-term interactive relationships. *Long Range Planning*, Vol. 20 No. 4, 10-20.
- Hair Jr., J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *SEM: An introduction. Multivariate data analysis: A global perspective*, 629-686.
- Hair, J. F., Black, W., Babin, B., Anderson, R. E., & Tatham, R. L. (2005). *Multivariate data analysis (5th ed.)*. Upper Saddle River, NJ: Prentice Hall.
- Hu, L. T., & Bentler, P. M. (1998). Fit indices in covariance structure modeling: Sensitivity to underparameterized model misspecification. *Psychological methods*, 3(4), 424-25.
- Jöreskog, K. G., & Sörbom, D. (1982). Recent developments in structural equation modeling. *Journal of Marketing Research*, 19, 404-416.
- Kalwani, M. V., & Naryandas, N. (1995). Long- Term Manufacturer-Supplier Relationships: Do They Pay Off for Supplier Firm. *Journal of Marketing*, 59, January, 1-16.
- Kim, W G; Cha, Y. (2002). Antecedents And Consequences Of Relationship Quality In Hotel Industry. *Hospitality Management*, Vol. 21, 321-338.
- Kim, W G; Han, J S; Lee, E. (2001). Effects of Relationship Marketing on Repeat Purchase and Word of Mouth. *Journal of Hospitality and Tourism Research*, Vol. 25, No. 3, August, 272-288.
- Kim, W. G., Lee, Y. K., & Yoo, Y. J. (2006). Predictors of relationship quality and relationship outcomes in luxury restaurants. *Journal of Hospitality and Tourism Research*, Vol. 30 No. 2, May, 143-169.
- Kotler, P. (1972). A Generic Concept of Marketing. *Journal of Marketing*, Vol. 36, April, 46-54.
- Meng, J. G., & Elliott, K. M. (2008). Predictors of relationship quality for luxury restaurants. *Journal of Retailing and Consumer Services*, Vol. 15, 509-515.
- Moorman, C., Zaltman, G., & Deshpande, R. (1992). Relationships between providers and users of market research: the dynamics of trust within and between organizations", . *Journal of Marketing Research*, Vol. 29, August, 314-328.
- Morgan, , R. M., & Hunt, S. D. (1994). The Commitment-Trust Theory of relationship marketing. *Journal of Marketing*, 58(January), 20-38.
- Nanda, S., & Khandai, S. (2017). Delivering Superior Customer Value and Satisfaction through Service Quality. *International Journal of Applied Business and Economic Research*, 15, 157-168.
- Oliver, R L. (1980). A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *Journal of Marketing Research*, 17 (November), 460-69.
- Reichheld, F. F., & Sasser, W. E. (1990). Zero defections: Quality comes to services. *Harvard Business Review*, 68(5), 105-113.

Schumacker, R. E., & Lomax, R. G. (2004). *A beginner's guide to structural equation modeling-2*.

Stewart, D. (1981). The Application and Misapplication of Factor Analysis in Marketing Research. *Journal of Marketing Research*, 18.

Ullman, J. B., & Bentler, P. M. (2003). *Structural equation modeling*. John Wiley & Sons.

Vieira, A. L., Winklhofer, H., & Ennew, C. T. (2009). Relationship quality: a literature review and research agenda. *Journal of Customer Behaviour*, Vol. 7 No. 4, 269-291.

Wu, S. I., & Li, P. C. (2011). The relationships between CRM, RQ, and CLV based on different hotel preferences. *International Journal of Hospitality Management*, Vol. 30, 262-271.

Table 1 Demographic Profile of Respondents

		N = 362	Frequency	Percentage	Cumulative %
Star Category	3 Star		155	42.8	42.8
	4 Star		119	32.9	75.7
	5 Star		76	21.0	96.7
	5 stars Deluxe		12	3.3	100.0
Age	18-25 Years		53	14.6	14.6
	26-40 Years		188	51.9	66.6
	41-50 Years		65	18.0	84.5
	51-60 Years		38	10.5	95.0
	Above 60 Years		18	5.0	100.0
Marital Status	Single		104	28.7	28.7
	Married		258	71.3	100.0
Gender	Male		169	46.7	46.7
	Female		193	53.3	100.0
Purpose of Stay	Business		91	25.1	25.1
	Recreational		271	74.9	100.0
Monthly Income	Family	₹ 25,000 - 50,000	41	11.3	11.3
		₹ 50,000-75,000	66	18.2	29.6
		₹ 75,000-1,00,000	64	17.7	47.2
		₹ 1,00,000-2,00,000	105	29.0	76.2
		₹ More than 2,00,000	86	23.8	100.0
Educational Qualification	Up to 12th		24	6.6	6.6
	Graduate		110	30.4	37.0
	Post Graduate		176	48.6	85.6
	Other Qualification		52	14.4	100.0
Occupation	Student		30	8.3	8.3
	House Wife		28	7.7	16.0
	Business Person		87	24.0	29.0
	In-service		197	54.4	94.5
	Retired		11	3.0	97.5
	Others		9	2.5	100.0
Usage Frequency of Hotels in a Year	less than 3 times		252	69.6	69.6
	4-6 times		77	21.3	90.9
	More than 6 times		33	9.1	100.0



Table. 2: Statements Relating to the Dimensions of Relationship Quality

S.No.	Statements/items*
1	The hotel keeps its promises
2	The hotel employees are sincere
3	The hotel employees are trustworthy
4	The hotel employees are honest
5	The hotel employees put customers' interests first.
6	Whenever the hotel staff advise me about any issue, I feel they are giving their best judgment
7	I am pleased with the interaction with this hotel's employees
8	I am satisfied with this hotel's overall products
9	My relationship with the hotel fulfils my expectations
10	The overall feeling from visiting this hotel puts me in a good mood
11	I continue to deal with this hotel because I like being associated with them.
12	I continue to deal with this hotel because I genuinely enjoy my relationship with them.
13	My level of emotional attachment to this hotel is high.
14	My relationship with this hotel has a great deal of personal meaning to me.
15	My relationship with this hotel is important to me.
16	My relationship with this hotel is something that deserves to be maintained.
*Asked on a five point Likert Scale where, SA=Strongly Agree; A= Agree; I= Indifferent; D = Disagree; SD = Strongly Disagree	

Table.3: Dimensions of Relationship Quality-KMO and Bartlett's Test (16 Statements)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.921	
Bartlett's Test of Sphericity	Approx. Chi-Square	4014.916
	Df	120
	Sig.	.000

Table.4: Dimensions of Relationship Quality-Communalities (16 statements)

	Variables/Statements	Initial	Extraction
1	The hotel keeps its promises	1.000	562
2	The hotel employees are sincere	1.000	772
3	The hotel employees are trustworthy	1.000	820
4	The hotel employees are honest	1.000	790
5	The hotel employees put customers' interests first.	1.000	647
6	Whenever the hotel staff advise me about any issue, I feel they are giving their best judgment	1.000	449
7	I am pleased with the interaction with this hotel's employees	1.000	651
8	I am satisfied with this hotel's overall products	1.000	704
9	My relationship with the hotel fulfils my expectations	1.000	637
10	The overall feeling, I got from the visit to this hotel puts me in a good mood	1.000	597
11	I continue to deal with this hotel because I like being associated with them.	1.000	632
12	I continue to deal with this hotel because I genuinely enjoy my relationship with them.	1.000	646
13	My level of emotional attachment to this hotel is high.	1.000	718
14	My relationship with this hotel has a great deal of personal meaning to me.	1.000	818
15	My relationship with this hotel is important to me.	1.000	804
16	My relationship with this hotel is something that deserves to be maintained.	1.000	736
Extraction Method: Principal Component Analysis.			

Table.5: Dimensions of relationship quality KMO and Bartlett's Test (15 statements)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.919
Bartlett's Test of Sphericity	Approx. Chi-Square	3802.171
	Df	105
	Sig.	.000



Table.6: Dimensions of Relationship Quality Communalities (15 statements)

Statements/Factors	Initial	Extraction
T1: The hotel keeps its promises	1.000	.574
T2: The hotel employees are sincere	1.000	.781
T3: The hotel employees are trustworthy	1.000	.822
T4: The hotel employees are honest	1.000	.793
T5: The hotel employees put customers' interests first.	1.000	.642
S1: I am pleased with the interaction with this hotel's employees	1.000	.609
S2: I am satisfied with this hotel's overall products	1.000	.699
S3: My relationship with the hotel fulfils my expectations	1.000	.662
S4: The overall feeling I got from the visit to this hotel puts me in a good mood	1.000	.623
C1: I continue to deal with this hotel because I like being associated with them.	1.000	.648
C2: I continue to deal with this hotel because I genuinely enjoy my relationship with them.	1.000	.645
C3: My level of emotional attachment to this hotel is high.	1.000	.719
C4: My relationship with this hotel has a great deal of personal meaning to me.	1.000	.819
C5: My relationship with this hotel is important to me.	1.000	.807
C6: My relationship with this hotel is something that deserves to be maintained.	1.000	.739
Extraction Method: Principal Component Analysis.		

Table.7: Dimensions of Relationship Quality-Rotated Component Matrix^a -Factor Loadings of (15 Statements)

Name of the Factor	Statements	Component		
		1	2	3
Commitment	My relationship with this hotel has a great deal of personal meaning to me.	.861		
	My relationship with this hotel is important to me.	.839		
	My relationship with this hotel is something that deserves to be maintained.	.801		
	My level of emotional attachment to this hotel is high.	.778		
	I continue to deal with this hotel because I genuinely enjoy my relationship with them.	.586		.530
Trust	The hotel employees are honest		.849	
	The hotel employees are trustworthy		.846	
	The hotel employees are sincere		.792	
	The hotel employees put customers' interests first.		.708	
	The hotel keeps its promises		.627	
Satisfaction	I am satisfied with this hotel's overall products			.767
	I am pleased with the interaction with this hotel's employees			.677
	The overall feeling, I got from the visit to this hotel puts me in a good mood			.664
	My relationship with the hotel fulfils my expectations			.640
	I continue to deal with this hotel because I like being associated with them.	.562		.571
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization ^a				
a. Rotation converged in 6 iterations.				



Table.8 : Dimensions of relationship quality: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	Variance %	Cumulative %	Total	Variance %	Cumulative %	Total	Variance %	Cumulative %
1	7.815	52.098	52.098	7.815	52.098	52.098	3.856	25.705	25.705
2	1.747	11.649	63.747	1.747	11.649	63.747	3.640	24.265	49.969
3	1.020	6.799	70.546	1.020	6.799	70.546	3.087	20.577	70.546
4	.724	4.828	75.374						
5	.626	4.174	79.548						
6	.519	3.457	83.005						
7	.448	2.986	85.990						
8	.385	2.568	88.558						
9	.369	2.463	91.021						
10	.296	1.974	92.995						
11	.267	1.782	94.777						
12	.253	1.684	96.462						
13	.203	1.356	97.818						
14	.183	1.219	99.037						
15	.144	.963	100.000						

Extraction Method: Principal Component Analysis.

Table. 9: Reliability Statistics for Dimensions of Relationship Quality

Reliability Statistics		
Factors	Cronbach's Alpha	No. of Items
Trust	.897	5
Satisfaction	.848	4
Commitment	.910	6

Table.10: Dimensions of Relationship Quality-Coding of the Statements

Factor		Statement
Commitment	C1	I continue to deal with this hotel because I like being associated with them.
	C2	I continue to deal with this hotel because I genuinely enjoy my relationship with them.
	C3	My level of emotional attachment to this hotel is high.
	C4	My relationship with this hotel has a great deal of personal meaning to me.
	C5	My relationship with this hotel is important to me.
	C6	My relationship with this hotel is something that deserves to be maintained.
Trust	T1	The hotel keeps its promises
	T2	The hotel employees are sincere
	T3	The hotel employees are trustworthy
	T4	The hotel employees are honest
	T5	The hotel employees put customers' interests first.
Satisfaction	S1	I am pleased with the interaction with this hotel's employees
	S1	I am satisfied with this hotel's overall products
	S3	My relationship with the hotel fulfils my expectations
	S4	The overall feeling, I got from the visit to this hotel puts me in a good mood

Table.11: Dimensions of Relationship Quality-Model Fit Summary-CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	33	450.881	87	.000	5.183
Saturated model	120	.000	0		
Independence model	15	3884.552	105	.000	36.996

Table. 12: Dimensions of Relationship Quality: Summary of Goodness of Fit Indices

Model	GFI	CFI	NFI	RMSEA
Acceptable limits	>.90	>.90	Close to 1	<.10
Default model	.849*	.904	.884	.108*
GFI: Goodness of Fit Index				
CFI: Comparative Fit Index				
NFI: Normed Fit Index				
RMSEA: Root mean square error of approximation				

Table.13: Dimensions of Relationship Quality: Model Fit Summary CMIN (after second modification)

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	35	277.805	85	.000	3.268
Saturated model	120	.000	0		
Independence model	15	3884.552	105	.000	36.996

Table.14: Dimensions of Relationship Quality: Summary of Goodness of Fit Indices-GFI, CFI, NFI and RMSEA (after second modification)

Model	GFI	CFI	NFI	RMSEA
Acceptable limits	>.90	>.90	Close to 1	<.10
Default model	.903	.949	.928	.079
GFI: Goodness of Fit Index				
CFI: Comparative Fit Index				
NFI: Normed Fit Index				
RMSEA: Root mean square error of approximation				

Table.1: Dimensions of Relationship Quality: Unstandardized Regression Weights- (Default model)

			Estimate	S.E.	C.R.	P
T1	<---	TRUST	1.000			
T2	<---	TRUST	1.047	.071	14.756	***
T3	<---	TRUST	1.333	.086	15.566	***
T4	<---	TRUST	1.261	.084	14.966	***
T5	<---	TRUST	1.052	.080	13.095	***
S1	<---	SATISFACTION	1.000			
S2	<---	SATISFACTION	1.062	.080	13.264	***
S3	<---	SATISFACTION	1.189	.081	14.608	***
S4	<---	SATISFACTION	1.006	.074	13.676	***
C1	<---	COMMITMENT	1.000			
C2	<---	COMMITMENT	1.038	.062	16.748	***
C3	<---	COMMITMENT	1.375	.103	13.301	***
C4	<---	COMMITMENT	1.561	.111	14.032	***
C5	<---	COMMITMENT	1.393	.103	13.512	***
C6	<---	COMMITMENT	1.292	.102	12.663	***
*** All the estimates are significant at 1 per cent level of significance.						



Table.16: Dimensions of Relationship Quality: Standardized Regression Weights (Default model)

			Estimate
T1	<---	TRUST	.695
T2	<---	TRUST	.838
T3	<---	TRUST	.891
T4	<---	TRUST	.851
T5	<---	TRUST	.737
S1	<---	SATISFACTION	.725
S2	<---	SATISFACTION	.741
S3	<---	SATISFACTION	.821
S4	<---	SATISFACTION	.765
C1	<---	COMMITMENT	.654
C2	<---	COMMITMENT	.670
C3	<---	COMMITMENT	.824
C4	<---	COMMITMENT	.888
C5	<---	COMMITMENT	.843
C6	<---	COMMITMENT	.778

Table.2:Dimensions of Relationship Quality Composite Reliability, AVE, MSV and ASV

	CR	AVE	MSV	ASV
TRUST	0.902	0.649	0.573	0.452
SATISFACTION	0.848	0.583	0.573	0.539
COMMITMENT	0.903	0.610	0.504	0.418
CR-Composite Reliability				
AVE- Average Variance Explained				
MSV- Maximum Shared Variance				
ASV- Average Shared Variance				

AVE= Sum of squared multiple correlations/ no. of variables

MSV = Square of the highest correlation coefficient between latent constructs.

ASV = Mean of the squared correlation coefficients between latent constructs.