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EDITOR'S NOTE

Continuing with our tradition of having a diverse selection of topics, we have three stimulating articles in this issue that cover three very different geographic locations: China, Bangladesh, and Thailand. In the first article, Zhuoran Zhang and Udomsak Seenprachawong use the travel cost method to examine the economic value of a tourism site: glaciers in Mt. Yulong, Yunnan, China. They discover that the value is rather significant, roughly ten percent of the local GDP. In the second article, Mohammed S. Chowdhury, Zahurul Alam, and Sharmeen Ahmed investigate the relationship between Bangladesh railway service quality attributes (tangibility, reliability, responsiveness, assurance, and empathy) and customer satisfaction based on passenger perception and expectation. Their findings suggest that railway service providers will win customer satisfaction by improving all the dimensions of SERVEQUAL. Finally, in the third article, Veerasak Prasertchuwong explores the effects of cultural value orientations of customers on the relationship between seller influence tactics, relationship quality, and customer loyalty. He finds a significant relationship between non-coercive seller influence tactics, relationship quality, and customer loyalty. Cultural value orientation that a consumer possesses also plays an important role.

Asst. Prof. Dhanoos Sutthiphisal, Ph.D.
Editor-in-chief

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Estimating Recreational Benefits of the Glacier-Based Highland Ecosystem: A Case Study of Mt. Yulong, China

Zhuoran Zhang

Udomsak Seenprachawong*

ABSTRACT

This paper examines the tourism demand and assesses the consumer surplus of visiting a unique tourist attraction site: glaciers in Mt. Yulong, Yunnan, China by using the zonal travel cost method (henceforth, TCM). We aim to uncover the use value of this particular site in tourism development. We divide domestic travelers into 20 groups based on the demographical and geographical characteristics of their place of residence. The empirical results show that the economic value of the glaciers in the tourism industry is more than three billion Chinese Yuan, roughly equivalent to 500 million dollars, which is approximately ten percent of the local GDP. The high estimated value of the glaciers suggests that some conservation policy interventions are necessary.

Keywords: Highland Ecosystem, Glaciers, Economic Valuation, Travel Cost Method, Consumer Surplus

บทคัดย่อ

งานวิจัยฉบับนี้ศึกษาอุปสงค์ของการท่องเที่ยวและประเมินมูลค่าส่วนเกินผู้บริโภค ของการเยี่ยมชมสถานที่ท่องเที่ยวธารน้ำแข็งที่เทือกเขาหิมะหยู่หลง มณฑลยูนนาน ประเทศสาธารณรัฐประชาชนจีน โดยใช้วิธีการคำนวณค่าเดินทางระหว่างภาค (TCM) เราตั้งใจจะหามูลค่าการใช้ของสถานที่นี้ในการพัฒนาการท่องเที่ยว เราแบ่งนักท่องเที่ยวท้องถิ่นออกเป็น 20 กลุ่ม ตามลักษณะทางประชากรศาสตร์และทางภูมิศาสตร์ของถิ่นที่อยู่ ผลลัพธ์เชิงประจักษ์แสดงให้เห็นว่ามูลค่าทางเศรษฐศาสตร์ของธารน้ำแข็งในอุตสาหกรรมการท่องเที่ยวมีมากกว่า 3 พันล้านหยวน หรือประมาณ 500 ล้านดอลลาร์สหรัฐอเมริกา (ประมาณ 10 เปอร์เซนต์ของผลิตภัณฑ์มวลรวมในประเทศของท้องถิ่น) ค่าประเมินที่สูงของธารน้ำแข็งบ่งชี้ว่าจำเป็นต้องมีนโยบายแทรกแซงในการอนุรักษ์ธารน้ำแข็งนี้

คำสำคัญ: ระบบนิเวศน์ของที่ราบสูง, ธารน้ำแข็ง, การประเมินค่าทางเศรษฐศาสตร์, วิธีการคำนวณค่าเดินทาง, ส่วนเกินผู้บริโภค

INTRODUCTION

Tourism has recently grown to become a star sector in China. It generates millions of dollars for locals without consuming much of the resources. In Yunnan Province, tourism is one of the most profitable sectors, and it has helped an array of poor regions raise their living standards. Nonetheless, the tourism sector has recently started to draw concerns from policymakers, scholars and concerned citizens, as the associated activities carried out at the tourist attraction sites raise many environmental issues, such as air and water pollution, and deforestation. The degradation of the main environmental asset is possible and such a development can result in a drastic decrease in tourist visitation, and thereby tourism revenue.

The general public has since started to call for more sustainable development and, more importantly, implementation of feasible conservation plans, especially in tourist

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attraction sites with highly sensitive environmental assets. However, a central issue often raised by skeptics regarding the conservation of such environmental assets is: whether it is worth the money and effort, and whether the implemented rules and policies to conserve the environment will pay off in the long run.

This paper attempts to gauge the economic value of a well-known tourist attraction site: the Jade Dragon Mountain (Mt. Yulong) in Yunnan, China. This site is celebrated for its unique and precious environmental asset: glacier. We employ the widely adopted travel cost method (TCM) and the economic value derived from such a method shall serve as a benchmark that allows us to examine whether or not this tourist attraction is crucial for the vigor of the local tourism sector and economy. This study hopefully can provide some first-hand evidence that signifies the economic importance of the site and its glaciers. It is, thus, necessary for the local authority and policymakers to implement some urgent measures to conserve this sensitive but precious environmental asset.

BACKGROUND

Mt. Yulong, also known as the Jade Dragon Mountains, is located in the northern part of Yunnan, China (latitude 27° 10' N to 27° 40' N, longitude 100° 9' E to 100° 20' E), and it is one of China's southernmost mountain ranges. Mt. Yulong has glaciers, that are the closest to the Equator in the entire northern atmosphere. It is the most remote mountain range reaching out from the Tibetan Plateau (Himalaya) and covered with maritime glaciers. The climatic snowline of the Jade Dragon Mountain is at approximately altitude 5,000 meters, with a terrain snow line as low as 4,000 meters. Its main peak has a developing hanging glacier, while cirque glaciers cover most of other peaks above altitude 4,500 to 5,000 meters. There are currently 19 glaciers blanketing a total area of more than 11.61 square kilometers. Most of the glaciers possess similar characteristics of a mountain ecosystem such as those typically found in the Alps:[1]

> "…lands provide a scattered but diverse array of habitats in which a large range of plants and animals can be found. At higher altitudes harsh environmental conditions generally prevail, and a selection of treeless alpine vegetation, upon which the present account is focused, is supported. The montane forests commonly cover the lower slopes. At even lower levels mountain lands grade into other types of landform and vegetation - e.g., tropical or temperate forest, savanna, scrubland, desert, or tundra…" (Smith, n.d.).

Combining the sub-tropical location and rapid altitude change, Mt. Yulong has a fairly diverse range of ecosystems: (1) sub-tropical rain forests in the river valley, (2) temperate broad-leaves forests between altitude 2400 to 3200 meters, (3) the boreal coniferous at altitude 3,200 to 4,200 meters, (4) alpine scree with sparse vegetation covered between altitude 4,300 to 5,000 meters, and (5) permafrost and glaciers dominating the higher levels.

For thousand years, Mt. Yulong was residence of a small number of tribal people living in tiny basins over the river valley, enjoying the fertile soil, mild climate and rich natural diversification. Outsiders travelled to the region only occasionally and were often marveled by the mountain's natural beauty.

The uniqueness of the ecosystem and spectacular scenery have given Mt. Yulong a new life in the late 20th century. Local residents and the provincial authority started to

[1] See He and Zhang (2004) for more details.

explore the huge tourism value of the glaciers and the mountain. Various tourism projects including airports, hotels, and roads were proposed and subsequently developed and completed. For example, the new cable tram, allowing travelers to reach the glaciers, was built in 1998.

With the completion of these tourism projects, the surrounding area and local town have since enjoyed a substantial economic expansion. As shown in Table 1, there were merely about 200,000 visitors in 1994. That figure soon exploded to roughly 1.7 million in 2004 and 3.6 million in 2013. The importance of this sector on the local economy had also grown substantially.

Unfortunately, perhaps due to the economic activities carried out at and around the mountain, ominous signs of environmental deterioration have emerged and started to draw concerns. He et al. (2006) predicted that there will be only six glaciers left in 2050, compared to a total of 19 in 1994. Table 2 reveals his other predictions about the fate of the mountain and its glaciers. It is apparent that the development of tourism brought about a huge amount of tourism revenue and speeded up the social and economic development. However, these tourism projects and activities have negative effects on the very most important environmental resource – the glaciers. Almost 30 percent of the glaciers (six out of 19) have disappeared since 1994. The remaining 13 glaciers have also retreated by more than 200 meters on average. The total area covered by glaciers and permafrost has also shrunk by around 30 percent in size. At this speed, by year 2050, all the glaciers are expected to recede to above 5,000 meters and half of the area currently covered by glaciers would have nothing but bare rocks. The glaciers would likely appear only at altitudes where it is inaccessible for human within 20 years, if nothing were done to conserve them.

TABLE 1

Lijiang's Tourism and Economic Statistics, 1994-2013

Year	1994	2004	2013
Total Number of Tourists (million)	0.2	1.7	3.6
Nominal GDP (million USD)	50	250	4,490
Percent of Tourist Revenue (to Nominal GDP)	28.40	48.30	61.40
Percent of Tourist Visiting Glacier	7.60	41.20	77.40

Note: The GDP figures are converted based on the USD-CNY exchange rate on October 30, 2015. The total number of tourists in 1994 and 2004 were estimated.

Source: Lijiang Tourism Authority and Yunnan Economics Statistic Year Book, 2004 and 2013.

TABLE 2

Mt. Yulong's Environmental Statistics, 1994-2050

Year	1994	2012	2050
Average Annual Local Temperature	12.6	14.2	3.6
Number of Existing Glaciers	19	14	6
Area Covered by the Glaciers (square kilometer)	11.5	8.5	4.4
Underground Water Line (meter)	65	105	n.a.
Five-year Average Glacier Retreat (meter)	10.13	24.7	n.a.
Glacier Lower Edge Altitude (meter)	4,550	4,771	4,911

Note: The 2050 figures were estimated by Dr. Qingyuan He, a member of the Chinese Academy of Sciences.

Source: A newspaper interview of Dr. Qingyuan He by Li (2014).

METHODOLOGY

Theoretical Framework

To assess the monetary value of the mountain, we employ the well-developed TCM. Such an approach was firstly introduced by Hoteling (1947) and extended by Clawson and Knetsch (1966) in order to estimate the non-market value of assets, especially environmental resources, which, in most of cases, are public goods and therefore the traditional asset valuation approaches (for example, the market value approach or the acquisition cost approach) are normally not applicable. TCM attempts to extract the value of the public good from the revealed preference of the consumers (Brown & Mendelsohn, 1984). There have since been extensive discussions and debates regarding the functional forms and econometric approaches of estimating travelling demand under the framework of TCM (Bowes & Loomis, 1980; Strong, 1983). Yet it remains to be one of the most adopted methods to assess the value of an environmental asset. In addition, TCM employs secondary data to observe the ex-post value of travelers (Offenbach & Goodwin, 1994). As a result, TCM provides not only a fair approximation of the value of a certain environmental asset but also a first glance at whether the protection of such an asset is economically sound.

The entrance fee (price) to an environmental asset or a tourist attraction site normally does not vary much across different travelers and across time. It is not feasible to estimate the "actual" demand curve. Alternatively, TCM assumes that the time and money visitors have to spend so as to gain access to the tourist site affect their utility. (Freeman, 1979; Kealy & Bishop, 1986). In other words, the time and money spent on travelling constitute a great proportion of the "price" travelers pay to visit the site. The utility one receives from visiting a site can, thus, be theorized to depend on the total cost of traveling (C), number of visitation to the site (V) and his or her income (W):

$$MAX\ \{U = (C, V, W)\}$$

The utility maximization solution would yield the Marshallian demand function:

$$\mathrm{V}^* = \mathrm{F}(\mathrm{C}, \mathrm{W}).$$

The demand curve or function is essential for an estimation of the consumer surplus. Various prior studies adopting TCM (Clawson & Knetsch, 1966; Bowes & Loomis, 1980) have assumed a linear form of the demand function, but it is now generally agreed that the linear demand model overestimates the consumer surplus (Strong, 1983) comparing to other forms of the demand curve.

Consequently, in this study, we apply the zonal TCM and estimate both the linear and quadratic forms of the demand equation. The consumer surplus calculated from each specification is then evaluated and compared for more valid conclusions. Below are the econometric specifications we employ:

$$\frac{V_{it}}{N_{it}} = \alpha_i + \beta_1 \cdot C_{it} + \beta_2 \cdot I_{it} + \varepsilon_{it} \tag{1}$$

$$\frac{V_{it}}{N_{it}} = \alpha_i + \beta_1 \cdot C_{it} + \beta_2 \cdot I_{it} + \beta_3 \cdot I_{it}^2 + \varepsilon_{it} \tag{2}$$

$$\frac{V_{it}}{N_{it}} = \alpha_i + \beta_1 \cdot C_{it} + \beta_2 \cdot C_{it}^2 + \beta_3 \cdot I_{it} + \varepsilon_{it} \tag{3}$$

$$\frac{V_{it}}{N_{it}} = \alpha_i + \beta_1 \cdot C_{it} + \beta_2 \cdot C_{it}^2 + \beta_3 \cdot I_{it} + \beta_4 \cdot I_{it}^2 + \varepsilon_{it} \tag{4}$$

where V_{it} is the number of visitations from zone i in year t, N_{it} is the population (in millions); C_{it} the cost of travelling from the zone, and I_{it} the average monthly income. Under the zonal TCM approach, the demand was estimated by assuming each zone as an integrated entity that determines the visitation demand. Therefore, most of other commonly used socio-economic attributes such as education and gender become irrelevant since those are attributes at the individual level rather than zonal level. Unfortunately, the zonal attributes, such as consumption references or travelling destination choices, are essentially unobservable and hence treated as stochastic, which are represented by the random error ε_{it}.[2]

Both Equations (1) and (2) express a linear relationship between travel cost and visitation rate, with different ways to control for the effects of income. Equations (3) and (4) utilize the quadratic form of the demand function, while controlling for income. After obtaining the coefficient estimates, and hence the demand equation, we calculate the consumer surplus by plugging the demand equation into the following equation:

$$CS_{it} = \int_{C_{it}}^{C_k} \left(\frac{V_{it}}{N_{it}}\right) dC \tag{5}$$

where CS_{it} is the consumer surplus per one million population, and C_k is the choke price (at which visitation becomes zero).[3]

Data

We collected data from various sources. Annual data on travel cost and income from 2012 to 2014 were from the National Statistical Bureau of China. Information about the origin of more than two million travellers was provided through requests to the Tourism Statistical Office under the Tourism Authority of Yunnan.

Visitors, according to their origin, were classified into 20 different groups or zones. The zoning was generally based on the provinces of China. China has a total of 34 provincial-level government units. Several small provinces with similar geographical and demographical characteristics and in close proximity to each other were grouped together. On the other hand, some large and highly populated provinces were further divided into multiple zones. We also dropped a couple of provinces from the analysis because of data limitation. Table 3 reports the distance between the Jade Dragon Mountain and the airport of the provincial capital or the largest city of each zone, as well as the annual income and the cost of travelling to the Jade Dragon Mountain. The population figure is a three-year average.

Estimation

The econometric estimation of TCM typically does not include all relevant variables, as not all the characteristics of travellers that affect their demand can be observed and accounted for. Moreover, the unequal population from each zone may result in

[2] The rationality of such a practice was defined as the Random Utility Model by Hanemann (1984).

[3] "Choke price" is the price at which the visitation would become zero. Conventionally also known as the reservation price, but named as the choke price under TCM.

heteroscedasticity. Hence, Bowes and Loomis (1980) used zonal averages to tackle the heteroscedasticity problem. Nonetheless, Strong (1983) argued that by taking zonal averages, the Ordinary Least Square (OLS) estimator, even though unbiased, is likely inefficient, and he suggested the Weighted Least Square estimation as an alternative.

In order to control for unobserved variables, we compiled a panel dataset. Crucial information from each of the zones was collected for three years (from 2012 to 2014). We employ the Random Effect model because the unobserved variables, such as the travelling preference of the travellers, are not time-invariant and are normally uncorrelated with the independent variables.[4]

TABLE 3

Zonal Statistics

Zone	Distance (kilometer)	Cost of Travelling (CNY)	Income (CNY)	Population (million)
1	1,510	2,784	3,557	37.62
2	1,640	3,886	2,017	25.82
3	1,857	3,215	6,239	45.19
4	1,868	3,135	3,029	5.77
5	1,890	2,415	3,561	66.81
6	1,892	3,298	2,642	79.37
7	2,030	2,843	3,256	6.53
8	2,040	3,264	2,870	36.27
9	2,250	2,963	5,683	54.93
10	2,360	2,971	3,196	73.26
11	2,400	2,842	2,632	60.25
12	2,430	4,033	7,544	24.05
13	2,506	4,305	5,617	24.96
14	2,574	4,153	7,739	21.06
15	2,650	2,702	4,825	37.67
16	2,890	3,315	8,168	14.60
17	2,942	3,712	5,097	43.92
18	3,463	4,492	3,910	27.51
19	4,100	3,962	3,120	38.38
20	5,200	4,713	3,087	22.59

Note: Distance is flight distance. Cost of Traveling and Income figures are the average values from 2012 to 2014.

Source: Tourism Authority of Yunnan; National Statistical Office in Yunnan; and Lijiang China Tourist Service.

RESULTS

Table 4 reports the empirical results. All specifications yield a negative coefficient on the cost of travelling. As expected, the higher cost, the lower visitation rate. In contrast, we would expect that income and visitation rate have a direct relationship. The positive estimate for income in all the four regressions confirms the theoretical conjecture.

The consumer surplus can be obtained by plugging the estimates derived from each of Equations (1) – (4) into Equation (5), and the mathematical computation results are reported in Table 5. The estimated consumer surplus using the estimated parameters from Equation (1) is fairly similar to that from Equation (2). Equations (3) and (4) also yield a similar pattern. Hence, only results from Equations (1) and (3) are reported.

[4] See Greene (2008, p. 183) for conditions where a random effect model is preferred to a fixed effect one.

TABLE 4

Random Effect Regressions of Visitation Rate

	(1)	(2)	(3)	(4)
Cost of Traveling	-0.157	-0.162	0.148	0.026
	(2.07)*	(2.14)*	(0.25)	(0.04)
Monthly Income	0.233	0.067	0.229	0.079
	(6.95)**	(0.38)	(6.79)**	(0.43)
Cost squared			-0.000043	-0.000026
			(0.51)	(0.31)
Income squared		0.000016		0.000015
		(0.94)		(0.83)
Constant	893.977	1,277.176	392.498	932.421
	(3.00)**	(2.58)**	(0.38)	(0.76)
N	60	60	60	60

Note: * significant at 5%, ** significant at 1%

TABLE 5

Computed Consumer Surplus

Zone	Distance (kilometer)	Linear Demand (million CNY)			Quadratic Demand (million CNY)		
		2012	2013	2014	2012	2013	2014
1	1,510	168.23	213.26	198.71	123.84	116.49	169.78
2	1,640	15.34	23.98	25.26	84.87	90.78	103.06
3	1,857	411.22	439.48	537.52	255.59	296.98	278.78
4	1,868	15.89	22.53	23.85	21.36	19.50	22.92
5	1,890	335.76	344.97	451.22	181.51	239.96	208.67
6	1,892	131.58	189.66	309.53	304.00	301.78	236.93
7	2,030	25.09	29.53	31.87	21.71	22.46	24.50
8	2,040	104.37	120.35	114.29	134.61	129.76	139.60
9	2,250	491.45	541.26	530.09	255.24	273.68	345.92
10	2,360	255.26	306.98	347.63	277.11	265.21	250.57
11	2,400	156.15	182.74	212.44	171.76	187.78	200.45
12	2,430	238.69	260.64	315.05	206.68	217.77	209.38
13	2,506	144.33	186.01	209.06	197.86	178.97	177.90
14	2,574	206.03	233.92	281.79	188.98	198.75	193.79
15	2,650	261.92	291.87	358.76	154.13	172.41	158.26
16	2,890	186.28	207.48	221.22	99.59	112.45	130.46
17	2,942	242.60	316.13	378.99	287.25	266.06	240.26
18	3,463	95.91	100.03	118.47	150.59	170.82	171.90
19	4,100	93.68	110.88	130.10	180.35	179.34	175.33
20	5,200	31.68	51.01	63.26	116.49	117.27	126.05
Total		3,611.46	4,172.72	4,859.10	3,413.54	3,558.22	3,564.52

Note: Computed using Equation (5).

Figures in Table 5 exhibit several crucial reflections. Firstly, the annual consumer surplus from the domestic travellers was estimated over three billion Chinese Yuan (approximately 500 million USD), indicating that the value of the glaciers for the tourism sector is substantial. The economic loss, if the glaciers were no longer accessible to tourists, could be as high as 3 billion Yuan per annual.

Secondly, the consumer surplus based on a linear functional form of the demand curve is noticeably higher than that based on a quadratic form. Such a finding corroborates those of Ziemer, Musser and Hill (1980), and Strong (1983). They explained that such a difference in consumer surplus between different functional forms of demand was due to "…the linear form of demand equation grossly misestimates the intercepts of the demand equation…" (Strong, 1983, p. 342). That is, a linear form of the demand curve leads to an imprecise estimation of the choke price and overstates the consumer surplus. From this perspective, Strong (1983) argued that the quadratic or other non-linear forms of the demand should provide better estimates of the consumer surplus than the linear model.

Another intriguing finding from Table 5 is that regardless of the form of the demand curve, the zones with a higher cost of traveling in general had a lower consumer surplus, which is as expected; but at the same time, income seemed to play an equally important role over the consumer surplus. Zones with a higher level of annual average income generated a higher consumer surplus than zones with lower income. Such a pattern is more pronounced under the linear demand models. As illustrated in Table 5, the consumer surplus computed from the linear demand curve was extremely high for zones with high income, and was extremely low for zones where the average income was low. However, under the quadratic demand model, the difference in consumer surplus estimates from zones with high income and those from zones with low income is much smaller. This finding illustrates the problem of aggregating the demand curve for each zone, as these zones had different income levels and consumer preferences. The choke (reservation) price, which represents the maximum willingness to pay, is expected to vary across zones. Unfortunately, the aggregation of the demand under a single equation results in a single choke price to be applied to all zones and is used as the upper bound in calculating the consumer surplus. This certainly leads to an inaccuracy of the consumer surplus estimation.

It is obvious in Table 5 that selection of the demand curve is important for the estimation of the consumer surplus, as suggested by Strong (1983), and different models might have their own limitations that may imprecisely estimate the consumer surplus. Nevertheless, it is fair to argue that the total consumer surplus in the tourism sector of the studied site is substantial and the consumer surplus is increasing over time. As income rises and the increase in the cost of travelling remains negligible, it is likely that the consumer surplus continues to grow in the future.

CONCLUSION

The objective of this study is to estimate the tourism demand and to assess the economic value of a unique environmental asset – the glaciers – in Mt. Yulong, Yunnan, China. The zonal TCM was employed and secondary data were exploited to estimate the demand curve. We selected two different functional forms of the demand curve and estimated them against the data.

Empirical findings suggest that even though the quadratic function and linear function did not yield similar accounts of the consumer surplus, the results arrived from both functional forms indicate a significantly high use value of the glaciers. The value of glaciers represented by the consumer surplus was more than three billion Chinese Yuan per annual. This value is approximately ten percent of the local GDP and it has been increasing over time. If the glooming picture painted by environmental scientists is correct, then this valuable asset to the locals is on the edge of disappearing and the economic loss to the locals might be catastrophic due to the high value of this asset in the tourism sector and the local GDP. Such findings inevitably imply that the local authorities should consider urgent policy interventions in order to conserve the glaciers. Suitable policy interventions, including instruments and process of implementations, remain to be explored in future studies.

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Measuring Commuters' Satisfaction: The Case of Railway Passengers in Bangladesh

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ABSTRACT

This study examined the relationship between railway service quality attributes and customer satisfaction based on passenger perception and expectation. The study employed a survey research design to collect data from the participants to investigate the relationship among service quality attributes and commuter satisfaction. All hypotheses were tested using correlation and regression analysis. To explore the extent of gap between customer expectation and their perceived value, we compared each value difference between all 22-item expectations and perceptions to arrive at a conclusion for the level of quality. The results of this study indicated that service quality was an important antecedent of customer satisfaction. All tested hypotheses were found to be statistically significant and all service quality dimensions were either strongly or moderately correlated with commuter satisfaction. In all of the service quality dimensions the expectations of the commuters exceeded their perceptions.

Keywords: Customer Satisfaction, Perception, Expectation, Service Quality, Public Transport, Non-Motorized Vehicles

บทคัดย่อ

งานวิจัยฉบับนี้ศึกษาความสัมพันธ์ระหว่างลักษณะคุณภาพของการบริการรถไฟกับความพึงพอใจของลูกค้าจากการรับรู้และความคาดหวังของผู้โดยสาร งานชิ้นนี้ใช้การวิจัยเชิงสำรวจในการรวบรวมข้อมูลของผู้เข้าร่วม ในการศึกษาความสัมพันธ์ระหว่างลักษณะคุณภาพของการบริการและความพึงพอใจของผู้ไปกลับเป็นประจำ ทุกสมมติฐานได้รับการตรวจสอบด้วยการวิเคราะห์สหสัมพันธ์และการวิเคราะห์การถดถอย เพื่อสำรวจขนาดของความแตกต่างระหว่างความคาดหวังของลูกค้าและคุณค่าที่ลูกค้ารับรู้ได้ เราเปรียบเทียบค่าความแตกต่างจำนวน 22 รายการ เพื่อสรุปผลระดับคุณภาพ ผลลัพธ์ของการศึกษานี้ชี้ให้เห็นว่าคุณภาพของการบริการเป็นต้นเหตุสำคัญของความพึงพอใจของลูกค้า ทุกสมมติฐานที่ถูกทดสอบมีนัยสำคัญทางสถิติ และคุณภาพของการบริการในทุกมิติมีสหสัมพันธ์กับความพึงพอใจของผู้ไปกลับเป็นประจำ อย่างพอควรหรืออย่างมาก ในทุกมิติของคุณภาพของการบริการผู้ไปกลับเป็นประจำมีความคาดหวังเกินกว่าการรับรู้

คำสำคัญ: ความพึงพอใจของลูกค้า, การรับรู้, ความคาดหวัง, คุณภาพของการบริการ, การขนส่งสาธารณะ, ยานพาหนะที่ไม่ใช่ยานยนต์

INTRODUCTION

The world has been witnessing rapid private motorization because of the increased travel demand, resulting in an increased traffic congestion that leads to longer travel time for many people (Ellaway, Macintyre, Hiscocl, & Kearns, 2003; Asri & Hidayat, 2005), an increased consumption of various non-renewable resources (Abman & Sieber, 2005) and a serious threat to the quality of human environments (Goodwin, 1996) in

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both developed and developing countries (Najneen, Hoque, Mahmoud, Rahman, & Sharmin, 2010). Traffic congestion is a common occurrence almost in all the cities in Bangladesh. A large number of non-motorized vehicles (scooters, bikes, rickshaws, human haulers) and motorized vehicles (vans, push carts, microbuses, cars, jeeps, trucks) occupy the road, reducing road capacity and creating congestion, thus making the roads unsafe for not only the pedestrians but the motorists as well. In addition, increases in urban population are creating pressure on the existing transportation system. This expansion of population is making city dwellers life standstill on the roads of major cities during the rush hours of morning and evening (Shamser & Abdullah, 2013). In order to prevent problems caused by the increase in traffic congestion from increased motorization, researchers and public decision makers have become more and more prone to public transport that provides continuing general or special transportation to the public excluding school buses, charter and sightseeing services. Public transportation includes various modes such as buses, subway, rail, trolleys and ferry boats.

Many public sector organizations including transportation services are created by governments with an intention not to compete in the open market. Instead, their objective is to fulfill the needs of the common public. In order to keep and attract more passengers and fulfill their needs, public transport must have high service quality to satisfy and meet a wider range of customers' needs (Oliver, 1981; Anable, 2005). It is, therefore, important to identify what drives customer satisfaction and dissatisfaction in public transport so as to design an attractive and marketable public transport system. The focus of this paper is to assess service quality and the satisfaction of railway passengers in Bangladesh. The rail transport has been an alternative and viable transport mode for travelers in urban areas, especially those who commute to and from their homes, at least 50 to 60 miles away from cities. Bangladesh is no exception to this norm.

Railway is a popular public transport mode in Bangladesh. Commonly known as BR (Bangladesh Railway), it is run and operated by the Government of Bangladesh. Bangladesh inherited its railway network from undivided India. Railway is a popular mode of transportation in Bangladesh since travelling by train is cheaper than any other mode of transportation. Currently, railways play a vital role in fostering greater connectivity across and within regions of the country. The main strength of rail transport vis-a-vis road transport lies in long distance travel and carriage of goods.

Bangladesh Railways, primarily a passenger railway system, carries its maximum number of passengers between Chittagong and Dhaka, the nation's most important transport corridor. While the road network has increased significantly, no matching expansion of the rail network has been made. The necessity of connecting the Port of Chittagong to the tea gardens of Assam of India led to the construction of railways in Chittagong and the first railway line connecting the Port to Assam was opened in 1895. Thereafter other lines were laid connecting the city and the district to the rest of Bangladesh. Chittagong Railway Station is situated near the Bipani Bitan, also known as the New Market, and Reazuddin Bazar. Besides the inter-district trains, there are local trains connecting the city with rural areas like Dohazari, Nazirhat and Chittagong University (see railway.gov.bd).

Due to lack of an adequate budget for maintenance of rail tracks and other infrastructures, the rail sector is in a deplorable condition, resulting in poor performance of BR (Abdullah, 2012). As public transport organizations grow older and become matured, the quality of service dwindles down and the public is left with no option but to accept what is offered (Andreassen, 1994). Therefore, such a situation warrants that the concept of quality needs to be introduced or reintroduced back into public transportation so as to meet the quality expectations of the public (Ancarani & Capaldo, 2001). Moreover, quality remains a great and grave concern to the commuters of public transport. Because of all these reasons, we carried out this study. Moreover, despite that service quality constitutes an important aspect in public transportation, there is limited research being done to explore this issue, especially in government run rail service in Bangladesh.

The purpose of this study is to examine the relationship between customer satisfaction and service quality in the rail service sector of Bangladesh with respect to various service quality dimensions. A study like this is essential to assess and improve service delivery and design, because it will provide management with empirical data that they can use in making inferences about the customers. (Wilson, Zeithaml, Bitner, & Gremler, 2008). This study, therefore, investigates the service quality commonly referred to as SERVEQUAL attributes by academia and researchers in the business world that affect satisfaction of the commuters who travel by rail in Bangladesh that run between the city of Chittagong and several rural areas (Nazirhat and Chittagong University) in the district of Chittagong. We explore this issue from the passengers' perspective through assessing their expectations and perceptions of service quality of Bangladesh Railway.

The study is justified for a number of reasons. First and foremost, since the independence of Bangladesh, there have been nominal allocations of funds for the expansion and reconstruction of rail transports in the country (Abdullah, 2012). Service quality has remained a great concern to public transport, particularly in the railway sector. The negligence over decades has left the railway sector with a very poor capacity to serve the people. The relationship between service quality and satisfaction is complex due to the intricate interplay between performance dimensions used in quality judgments and those used in satisfaction judgments. Not enough studies in the context of Bangladesh exist on the topic, so the present study, constituting a field study, will contribute to a better understanding of SERVEQUAL factors that affect the customers' perceived satisfaction of rail transport in Bangladesh. Thus, this study constitutes an aid to the policy makers, researchers and the government for improving the various quality aspects of rail transport in Bangladesh.

FRAMEWORK AND RESEARCH HYPOTHESES

In this paper we explore the relationship between railway service quality attributes and customer satisfaction based on passenger perception and expectation. Following Zeithaml, Parasuraman, & Berry (1990), we classify and focus on five factors of SERVEQUAL that could predict the quality of the service provided by Bangladesh Railway for its customer satisfaction. We also examine the significant differences in these five service quality dimensions by evaluating customers' satisfaction of rail transport in Bangladesh. The five service quality attributes and their operational definitions are depicted in Table 1.

We posit the following framework as illustrated in Figure 1.

1. Overall service quality (OSQ) is a function of service quality dimensions
2. Customer satisfaction (CS) is a function of service quality dimensions and overall service quality (OSQ)

The main variable, from customers' perspectives, are customer satisfaction and service quality. Customer satisfaction is a dependent variable and service quality and its dimensions are independent variables.

TABLE 1

Dimensions of SERVEQUAL Attributes and Their Operational Definitions

Tangibility	Appearance of physical facilities, equipment, personnel and written materials
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Employees' knowledge, courtesy and their ability to inspire trust and confidence
Empathy	Caring, easy access, understanding customers and individualized attention to customers

Note: Adapted from Zeithaml et al. (1990).

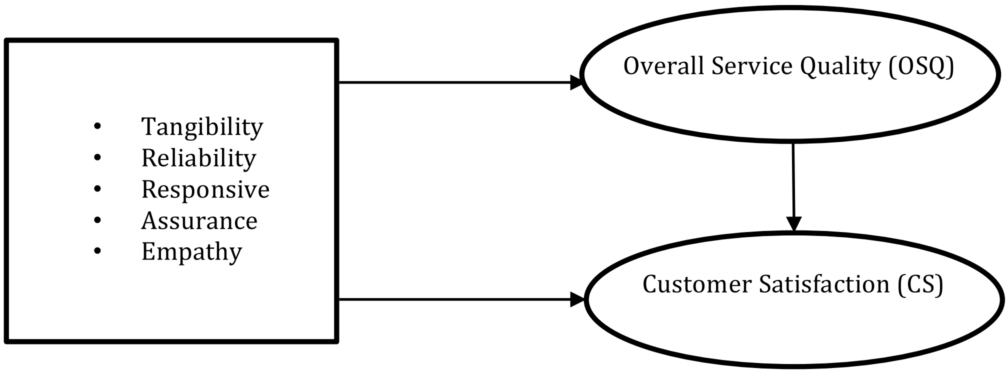

FIGURE 1

Framework

The research questions we seek to answer in this article are

- How do commuters expect and perceive service quality of Bangladesh Railway on a service quality scale popularly coined as the SERVQUAL scale given by Parasuraman, Zeithaml, & Berry (1988)?
- Are consumers satisfied with overall service quality offered by Bangladesh Railway?

Based on the above research framework and questions, we propose the following hypotheses.

H1: Service quality dimensions (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) have a significant relationship with overall service quality (OSQ).

H2: All five service quality dimensions noted in H1 have a significant relationship with customer satisfaction (CS).

H3: Overall service quality (OSQ) has a significant relationship with customer satisfaction (CS).

LITERATURE REVIEW

Following the research on service quality popularly known as SERVEQUAL by Parasuraman, Zeithaml, & Berry (1985), there has been much research on the topic and its relationship to customer satisfaction (see Godwin, 1996; Brady & Cronin, 2001; Zhu, Ramanathan, & Ramanathan, 2011; Bag & Sen, 2012). In all of these studies service quality has been defined as the difference between customer expectations and perceptions of services delivered by the firms. The SERVQUAL is a well-regarded model and a common diagnostic tool used to measure customer expectation and their perceived satisfaction.

SERVQUAL was developed in the mid 80's by Parasuraman et al. (1985) with a 22-item scale to measure service quality generally across various service industries such as banking, credit card companies, motor repair shops, etc. SERVQUAL originally measured on ten aspects of service quality, namely, reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. By the early 1990s the authors have refined the model to five aspects of service quality: tangibility, reliability, responsiveness, assurance and empathy. Sureshchandar, Rajendran, & Anantharaman (2002) identified five factors of service quality, which were service product, human element of service delivery, systematization of service delivery, tangibility, and social responsibility. Miller (2011) examined a potential issue in measuring service quality using the SERVQUAL instruments and presented the results of a field study in which randomized and non-randomized versions of SERVQUAL were administered in multiple organizations and resulting samples were then used to generate factor structures which proved to be non-congruent.

Quality is the overall experience which a customer perceives through interacting with a product and service. Service quality is a competitive weapon (Parasuraman et al., 1988) for public transport to compete with rivals in private transport. The issue of improving service quality whereby an organization can derive competitive advantage has also been investigated by many researchers (Reicheld & Sasser, 1990; Hensel, 1990; Berry, Parasuraman, & Zeithaml, 1994; Berry & Parasuraman, 1997; Glynn & Brannick, 1998; Johnston & Heineke, 1998; Harvey, 1998). In all of these studies service quality has been used as an ingredient in understanding consumer behavior. A positive consumer behavior on service quality will lead to higher returns (Zahorik & Rust, 1992; Boulding, Kalra, Staelin, & Zeithaml, 1993; Liu, Sudharshan, & Hammer, 2000). Brown, Churchill, & Peter (1992) has referred to organizations bearing high service quality as preferable which facilitates them to charge premium prices.

Since an increased private motorization has resulted in increased traffic congestion, public transport, especially rail transport should become part of a solution for sustainable transport in the future in highly densely populated countries like Bangladesh. However, in order to keep and attract more passengers, public transport needs to have high service quality to satisfy and fulfill a wider range of different customers' needs (Oliver, 1980; Anable, 2005). Therefore, it is imperative that BR provides service quality to its customers to remain a viable mode of sustainable public transport as a remedy to the increased traffic congestion.

Customer satisfaction (CS) is a key performance indicator of the activity of a firm or a corporation that is widely recognized. Previous studies (e.g., Eboli & Mazula, 2007; Friman, Edvardsson, & Garling, 2001; Randheer, AL-Motawa, & Prince, 2011; Sharma & Yadav, 2013) show that public transport is still an alternative travel mode for many people. In order to retain current passengers, public transport has to improve the service to accommodate a wide range of customers' needs and expectations (Andreassen, 1995; Beirão & Cabral, 2007). Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations. Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. Service quality and customer satisfaction have been proven from past studies to be positively related (Kuo, 2003; Gera, 2011). Therefore, service quality should be treated as an antecedent of customer satisfaction. Customers routinely make a comparison of their expectations (what they feel service providers should offer) with their perceptions of the performance of the service provider (Gronroos, 1982; Parasuraman et al., 1985).

In the satisfaction literature, expectations are considered as 'predictions' by customers about what is likely to happen during a particular transaction, while in the service quality literature, expectations are viewed as desires or wants of consumers, that is, what they feel a service provider 'should' offer rather than 'would' offer. For our study, we will define expectations as desires or wants of customers because this allows us to know exactly what service providers offer and this is based on past experience and information received (Douglas & Connor, 2003). It is important to understand and measure customers' expectations in order to identify any gaps in delivering services with quality that could ensure satisfaction (Negi, 2009). Perceptions of customers are based solely on what they receive from the service they encounter (Douglas & Connor, 2003).

The foregoing literature review reveals that there is a correlation between SERVEQUAL attributes and customers' satisfaction. The current research is focused on examining the commuters' expectations and perceptions of service quality of rail transport of Bangladesh. The train service quality is defined as "the overall excellence of services provided by Bangladesh Railways that fare against commuters' expectation. Our study is mainly based on this discrepancy of expected service and perceived service from the customer's perspective. This is aimed at obtaining a better knowledge of how customers perceive service quality in rail transport of Bangladesh.

METHODOLOGY AND DATA

This research involves the use of a customer perception tool known as SERVQUAL. The study employed a survey research design to collect data from the participants to investigate the relationship among SERVEQUAL attributes and commuters' satisfaction and among the SERVEQUAL attributes and overall service quality (OSQ). The research is quantitative in nature. Quantitative data allows the researchers to present data in descriptive form and to also determine in possible relationships between two or more variables. Quantitative research involving correlation describes the degree to which two or more variables are related (Frankly & Wallen, 2003).

A survey questionnaire based on SERVEQUAL was used to capture the information relating to the research objectives. The resulting questionnaire was divided into four sections. The first section relates to the demographic profile of the respondents. The second section measures customers' expectation. The third section measures customers' perceptions. Both the second and third sections involve SERVEQUAL items, as depicted in Table 1. The fourth section measures customers' satisfaction.

To administer the questionnaire two of the researchers located themselves at the university rail station. These researchers approached any person whom they judged available and proposed to him or her to fill a questionnaire. The researchers explained to all of the respondents that they were seeking to measure the gap between what they expected from Bangladesh Railway in terms of service quality and what they perceived in terms of service quality offered by Bangladesh Railway. The researchers did this because it was important to keep the respondents focused that they do not go astray since some could possibly ignore reading the instructions and it could render the work null and void.

Measurement of Variables

We have used the SERVEQUAL model as methodology for measuring customer satisfaction (CS) and overall service quality (OSQ). The SERVQUAL framework developed by Parasuraman et al. (1985) with 22 item scales is a well-regarded model and a common diagnostic tool used to measure customer service and perceived satisfaction. We have asked the respondents to rate their satisfaction to the item of overall satisfaction and 22 items in specific quality attributes for rail transport.

These five SERVQUAL dimensions are used to measure the gap between customers' expectation for excellence and their perception of actual service delivered. For each dimension of service quality, SERVQUAL measures both the expectation and perception of the service on a scale of 1 to 7, 22 questions in total. Each of the five dimensions is then weighted according to customer importance, where the score of each dimension is multiplied by its weight. Following this, the "gap" score for each dimension is calculated by subtracting the "expectation" score from the "perception" score. A negative gap score indicates that the actual service (the perceived score) was less than what was expected (the expectation score). The gap score is a reliable indication of each of the five dimensions of service together as functions of a customer's perceptions and expectations. In most cases, when expectation and perception are equal, service quality is satisfactory. Using SERVQUAL, service providers can obtain an indication of the level of quality of their service provision and highlight areas requiring improvement.

The respondents were asked to rate the "overall service quality" of Bangladesh Railway, using a 7-point semantic differential scale. Scores range from "very low" (1) to "very high" (7) to confirm all five dimensions of SERVEQUAL in determining OSQ (overall service quality) and CS (customer satisfaction).

The usual measures of customer service (CS) involve a survey with a set of questions. In this study we have measured customer satisfaction by a single direct question as "Overall how satisfied are you with the rail service to the commuters in this route"? This is in consonant with several studies (e.g., Westbrook, 1980; Oliver, 1980; Montinaro & Chirico, 2006). They all indicated that single item rating scales were common among researchers in testing customer satisfaction.

The Sample

The focus of this research is exploratory. The survey took the form of non-probability procedure (convenience one) since we do not know how many people commute by train in the rail route under study and we chose those students who had enough commuting experience (daily and weekly commuters) by train. Convenience sampling is considered as easy, fastest and most efficient way to collect the information that was needed. This is in line with several studies (e.g., Sekaran, 1992; Cooperand & Schindler, 2003). A convenience sample is simply one where the units are selected for inclusion in the sample. In our example, if we are interested in achieving a sample size of say 524 students and non-students in our study. We may simply stand at one of the main entrances to campus. Accordingly, we two, among the three, researchers did do this at Chittagong University railway station (the main station at the university main entrance) since our choice of respondents was students from the University of Chittagong and non-student commuters who get on and get off from the train at that station as well. The research timing scope was made within six months (from June 11 to November 11, 2013). Among a total of 524 questionnaires 451 questionnaires were valid. The valid rate of response of questionnaire is 86 percent, a fairly good response rate for the study.

The percentage of male respondents was 54 and female 46 percent. 70 percent of the respondents were university students and 30 percent were daily passengers to and from offices located at various places in Chittagong district within the distance from 30 to 40 miles from the city of Chittagong. Most respondents were in the age bracket of 25 to 30. This is easily understandable since 70 percent commuters are students commuting by train daily from and to the university, which is only 20 to 25 miles away from the city. Among the non-students, 60 percent had a bachelor's degree, 30 percent had a master's degree and others had some college education. Among students 65 percent were undergraduate students and 35 percent were graduate students.

Reliability Analysis

Cronbach's alpha reliability analysis was conducted on the independent variables in order to determine the reliability of the instrument used. As seen in Table 2 each variable consisted of at least 4 variables. The values of Cronbach's alpha are greater than 0.60 and hence considered acceptable (Nunally, 1978). We, therefore, conclude that research instruments used in this study are valid and reliable.

TABLE 2

Reliability Analysis

Quality Dimensions	Cronbach's Alpha Expectations	Cronbach's Alpha Perceptions
Tangibility	0.83	0.90
Reliability	0.81	0.88
Responsiveness	0.78	0.86
Assurance	0.83	0.79
Empathy	0.87	0.92
Overall Service Quality	0.79	0.82

Data Analysis

The data collected were analyzed using the five SERVQUAL dimensions to measure the gap between customers' expectation for excellence and their perception of actual service delivered followed by the correlation and regression analyses in order to establish the relationship between SERVEQUAL attributes and customer satisfaction. Following Stanovich (2007), all hypotheses were tested by the coefficient of correlation measures. Hypothesis testing was done to analyze direct effects of independent variables on customer satisfaction, controlling for demographic variables. The regression models consist of a function describing how the dependent variable is related to one or other explanatory variables, i.e. how changes in one or more variables will change the value of another. Particularly, the models were employed to look at the effects of SERVEQUAL dimensions—tangibility, reliability, responsiveness, assurance and empathy—on commuters' satisfaction and overall service quality as follows.

$$\mathrm{OSQ}_i = \beta_0 + \beta_1 TAN_i + \beta_2 REL_i + \beta_3 RESPON_i + \beta_4 ASSU_i + \beta_5 EMP_i + \varepsilon_i \quad (1)$$

$$\mathrm{CS}_i = \beta_0 + \beta_1 TAN_i + \beta_2 REL_i + \beta_3 RESPON_i + \beta_4 ASSU_i + \beta_5 EMP_i + \varepsilon_i \quad (2)$$

$$\mathrm{CS}_i = \beta_0 + \beta_1 OSQ_i + \varepsilon_i \quad (3)$$

where TAN is tangibility, REL is reliability, $RESPON$ is responsiveness, $ASSU$ is assurance, and EMP is empathy of customer i. That is, Equation (1) corresponds to H1, Equation (2) to H2, and Equation (3) to H3.

RESULTS

Gap Analysis

The customers' perception score (CP), customers' expectation score (CE), gap score (CP-CE) and the mean unweighted score of each SERVEQUAL dimension is shown in Table 3. To obtain the weighted scores, customers were requested to assign weights by distributing 100 points to all 5 dimensions according to their relative importance, as shown in Table 4.

From Table 3, all questionnaire responses were negative. The overall weighted SERVEQUAL score of -42.31 (Table 4) indicates a very significant shortfall in all dimensions of SERVEQUAL. This is the real cause for concern and provides a definite starting point for service improvements. This result is in consonant with a recent study:

> "The problems of the Bangladesh Railway include lack of capacity building, lack of proper servicing facilities and delay in finalization of tenders. The performance of BR is unsatisfactory because of a number of reasons. The development projects are not implemented as per schedule due to lack of skilled and efficient personnel. It may be mentioned that BR could not recruit officials since long, resulting in shortage of manpower which affects the regular operations of the train." (Abdullah, 2015)

TABLE 3

Customers' Perception Expectation Gap Score (Unweighted)

Dimensions	Statements	CP Mean Score	CE Mean Score	Difference between CP and CE
Tangibility	Professional appearance of staff	4.47	5.47	-1.00
	Physical comfort level of customers	4.41	5.26	-0.85
	Accessible and visual display of materials	3.23	5.38	-2.19
	Modern looking equipment	2.29	4.62	-233
	Average	**3.6**	**5.18**	**-1.58**
Reliability	Rails are accurate in record keeping	4.23	6.59	-2..36
	Rails are accurate in train timings	5.48	6.38	-0.90
	Adhere to punctuality of trains	4.89	6.78	--089
	Staff shows interest in solving problems	3.26	5.19	-1.93
	Perform service correctly	2.68	5.86	-3.18
	Average	**4.10**	**6.16**	**-2.06**
Responsiveness	Staff is always willing to help customers	3.24	6.26	-3.02
	Never too busy to respond	4.29	5.80	-1.51
	Staff tells exactly when services will be performed	3.89	5.69	-1.80
	Treat public situation with care and seriousness	2.46	5.86	-3.40
	Average	**3.47**	**5.90**	**-2.43**
Assurance	Staff is trustworthy	4.23	5.89	-1.59
	Staff is courteous	3.83	6.20	-2.37
	Staff is knowledgeable	4.65	5.48	-0.83
	Commuters feel safe in travel	3.44	5.88	-2.44
	Average	**4.03**	**5..86**	**-1.83**
Empathy	Railways give individual attention	2.98	6.12	-3.14
	Understand commuters' specific needs	2.38	6.33	-3.95
	Customers' best interest at heart	2.85	5.88	-3.03
	Staff renders personal service to customers	2.67	5.24	-2.57
	Railway operations are convenient to all passengers	4.66	5.34	-0.68
	Average	**3.10**	**5.78**	**-2.68**
Average SERVEQUAL gap score (unweighted)				**-2.11**

Note: CP is the abbreviation for customers' perception, and CE for customers' expectations.

TABLE 4

SERVEQUAL Weighted Scores

SERVEQUAL Dimensions	Unweighted Mean score	Importance Weight (Total = 100)	Unweighted Score X Importance Weight	Weighted Score
Tangible	-1.58	20.2	-1.58 X 20.2	-31.91
Reliable	-2.06	20.6	-2.06 X 20.6	-42.43
Responsiveness	-2.43	19.7	-2.43 X 19.7	-47.87
Assurance	-1.83	19.4	-1.83 X 19.4	-35.50
Empathy	-2.68	20.1	-2.68 X 20.1	-53.86
Average Weighted SERVEQUAL Score				**-42.31**

Correlation Matrix

After having examined the Gap scores, we decided to construct a correlation matrix to see if there are significant correlation among all the dependent and independent variables. Table 5 reports the correlation matrix. All SERVEQUAL dimensions are positively and significantly correlated with CS and OSQ. “Empathy” had the strongest impact on the dependent variable—customer satisfaction (.764**), followed by responsiveness (.655**). Strong correlation is also evidenced between OSQ and CS (.899**). The table also suggests that there are inter-correlations among all the dependent and independent variables.

TABLE 5

Inter-Correlation among Dependent and Independent Variables

	CS	OSQ	TAN	REL	RES	ASSU	EMP
CS	1	.899**	.456**	.436**	.655*	.566**	.764
OSQ		1	.795**	.767**	.451**	.430**	.788**
TAN			1	.844**	.361**	.522**	.636**
REL				1	.424**	.597**	.647**
RES					1	.403**	.486**
ASSU						1	.424**
EMP							1

Note: The correlation is significant at .01 level (1 tailed). CS is the abbreviation for customer satisfaction, OSQ for overall service quality, TAN for tangibility, REL for reliability, RES for responsiveness, ASSU for assurance, and EMP for empathy.

Test for Multicollinearity

Table 6 indicates that tolerance values of all SERVEQUAL dimensions are above 0.10. Likewise, all of the variance inflation factor (VIF) values are less than 10, thus confirming that multicollinearity is not a concern (Burns & Busch, 2007).

TABLE 6

Multicollinearity Statistics

Independent Variables	Tolerance	VIF
Tangibility	.986	1.16
Reliability	.668	1.67
Responsiveness	.469	2.38
Assurance	.779	1.62
Empathy	.754	1.36

Regression Analysis

We begin our regression analysis by evaluating H1. To do so, we estimate Equation (1). The results are reported in Table 7. All SERVEQUAL dimensions have influenced OSQ, as evidenced by large coefficient estimates and *T*-statistics. The *F*-value is 21.6, and the *p*-value is 0.000 which is significant at 5% level (H1 accepted). From the adjusted R-squared value, 28.9 percent of the changes in the dependent variable OSQ are explained by the independent variables.

TABLE 7

Regression of OSQ on SERVEQUAL Dimensions

Independent Variables		β	*T*-test	*p*-value
Constant		1.970	13.2	0.000
Tangibility		0.397	3.27	0.000
Reliability		0.228	2.34	0.000
Responsiveness		0.302	2.02	0.000
Assurance		0.489	2.59	0.000
Empathy		0.502	2.39	0.000
Adjusted R squared	28.9			
F-value	21.6			
Significance	0.000			

Similarly, we evaluate H2 by estimating Equation (2). The results are reported in Table 8. All SERVEQUAL dimensions have influenced customer satisfaction, as evidenced by large coefficient estimates and *T*-statistics. The *F*-value is 18.6 and the *P*-value is 0.000 which is significant at 5% level (H2 accepted). The adjusted R squared indicates 26.8% of the changes in the dependent variable CS (customer satisfaction) are explained by the predictor variables.

Finally, we evaluate H3 by estimating Equation (3). Table 9 indicates OSQ has a strong impact on customer satisfaction, as evidenced by large coefficient estimates and *T*-statistics, supporting H3. The adjusted R-squared implies that 32.4 percent of the changes in the dependent variable are explained by the predictor variable OSQ.

TABLE 8

Regression of CS on SERVEQUAL Dimensions

Independent Variables		β	*T*-test	*p*-value
Constant		2.391	12.6	0.000
Tangibility		0.205	3.97	0.000
Reliability		0.216	4.45	0.000
Responsiveness		0.195	2.53	0.000
Assurance		0.267	6.53.	0.000
Empathy		0.289	7.63	0.000
Adjusted R squared	26.8			
F-value	18.6			
Significance	0.000			

TABLE 9

Regression of CS on OSQ

Independent Variables		β	*T*-test	*p*-value
Constant		0.879	8.66	0.000
OSQ		0.989	16.23	0.000
Adjusted R squared	32.4			
F-value	22.3			
Significance	0.000			

CONTRIBUTIONS AND IMPLICATIONS

The commuters demand that, because of the nature of railway services, they should be given services to their expectations and perceptions. It is, therefore, essential for Bangladesh Railway to explore the causes of dissatisfaction, pay very close attention to their needs and expectations (current and future) and do whatever is necessary to mitigate the gap between their perceptions and expectations.

The main objective of this study was thus to investigate the effects of SERVEQUAL dimensions on customer satisfaction. The results indicated that service quality is an important antecedent of customer satisfaction and this result is consistent with several studies (Buttle, 1996; Lee, Lee, & Yoo, 2000; Zeithaml & Bitner, 2003; Andaleeb & Conway, 2006). Further, this research found that commuters experienced a difference between expectation and perception on the service received. Hence, the findings reinforce the need for continuous improvement of the service quality.

The results from this study suggest that to improve customer satisfaction on public transport like rail service, public transport decision makers and providers should improve service quality in in all dimensions of SERVEQUAL. Furthermore, the study implies that service that meets the expectations of the commuters can attract a large number of people to reduce the use of privately owned transport like cars, scooters, bikes, human haulers or other vehicles, thus solving an increased traffic congestion in the country. This study also shows that knowing about customers' perceptions on service quality, trying to meet and manage customers' expectations, improving quality management by identifying areas that have weaknesses in terms of meeting customers' needs are important factors in providing services.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Nevertheless, there are two limitations to this study. First, most respondents were university students commuting daily to and from the university. The students usually have higher expectations and always demand higher services from the organization like BR. Therefore, it is likely that their responses were skewed and did not reflect the true picture about the perceived value of SERVEQUAL dimensions. As a result, it is important to recruit more non-students than students who commute daily to and from work in this route to get a better picture about the expectations and perceived quality of service. The other limitation is that the study was conducted in one route running from Chittagong City to Nazirhat with a stop at Chittagong University area, called University Station. The results, therefore, could not generalize the voice of Bangladesh Railway commuters. Future studies should recruit a higher number of respondents in a greater number of rail routes.

Finally, when service quality is analyzed at an attribute level, it is revealed that on board security is important. One way to increase on board security is to add more security personnel and to install surveillance in the compartments and waiting areas. Past research (e.g., Le-Klahn, 2013) suggests other factors that also influence customer satisfaction judgment. In future research, it is important to investigate such other factors and to conduct in-depth interviews involving a higher number of respondents, thus creating a more relevant customer satisfaction measurement. One can also explore the difference between student commuters and non-student commuters in measuring service quality and customer satisfaction in public transport like Bangladesh Railways.

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The Impact of Individual Level Cultural Value Orientation as A Moderator of Seller Influence Tactics, Relationship Quality, and Customer Loyalty

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ABSTRACT

As competitions in marketing intensify and many marketers offer products that are similar, salespersons are forced to adapt their marketing strategies to survive. Relationship marketing has become the suitable strategy that salespersons employ to cope with this situation. Nevertheless, each and every customer is unique, so a better understanding of customers at the individual level is essential. Thus, this research examined the effects of cultural value orientations of customers at the individual level on the relationship between seller influence tactics, relationship quality, and customer loyalty. The questionnaire was launched to 511 respondents gathered from several central business districts in Bangkok metropolitan, Thailand. I employed the structural equation modeling approach to investigate the issues. The findings show that many relationship channels between coercive influence seller tactics, relationship quality, and customer loyalty which was influenced by a customer's cultural value orientation are not statistically significant. In contrast, quite a number of relationship paths between non-coercive seller influence tactics, relationship quality, and customer loyalty are significant. Moreover, the linkage between relationship quality and customer loyalty influenced by cultural value orientation is significantly strong.

Keywords: Relationship Quality, Coercive Seller Influence Tactics, Non-Coercive Seller Influence Tactics, Individual Level Cultural Value Orientation

บทคัดย่อ

ในสภาพที่ตลาดมีการแข่งขันอย่างยิ่งยวด ผู้ค้าต่างนำเสนอสินค้าที่มีคล้ายคลึงเป็นอย่างมาก พนักงานขายจึงถูกบังคับให้ปรับกลยุทธ์การตลาดเพื่อที่จะอยู่รอด ดังนั้นการตลาดเชิงความสัมพันธ์ดูเสมือนเป็นกลยุทธ์ที่เหมาะสมที่พนักงานขายจะนำมาใช้เพื่อจัดการกับสถานการณ์นี้ แต่ทว่าลูกค้าทุกคนมีความต้องการแตกต่างกัน การทำความเข้าใจในลูกค้าแต่ละคนจึงเป็นสิ่งสำคัญที่ขาดไม่ได้ ดังนั้นการทำความเข้าใจความเชื่อมโยงระหว่างการตลาดเชิงความสัมพันธ์กับวัฒนธรรมระดับปัจเจกบุคคล จึงเหมาะสมสำหรับรายงานฉบับนี้ รายงานฉบับนี้มีจุดมุ่งหมายในการศึกษาผลกระทบของวัฒนธรรมระดับปัจเจกบุคคลกับความสัมพันธ์ระหว่างกลยุทธ์การขายแบบชี้นำ การตลาดเชิงความสัมพันธ์ และความภักดีของลูกค้าต่อพนักงานขาย ในการนี้แบบสอบถาม จำนวน 511 ชุด ได้ถูกนำไปสอบถามกลุ่มเป้าหมายในย่านการค้าและธุรกิจต่างๆ อาทิเช่น ถนนสีลม-สาธร ถนนพหลโยธิน-ซอยอารีย์ และถนนศรีนครินทร์-ซีคอนสแควร์-พาราไดซ์ปาร์ค ผลการวิจัยพบว่าการใช้กลยุทธ์การขายแบบบังคับชี้นำของพนักงานขาย ไม่ก่อให้เกิดความสัมพันธ์กับการใช้กลยุทธ์การตลาดเชิงความสัมพันธ์ และความภักดีต่อพนักงานขาย ในแทบทุกประเภทของวัฒนธรรมระดับปัจเจกบุคคล ในทางตรงกันข้ามการใช้กลยุทธ์การขายแบบให้คำแนะนำของพนักงานขายก่อให้เกิดความสัมพันธ์กับการใช้กลยุทธ์การตลาดเชิงความสัมพันธ์และก่อให้เกิดความภักดีต่อพนักงานขาย ในแทบทุกประเภทของวัฒนธรรมระดับปัจเจกบุคคล นอกจากนี้ผลการวิจัยยังพบว่า มีความสัมพันธ์ที่มีนัยสำคัญระหว่างการใช้กลยุทธ์การตลาดเชิงความสัมพันธ์กับความภักดีต่อพนักงานขาย ในทุกประเภทของวัฒนธรรมระดับปัจเจกบุคคล

คำสำคัญ: การตลาดเชิงความสัมพันธ์, กลยุทธ์การขายแบบบังคับชี้นำ, กลยุทธ์การขายแบบให้คำแนะนำ, วัฒนธรรมระดับปัจเจกบุคคล

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INTRODUCTION

In a fiercely competitive market, where most marketers offer products that are largely similar, sales organizations are forced to adopt various marketing strategies in order to survive or maintain a sustainable competitive advantage (Dwyer, Hill, & Martin, 2000). Salespersons are expected to meet specific sales targets by acquiring new customers and retaining existing ones. Thus, salespersons have to employ strategies tailored to fit each individual customer. Researchers have found that some selling strategies produce better performances than others (Dubinsky 1980; Dubinsky & Rudelius, 1980; Hite & Bellizzi, 1985), and the integration of more than one selling strategy can be key to the success for any salespersons in a market of homogeneous goods. Among many selling processes, relationship marketing seems an outstanding selling approach to achieve such an objective.

The essence of relationship marketing is to build and maintain the relationship with customers (Gronroos, 1994, 1999). Prior to establishing a relationship, a salesperson has to contact with the customer. This process of interaction has to be well prepared by the seller in order to communicate effectively with the customer and be successful in influencing him or her (Dubinsky, 1980; Dubinsky & Rudelius, 1980; Hite & Bellizzi, 1985). Therefore, salespersons have to employ appropriate tactics when initiating communication with customers. The tactics which salespersons may use are referred to as seller influence tactics, which aim to develop the salesperson-customer relationship (Frazier & Summer, 1984; Frazier & Kale, 1989; Frazier & Rody, 1991).

Therefore, a better knowledge of an individual customer's behavior is essential. Among various approaches to better understand the uniqueness of each individual customer, the association of selling strategies with the cultural value orientations of different customers is a focus in this study. Cultural value orientations each customer possesses have an impact on the selling process. Thus, the objectives of this study are to investigate these issues and to empirically identify and assess the effects of various cultural value orientations at the individual level on relational marketing.

LITERATURE REVIEW

The relational marketing paradigm is an emerging marketing perspective that fulfills the basic marketing structure by focusing on the setup and maintenance of long-term relationships between buyers and sellers rather than the traditional selling concept of the marketing mix paradigm, which views the process of exchange as a single and one-time transaction, and fails to achieve a long-term buyer-seller relationship (Dwyer, Schurr, & Oh, 1987; Gronroos, 1994, 1999). I, in the paper, would like to explore relational marketing with relevant concepts and strategies, such as seller influence tactics, relationship quality, customer loyalty, and cultural value orientations of customers.

Seller Influence Tactics

At the early stage, building a relationship between a salesperson and a customer is important to the selling process since it seems natural that more successful salespersons may put greater emphasis on building relationships than their less successful counterparts. An effective salesperson is likely able to improvise and select the most appropriate selling strategy depending on the characteristics of the individual customer and the contingent situation (Weitz, 1978; Spiro & Weitz, 1990; Creyer 1994; Roman & Iacobucci, 2010).

Selling influence tactics can be defined as the process that includes the structure and content of communications from a seller to a buyer. The propose of such tactics is to influence the buyer's behavior as desired (Frazier & Rody, 1991). Salespersons exercise some degree of influence over consumer behavior by using these selling tactics, such as non-coercive and coercive tactics based on the controlling power of the salesperson in either the reward or the punishment process over the customers (Frazier & Summers, 1984; Frazier & Rody, 1991).

Non-coercive seller influence tactics

Non-coercive seller influence tactics which a salesperson may employ is a persuasive approach, which attempts to influence the decision and behavior of a customer by conveying and suggesting the benefits from performing a specific action (Frazier & Summers, 1984). Below are several common non-coercive seller influence tactics.

An **information exchange** strategy is a strategy whereby the salesperson uses discussions on general product or service issues by communicating information and soliciting questions in order to alter the customer's general perception of the product. However, this strategy poses no specific target action by the salesperson. (Frazier & Summer, 1984; Frazier & Rody, 1991; McFarland, Challagalla, & Shervani, 2006).

Recommendation is a strategy used by the salesperson to stress a point of interest, or to convince a potential customer to adopt a narrower set of behaviors, whereby the salesperson predicts that the customer would acquire greater benefits if he or she follows the salesperson's suggestions (Frazier & Summer, 1984; Frazier & Rody, 1991; Boyle, Dwyer, Robicheaux, & Simpson, 1992; McFarland et al., 2006).

Request occurs where the salesperson informs or asks the customer to take a specific desired action without mentioning or explaining the result or consequence of such an action. This tactic is likely most appropriate in situations where the level of dependency of the customer on the salesperson is greater than the switching cost of changing to another seller. Sticking with the existing seller would result in benefiting both parties (Frazier & Summer, 1984; Frazier & Rody, 1991).

Coercive seller influence tactics

Coercive seller influence tactics are mechanisms which a salesperson can employ while communicating with the customer. Implementation of such tactics depend on power balance between the salesperson and the customer. Coercive influence tactics involve the process in which the salesperson exerts direct pressure on the customer in order to force him or her to behave in a specific manner.

Under a **promise** strategy, the salesperson assures to offer the customer a specific incentive which meets the customer's expectations and satisfies the salesperson's stated desires (Angelmar & Ster, 1978; Venkatesh, Kohli, & Zaltman, 1995). The faithful implementation of the promised strategy over time will bring about an increase in the dependence of the customer and will strengthen the identification of such a customer with the salesperson (Frazier & Summer, 1984; Frazier & Rody, 1991; McFarland et al., 2006).

Threat is a negative sanction which the salesperson may apply to the customer who does not behave as desired (Frazier & Summers, 1984; Boyle & Dwyer, 1995). Such influence tactics are subject to the personal relationship between the salesperson and the customer. Threat influence tactics can have a negative impact on the relationship because they likely reduce the quality of the relationship and thereby decrease the customer's dependence on the salesperson and may increase the odds of terminating the relationship (Venkatesh et al., 1995).

Relationship Quality

Relationship quality is more effective when customers prefer to engage in relationships with salespersons rather than selling firms. A quality relationship requires a precise understanding of customer needs. Salespersons, thus, need focus on the marketing activities that support the relationship. Previous studies demonstrated the role of the salesperson in building and maintaining the relationship with his or her customer by increasing the level of trust, relationship satisfaction, and commitment that such a customer perceive from the salesperson (Smith, 1998a, 1998b; Garbarino & Johnson, 1999; Bowdent, 2011; Palmatier, Dant, Grewal, & Evans, 2005; Rauyruen & Miller, 2007).

Trust is the confidence which a customer perceives from interactions with his or her salesperson. The level of trust varies and it depends on the perception of the customer toward the salesperson's reliability and integrity. A high level of trust results in behaviors such as honesty, consistency, and benevolence. Trust in a buyer-seller interaction increases the positive level of the relationship and leads to the intention to extend the business cooperation (Dwyer et al., 1987; Gundlach & Murphy, 1993).

Calculative commitment is the state where the customer recognizes the need to maintain a relationship with the salesperson and evaluates the economic benefits that may derive from continuing the relationship with the salesperson (Morgan & Hunt, 1994; Wetzels, de Ruyter, & van-Birgelen, 1998; Gounaris, 2005).

Affective commitment is the internal emotional appeal that the customer feels about the salesperson. Such an appeal reflects the psychological bond in the form of affective fashion, for example, sense of identification, belongingness, liking, or involvement (Bansal, Irving, & Taylor, 2004), and exists only when the individual customer prefers to maintain the relationship with the specific salesperson (Gruen, Summers, & Actio, 2000; Fullerton, 2005).

Relationship satisfaction occurs where the customer has a pleasurable experience when doing business with the salesperson. Operationally, customer relationship satisfaction develops continuously in the long term as a result of prior interactions with the salesperson (Dwyer et al., 1987; Crosby, Evans, & Cowles, 1990; Beatty, Mayer, Coleman, Reynolds, & Lee, 1996).

Individual Level Cultural Value Orientation

In the literature on culture, Hofstede's seminal work (Hofstede, 1980, 2001) defined culture as the collective encoding pattern of ideas, emotions and responses which differentiate one in the social environment from another. Five dimensions can be identified, namely, power distance; collectivism and individualism; uncertainty avoidance; masculinity and femininity; and finally long-term and short-term orientations.

The studies of cross cultural consumer behavior in the past often employed an over simplified process by using Hofstede's national scores to investigate the differences in consumer behavior and perception in cross cultural environments. This leads to ecological fallacy since the aggregate cultural value orientation at the national level may not truly represent the variety of cultural values of the people in the country, because cultural value orientations at the individual level may not be the same as those at the national level (Yoo & Donthu, 2002; Sharma, 2010). Thus, for this study, I adopt the typology of cultural values at the individual level proposed by Yoo, Donthu, & Lenartowicz (2011), to investigate the cultural influences on a relationship marketing program and would like to present these cultural value orientations through the following perspectives: power distance; uncertainty avoidance; individualism and collectivism; masculinity and femininity; and long-term orientation.

Power distance is the state where people in a social environment perceive and accept the distribution of power (Hofstede, 1980). In a society with a high power distance culture, unequal power distribution is more likely to prevail and this leads to an uneven distribution of resources. On the other hand, in a society with a low power distance culture, people are more likely to be liberated and, thus, more comfortable in presenting their ideas since they view others as their equals (Hofstede, 1991; Sharma, 2010; Yoo et al., 2011).

Uncertainty avoidance is the state at which people in the social environment feel less comfortable in uncertain states such as unstructured, unknown, or unfamiliar situations and would like to avoid these situations by strictly adhering to rules and regulations (Lam, Lee, & Mizerski, 2009). People with such a cultural value orientation—high uncertainty avoidance—are security seekers and want to reduce ambiguity and risk, by adopting clear written rules and structured instructions. In contrast, people who are of low uncertainty avoidance are more likely to endure uncertain situations, tend to be risk takers, and prefer to control the environment, and situations in their surrounding circumstance (Yoo & Donthu, 2002; Sharma, 2010; Yoo et al., 2011).

The **individualism and collectivism** dimension reflects the extent to which people in the social environment get together and join groups. In the individualistic culture, people tend to favor a society where individuals look after and take care of only themselves and members of their immediate family (Hofstede, 1991; Lam, Lee, & Mizerski., 2009). In contrast, the collectivism dimension reflects people who are more likely to set up a strong connection with others within the social environment and this leads people to establish strong loyalty so as to continue the mutual exchange among parties in the group (Hofstede, 1991).

Masculinity and femininity are the concept that illustrates the relative dominance of gender roles and such a pattern influences the behavior of people in the society (Hofstede, 1980). People with a masculine orientation is more likely to value assertiveness, ambition, performance, independence, and place more emphasis on transactional benefits. Instead, people with a feminine orientation are likely more concerned about the quality of life, and care more about the environment, interdependence, and focus more on relationship benefits (Lam et al., 2009; Yoo et al., 2011).

Long-term orientation (Confucian dynamism) is the state in which people have a cultural value concerning the future, such as persistence, thriftiness, and a sense of shame (Hofstede, 1991). People with such a characteristic tend to communicate with others for exchanging information or soliciting recommendations for alternative choices (Arnol & Bianchi, 2001; Lam et al., 2009). On the other hand, people with a short-term orientation are more likely to place their interests on current or short-term benefits, a single transaction, monetary basis, and present requirements rather than be more concerned about future actions (Yoo & Donthu, 2002; Lam et al., 2009; Sharma, 2010; Yoo et al., 2011).

Customer Loyalty

Customer loyalty has become an intriguing topic for researchers in both service marketing contexts and product industry contexts since it has strong effects on profitability (Reichheld & Sasser, 1990; Rust & Zahorik, 1993; Rust, Zeithaml, & Lemon, 2000; Homburg & Giering, 2001; Verhoef, 2003). The expense of serving and maintaining the relationship with existing customers is much less than the cost of finding new ones (Fornell & Wernerfelt, 1987; Reichheld & Teal, 1996; Hennig-Thurau, Gwinner, & Gremler, 2002). Thus, customer loyalty can be viewed as the state of strong commitment from customers to repeat purchases of a chosen product or service in the future (Oliver, 1999).

FRAMEWORK

This study explores the social exchange theory. I organize the exploration into three main parts. The first one focuses seller influence tactics (Weitz, 1981; Weitz, Sujan, & Sujan, 1986; Spiro & Weitz, 1990; McFarland et al., 2006). In this study, I present two kinds of seller influence tactics: non-coercive and coercive ones. These tactics act as the antecedents of relationship quality and are influenced by each dimension of cultural value orientations. In the second part, I investigate relationship quality by exploring the integration of trust theory, commitment theory (affective commitment and calculative commitment), and satisfaction theory (Dwyer et al., 1987; Anderson & Weitz, 1992; Doney & Cannon, 1997; De Wulf, Odekerken-Schroder, & Iacobucci, 2001; Sirdeshmukh, Singh, & Sabol, 2002). In the last part, cultural value orientations at the individual level are examined by employing social culture value theory environments (Hofstede, 1980, 1991, 2001; Lau, Chiu, & Lee, 2001; Yoo & Donthu, 2002, 2005; Soares, Farhangmehr, & Shoham, 2007; Lam et al., 2009; Sharma, 2010; Yoo et al., 2011).

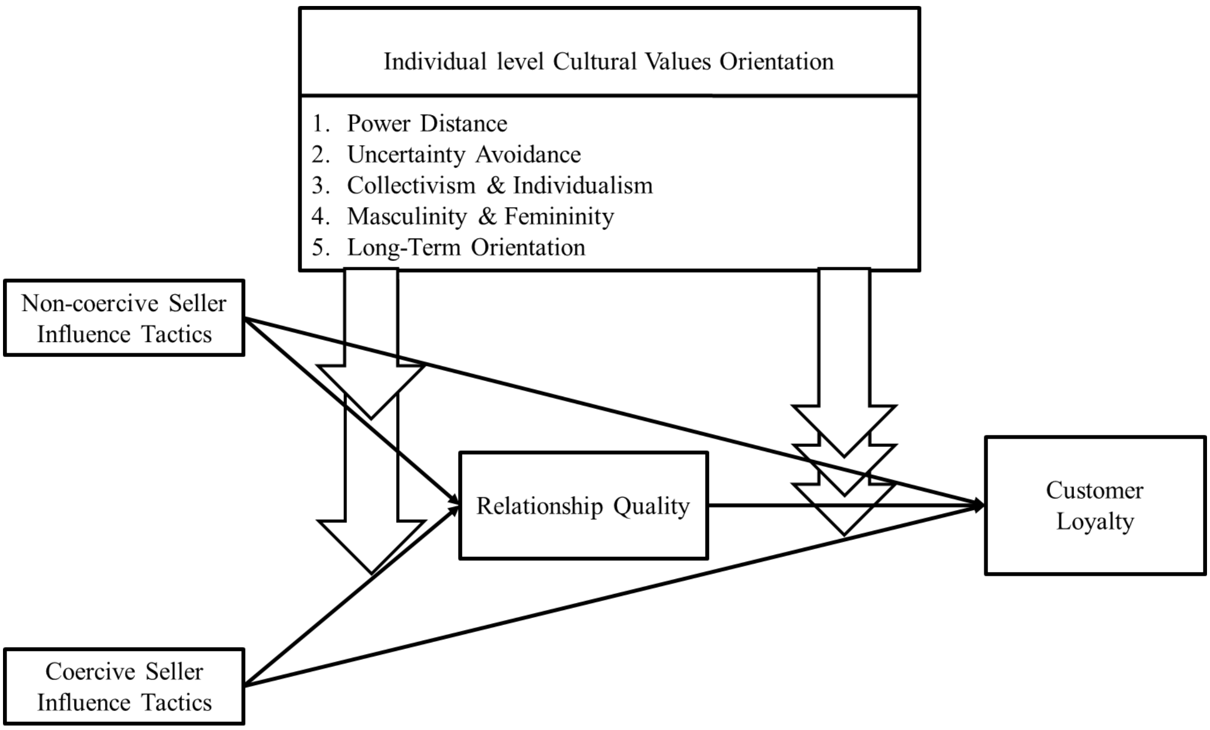

FIGURE 1

Conceptual Model

Based on the literature and the theoretical frameworks reviewed and outlined above, this study attempts to analyze the relationship between seller influence tactics and relationship quality, the relationship between seller influence tactics and customer loyalty, and the association between relationship quality and customer loyalty, and to explore the effects of individual cultural value orientations on the relationship between seller influence tactics, relationship quality, and customer loyalty. The conceptual model is proposed as shown in Figure 1 above.

RESEARCH HYPOTHESES

The Relationship between Seller Influence Tactics and Relationship Quality

The seller influence tactics are actions a salesperson decides to employ to influence customers. In order to do so, the salesperson has to classify customers by gathering information from listening and observing their behaviors, and then implementing the selling tactics either non-coercive seller influence tactics (information exchange, recommendation, and request) or coercive seller influence tactics (promise and threat), which are based on the characteristics of individual customers. Thus, the seller influence tactics perform as the antecedents of relationship quality. The main purpose of these tactics is to achieve successful relationships with customers by engendering trust, affective commitment, calculative commitment, and relationship satisfaction (Anderson & Weitz, 1989; Crosby et al., 1990; Moorman, Zaltman, & Deshpande, 1992; Ganesan, 1994; Doney & Cannon, 1997). Therefore, the hypotheses are formulated as follows.

H1: *The implementation of coercive seller influence tactics by a salesperson has a positive relationship with relationship quality.*

H2: *The implementation of non-coercive seller influence tactics by a salesperson has a positive relationship with relationship quality.*

The Relationship between Seller Influence Tactics and Customer Loyalty

The difference between coercive seller influence tactics and non-coercive seller influence tactics is the process to alter the customer behavior. For coercive seller influence tactics, the influence process involves strong direct pressure in either using rewards or punishment. Nevertheless, such tactics can lead to anxiety and frustration experienced by customers, which may be counterproductive and cause the termination of the relationship. In contrast, non-coercive seller influence tactics are methods to affect the beliefs of the customer and they depend on the ability to provide effective, logical, and moving arguments and persuasion, and the possibility to complete dialogues (Frazier & Summers, 1984; Boyle & Dwyer, 1995; Lai, 2007). Therefore, the hypotheses are formulated as follows:

H3: *The implementation of coercive seller influence tactics by a salesperson has a negative relationship with customer loyalty.*

H4: *The implementation of non-coercive seller influence tactics by a salesperson has a positive relationship with customer loyalty.*

The Relationship between Relationship Quality and Customer Loyalty

Relationship quality is a composite factor which aims to assess the quality of the relationship between a customer and his or her salesperson through trust, commitment, and relationship satisfaction, and requires an understanding of the customer's needs, and that enables a focus on marketing efforts to achieve customer loyalty (Garbarino & Johnson, 1999; Morgan & Hunt, 1994). Therefore, the hypothesis is formulated as follows:

H5: Relationship quality has a positive relationship with customer loyalty.

The Effects of Cultural Value Orientations at the Individual Level on Relationship Marketing Model

Cultural knowledge reflects the reactions and responses of an individual toward the social environment. People with different cultural conditioning carry out different responses (Hofstede, 1991). Thus, customers with different cultural value orientations are expected to respond to the social environment in the following manner.

The effects of power distance on seller influence tactics, relationship quality, and customer loyalty

With an orientation of high power distance, customers would prefer formal relationships and be more likely to trust salespersons who are formal and exercise the influence tactics, like promise and threat, which strictly direct them to perform a specific behavior (Arnold & Bianchi, 2001; Leonidou, Kvasova, Leonidou, & Chari, 2013). Nevertheless, the use of coercive seller influence tactics can be counterproductive and damage the relationship (Frazier & Summers, 1984; Frazier & Rody, 1991; Gelderman, Semeijn, & Zoete, 2008).

Customers who are of a low power distance orientation are likely to be more liberated and more comfortable in presenting their ideas (Hofstede, 1991; Sharma, 2010). They would prefer informal relationships with their salespersons which lead both parties to trust each other more, relate better, and result in increased customer loyalty (Arnold & Bianchi, 2001; Leonidou et al., 2013). Therefore, the hypotheses are formulated as follows.

H6: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high power distance orientation has a positive relationship with relationship quality.

H7: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low power distance orientation has a positive relationship with relationship quality.

H8: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high power distance orientation has a negative relationship with customer loyalty.

H9: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low power distance orientation has a positive relationship with customer loyalty.

H10a: Relationship quality for customers with a low power distance orientation has a positive impact on customer loyalty.

H10b: Relationship quality for customers with a high power distance orientation has a positive impact on customer loyalty.

The effects of uncertainty avoidance on seller influence tactics, relationship quality, and customer loyalty

Customers with a high uncertainty avoidance orientation are expected to prefer traditional styles, show resistance to changes, and remain loyal rather than to switch to a new salesperson (Ndubisi, Malhotra, Ulas, & Ndubisi, 2012). The customers are more likely to stick, commit, engage, and trust with their existing salespersons who are formal and promise gains in order to maintain the sense of security and to avoid a switching risk and cost (Arnol & Bianchi, 2001; Ndubisi, 2004).

Customers with a low uncertainty avoidance orientation tend to be more ease in dealing with risks and to be more flexible in everyday life. They exhibit less ritualistic behaviors and such a flexibility allows them to identify alternative processes. Thus, they likely obtain information and recommendations about the alternative choices from salespersons who are more informal and this results in increased customer loyalty (Arnold & Bianchi, 2001; Leonidou et al., 2013). I, therefore, formulate the hypotheses as follows.

H11: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high uncertainty avoidance orientation has a relationship with relationship quality.

H12: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low uncertainty avoidance orientation has a relationship with relationship quality.

H13: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high uncertainty avoidance orientation has a negative relationship with customer loyalty.

H14: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low uncertainty avoidance orientation has a positive relationship with customer loyalty.

H15a: The relationship quality for customers with a low uncertainty avoidance orientation has a positive impact on customer loyalty.

H15b: The relationship quality for customers with a high uncertainty avoidance orientation has a positive impact on customer loyalty.

The effects of individualism and collectivism on seller influence tactics, relationship quality, and customer loyalty

Customers with an individualism orientation have a stronger personal identity, be more independent and self-oriented, and tend to have less interpersonal communication. They are expected to prefer a salesperson who commits and promises them benefits in order to maintain their objective benefits (Arnol & Bianchi, 2001; Ndubisi, 2004). Nevertheless, they feel discomfort about the coercive seller influence tactics implemented by the salesperson (Frazier & Summers, 1984; Frazier & Rody, 1991; Boyle & Dwyer, 1995; Lai, 2007; Gelderman et al., 2008).

Customers with a collectivist orientation would appreciate the power of the group and prefer to build and maintain relationships. They are likely influenced by friends, family, and relatives when searching for information and obtaining recommendations when making decisions (Murray, 1991; Singelis, 1994; Ndubisi, 2004). They tend to value people over the performance of the product in question and put more concentration on the interpersonal factors which concern about psychological rewards more than the unassuming exchange of money and goods (Kale & Mcinyre, 1991; Friman, Garling, Millett, Mattsson, & Johnston, 2002). An increase in customer loyalty may occur (Arnold & Bianchi, 2001; Leonidou et al., 2013). Therefore, the hypotheses are formulated as follows.

H16: The implementation of coercive seller influence tactics by a salesperson toward a customer who has an individualism orientation has a positive relationship with relationship quality.

H17: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a collectivism orientation has a positive relationship with relationship quality.

H18: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has an individualism orientation has a negative relationship with customer loyalty.

H19: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a collectivism orientation has a positive relationship with customer loyalty.

H20a: The relationship quality for customers with a collectivism orientation has a positive impact on customer loyalty.

H20b: The relationship quality for customers with an individualism orientation has a positive impact on customer loyalty.

The effects of masculinity on seller influence tactics, relationship quality, and customer loyalty

Customers with a masculinity orientation tend to focus on competition, wealth, and challenges. These focuses likely lead them to place a strong emphasis on material accomplishments such as being big, strong, fast or rich. They are appreciated and willing to trust and commit to a specific salesperson who would promise to provide benefits with a superior performance over than the others (Arnol & Bianchi, 2001; Ndubisi, 2004). Nevertheless, they are frustrated about coercive seller influence tactics used by the salesperson which result in decreased customer loyalty (Frazier & Summers, 1984; Frazier & Rody, 1991; Boyle & Dwyer, 1995; Lai, 2007; Gelderman et al., 2008).

On the other hand, customers who have a feminine orientation are likely more friendly, caring, gentle, cooperative, and interdependent. These characteristics make the customers feel more comfortable to communicate with salespersons and enjoy relationship benefits which are not on the monetary basis. Customer loyalty may arise consequently through such a fashion (Arnol & Bianchi, 2001; Lam et al., 2009). Therefore, the hypotheses are formulated as follows.

H21: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a masculinity orientation has a positive relationship with relationship quality.

H22: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a femininity orientation has a positive relationship with relationship quality.

H23: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a masculinity orientation has a negative relationship with customer loyalty.

H24: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a femininity orientation has a positive relationship with customer loyalty.

H25a: The relationship quality for customer with a femininity orientation has a positive impact on customer loyalty.

H25b: The relationship quality for customer with a masculinity orientation has a positive impact on customer loyalty.

The effects of long-term orientation on seller influence tactics, relationship quality, and customer loyalty

Customers who have a long-term orientation would overlook a single transaction and would support long-term reciprocal benefits (Dwyer et al., 1987; Gundlach & Murphy, 1993). These individuals tend to communicate with salespersons for information exchange or recommendations for alternative choices. Thus, they are more likely to purchase products from acquainted or known salespersons since they have trusted and felt satisfied with such salespersons and this results in an increase in the customer loyalty (Arnol & Bianchi, 2001; Lam et al., 2009).

On the contrary, customers with a short-term orientation would prefer salespersons who commit and promise to give them benefits in either monetary or transactional terms at the moment rather than being concerned about benefits potentially provided in the future (Arnol & Bianchi, 2001; Ndubisi, 2004). Nevertheless, they may feel stressed if salespersons who use coercive tactics to influence them (Frazier & Summers, 1984; Frazier & Rody, 1991; Boyle & Dwyer, 1995; Lai, 2007; Gelderman et al., 2008). Therefore, the hypotheses are formulated as follows.

H26: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a short term orientation has a positive relationship with relationship quality.

H27: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a long term orientation has a positive relationship with relationship quality.

H28: The implementation of coercive seller influence tactics by a salesperson toward a customer who has a short term orientation has a negative relationship with customer loyalty.

H29: The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a long term orientation has a positive relationship with customer loyalty.

H30a: The relationship quality for customers with a long term orientation has a positive impact on customer loyalty.

H30b: The relationship quality for customers with a short term orientation has a positive impact on customer loyalty.

RESEARCH METHODOLOGY

To test these hypotheses, I employed a survey approach. In a cultural context, it is difficult to conclude whether the differences of customer behavior occur due to cultural value orientations or other demographic factors (Hofstede, 1991; van de Vijver & Leung, 1997; Yoo & Donthu, 2002, 2005). As a result, the questionnaire was designed and used as the research instrument to gather a sample of respondents, controlling demographic characteristics. In other words, I surveyed a group of individuals with similar demographic characteristics. The questionnaire was launched to 511 respondents who had recently purchased cosmetics and personal care products. The logic behind choosing such a product group is that it belongs to the direct selling industry, and in Thailand it had almost 93 billion Baht sales in 2013 with 11.1 million salespersons. The volume of sales and the number of salespersons have increased over time (WFDSA, 2013). I also selected the respondents who had recently graduated from a university in Thailand within the last 5 years. The survey was conducted and gathered in the central business districts in Bangkok metropolitan: Silom-Sathorn road, Phaholyothin-Aree road, and Srinakarin-Bangna. The process of translation and back translation was employed to ensure identical concepts of the measurement items in the questionnaire (Arttachariya, 2008).

The questionnaire comprises three major parts: (1) the perception toward the salesperson; (2) general attitudes and opinions; and (3) respondent's demographic characteristics. In the first part, perception toward the salesperson consists of the measurement of the relationship marketing construct. I include 45 items, representing information exchange, recommendation, request, promise, threat, trust, calculative commitment, affective commitment, relationship satisfaction, and customer loyalty. The second part, general attitudes and opinions, consists of the measurement of the cultural value orientation construct. There are 26 items representing power distance, uncertainty avoidance, collectivism/individualism, masculinity/femininity, and long-term orientation. All these items are on a seven-point Likert type scale, where 1 denotes as strongly disagree, and 7 denotes as strongly agree. The last part of questionnaire gathers the respondent's demographic characteristics, such as, gender, age, working experience, income, and education. I employ the structural equation modeling approach (SEM) to analyze the relationship between seller influence tactics, relationship quality, and customer loyalty for hypotheses: H1-H5, and to analyze the relationship between seller influence tactics, relationship quality, and customer loyalty which was influenced by the individual level cultural value orientation for H6-H30.

RESULTS

The demographics of respondents provide some insight. Most respondents were female (81.0 percent), around 24-26 years old (51.2 percent), with a bachelor degree (98.8 percent), and had 4 to 5 years of working experience (54.4 percent), and earned more than 18,000 Baht per month (83.0 percent). Table 1 presents the items in the construct of non-coercive seller influence tactics (IE1-IE5 for information exchange, RD1-RD5 for recommendation, and RQ1-RQ4 for request), coercive seller influence tactics (PM1-PM5 for promise, and TH1-TH5 for threat), relationship quality (T1-T4 for trust, AC1-AC3 for affective commitment, CC1-CC3 for calculative commitment, and

RS1-RS5 for relationship satisfaction), customer loyalty (CL1-CL6), and individual level cultural value orientations (PD1-PD5 for power distance, UA1-UA5 for uncertainty avoidance, CV1-CV6 for collectivism & individualism, MT1-MT4 for masculinity & femininity, and LT1-LT6 for long term orientation).

I performed exploratory factor analysis for all constructs. The results of adequacy testing for the correlation matrix and exploratory factor analysis show supportive outcomes for all groups of constructs as proposed in the conceptual model. The internal consistency procedure performed by Cronbach's alpha analysis (Ho, 2006) was used to analyze the consistency of the constructs. The results of the reliability analysis show that all constructs are reliable because all of the constructs provide a level of internal consistency ranging from 0.705 to 0.933, exceeding the recommend threshold value of 0.70 (Nunnally, 1978). Confirmatory factor analysis and structural model analysis are also performed. The results of CFA (confirmatory factor analysis) indicated that the value of RMSEA (root mean square error of approximation) ranged from 0.051-0.071 and the results of SEM indicated that the value of RMSEA ranged from 0.045-0.059 supported the fit of the model (Ho, 2006).

TABLE 1

Descriptive Statistics for constructs of the study

Items	Mean	Std. Deviation
IE1 - IE5	5.4442 - 5.8904	0.69086 - 0.96422
RD1 - RD5	5.5930 - 5.7534	0.80616 - 0.89045
RQ1 - RQ4	4.2681 - 4.4912	1.08387 - 1.19616
PM1 - PM5	3.7652 - 4.5342	0.88023 - 1.17155
TH1 - TH5	3.3346 - 3.6145	0.95976 - 1.28112
T1 - T4	5.2564 - 5.7045	0.74935 - 0.87382
AC1 - AC3	5.5636 - 5.8160	0.67329 - 0.78676
CC1 - CC3	3.3425 - 3.4051	1.27327 - 1.45733
RS1 - RS5	5.2231 - 5.9413	0.70327 - 0.92309
CL1 - CL6	5.5010 - 6.0920	0.79067 - 0.98457
PD1 - PD5	2.5969 - 2.9804	0.99151 - 1.43740
UA1 - UA5	5.8434 - 6.4305	0.70433 - 0.94141
CV1 - CV6	4.8023 - 5.1859	0.93470 - 1.11938
MT1 - MT4	3.4481 - 3.7299	1.21811 - 1.40847
LT1 - LT6	5.7730 - 6.1781	0.71783 - 0.94731

TABLE 2

Results for hypothesis testing for H1-H30

No.				Group	β	b	P	Result
H1	Relationship Quality	←	Coercive	Direct	0.287	0.185	0.036	Supported
H2	Relationship Quality	←	Non-Coercive	Direct	0.248	0.213	0.009	Supported
H3	Customer Loyalty	←	Coercive	Direct	-0.302	-0.275	0.043	Supported
H4	Customer Loyalty	←	Non-Coercive	Direct	0.398	0.483	***	Supported
H5	Customer Loyalty	←	Relationship Quality	Direct	0.6	0.85	***	Supported
H6	Relationship Quality	←	Coercive	High PD	0.348	0.306	0.23	Not supported
H7	Relationship Quality	←	Non-Coercive	Low PD	0.311	0.266	0.025	Supported
H8	Customer Loyalty	←	Coercive	High PD	-0.288	-0.284	0.285	Not supported
H9	Customer Loyalty	←	Non-Coercive	Low PD	0.508	0.856	0.001	Supported
H10a	Customer Loyalty	←	Relationship Quality	Low PD	0.465	0.916	***	Supported
H10b	Customer Loyalty	←	Relationship Quality	High PD	0.753	0.843	***	Supported
H11	Relationship Quality	←	Coercive	High UA	0.078	0.014	0.934	Not Support
H12	Relationship Quality	←	Non-Coercive	Low UA	0.334	0.269	0.006	Support
H13	Customer Loyalty	←	Coercive	High UA	-0.058	-0.016	0.935	Not Support
H14	Customer Loyalty	←	Non-Coercive	Low UA	0.464	0.481	***	Support
H15a	Customer Loyalty	←	Relationship Quality	Low UA	0.614	0.791	***	Support
H15b	Customer Loyalty	←	Relationship Quality	High UA	0.496	0.76	***	Support
H16	Relationship Quality	←	Coercive	Ind	0.493	0.469	0.056	Not supported
H17	Relationship Quality	←	Non-Coercive	Col	0.402	0.433	0.002	Supported
H18	Customer Loyalty	←	Coercive	Ind	-0.043	-0.049	0.71	Not supported
H19	Customer Loyalty	←	Non-Coercive	Col	0.11	0.219	0.302	Not supported
H20a	Customer Loyalty	←	Relationship Quality	Col	0.734	1.354	***	Supported
H20b	Customer Loyalty	←	Relationship Quality	Ind	0.326	0.389	0.003	Supported
H21	Relationship Quality	←	Coercive	Mas	0.334	0.234	0.045	Supported
H22	Relationship Quality	←	Non-Coercive	Fem	0.058	0.058	0.743	Not supported
H23	Customer Loyalty	←	Coercive	Mas	-0.271	-0.238	0.089	Not supported
H24	Customer Loyalty	←	Non-Coercive	Fem	0.536	0.838	0.021	Supported
H25a	Customer Loyalty	←	Relationship Quality	Fem	0.703	1.112	***	Supported
H25b	Customer Loyalty	←	Relationship Quality	Mas	0.463	1.354	0.002	Supported
H26	Relationship Quality	←	Coercive	Short-term	0.329	0.26	0.122	Not supported
H27	Relationship Quality	←	Non-Coercive	Long-term	0.478	0.447	0.022	Supported
H28	Customer Loyalty	←	Coercive	Short-term	-0.5	-0.558	0.099	Not supported
H29	Customer Loyalty	←	Non-Coercive	Long-term	0.277	0.309	0.116	Not supported
H30a	Customer Loyalty	←	Relationship Quality	Long-term	0.537	0.64	0.001	Supported
H30b	Customer Loyalty	←	Relationship Quality	Short-term	0.655	0.926	***	Supported

DISCUSSION

The objectives of hypothesis statements 1 to 5 are to test the relationships between the non-coercive seller influence tactics, relationship quality, and customer loyalty and the relationship between the coercive seller influence tactics, relationship quality, and customer loyalty. The objectives of hypothesis statements 6 to 30 are to test the relationships between the non-coercive seller influence tactics, relationship quality, and customer loyalty and the relationship between the coercive seller influence tactics, relationship quality, and customer loyalty which was influenced by cultural value orientations at the individual level, namely, power distance, uncertainty avoidance, individualism and collectivism, masculinity and femininity, and finally long-term orientation. The results of hypothesis testing are presented in Table 2.

The results reveal that the implementation of coercive seller influence tactics by salespersons has a significant relationship with relationship quality (C.R. = 2.099, $p < 0.05$), which supports H1. The implementation of non-coercive seller influence tactics has a significant relationship with relationship quality (C.R. = 2.607, $p < 0.05$), which supports H2. The implementation of coercive seller influence tactics has a significant negative relationship with customer loyalty (C.R. = -2.020, $p < 0.05$), which supports H3. The implementation of non-coercive seller influence tactics has a significant positive relationship with customer loyalty (C.R. = 4.096, p < 0.05), which supports H4. Finally, relationship quality has a significant positive impact on customer loyalty. Thus, the higher level of relationship quality, the higher level of customer loyalty (C.R. = 6.785, $p < 0.05$; $\beta = 0.600$), which supports H5. The results of H1-H5 imply that non-coercive and coercive seller influence tactics are antecedents of relationship quality and have an impact on customer loyalty as hypothesized.

The results of the regression weights for low and high power distance value orientations reveal that the implementation of coercive seller influence tactics by a salesperson toward a customer with a high power distance orientation has no relationship with relationship quality (C.R. = 1.200, $p > 0.05$). H6 is not supported from the empirical results. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low power distance orientation has a significant relationship with relationship quality (C.R. = 2.237, $p < 0.05$). Such a result supports H7. The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high power distance orientation has no significant, negative relationship with customer loyalty (C.R. = -1.069, $p > 0.05$), refusing H8. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low power distance orientation has a significant positive relationship with customer loyalty (C.R. = 3.250, $p < 0.05$), which supports H9. Finally, relationship quality for customers with either a low power distance or high power distance orientation has a significant positive impact on customer loyalty. The higher level of relationship quality leads to a higher level of customer loyalty (C.R. = 3.809, $p < 0.05$; $\beta = 0.465$, and C.R. = 5.408, $p < 0.05$; $\beta = 0.753$ respectively). Both H10a and H10b are verified.

The results of the regression weights of low and high uncertainty avoidance value orientations reveal that the implementation of coercive seller influence tactics by a salesperson toward a customer who has a high uncertainty avoidance orientation has no significant relationship with relationship quality (C.R. = 0.082, $p > 0.05$), which does not support H11. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low uncertainty avoidance orientation has a significant relationship with relationship quality (C.R. = 2.769, $p < 0.05$), which supports

H12. The implementation of coercive seller influence tactics by a salesperson toward a customer who has a high uncertainty avoidance orientation has no significant negative relationship with customer loyalty (C.R. = -0.082, $p > 0.05$), which refutes H13. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a low uncertainty avoidance orientation has a significant positive relationship with customer loyalty (C.R. = 3.582, $p < 0.05$), which supports H14. Finally, relationship quality for customers in both high and low uncertainty avoidance orientation groups has a significant positive impact on customer loyalty. The higher level of relationship quality, the higher level of customer loyalty (C.R.=5.226, $p < 0.05$; $\beta = 0.614$, and C.R.=4.186, $p < 0.05$; $\beta = 0.496$ respectively). This finding supports H15a and H15b.

The results of the regression weights for individualism and collectivism orientations reveal that the implementation of coercive seller influence tactics by a salesperson toward a customer who has an individualist orientation has no significant relationship with relationship quality (C.R. = 1.908, $p > 0.05$). H16 is not supported by such a result. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a collectivist orientation has a significant relationship with relationship quality (C.R. = 3.062, $p < 0.05$), which supports H17. The implementation of coercive seller influence tactics by a salesperson toward a customer who has an individualist orientation has no significant negative relationship with customer loyalty (C.R. = -0.372, $p > 0.05$), which does not support H18. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a collectivist orientation has no significant positive relationship with customer loyalty (C.R. = 1.031, $p > 0.05$), which does not support H19. Finally, relationship quality for customers in both individualism and collectivism orientation groups has a significant positive impact on customer loyalty, thus, the higher level of relationship quality, the higher level of customer loyalty (C.R. = 3.014, $p < 0.05$; $\beta = 0.326$, and C.R. = 5.904, $p < 0.05$; $\beta = 0.734$ respectively). This finding supports both H20a and H20b.

The results of the regression weights of individual level femininity and masculinity orientations reveal that the implementation of coercive seller influence tactics by a salesperson toward a customer who has a masculine orientation has a significant relationship with relationship quality (C.R. = 2.009, $p < 0.05$) which supports H21. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a feminine orientation has no significant relationship with relationship quality (C.R. = 0.329, $p > 0.05$), which does not support H22. The implementation of coercive seller influence tactics by a salesperson toward a customer who has a masculine orientation has no significant negative relationship with customer loyalty (C.R. = -1.702, $p > 0.05$), which does not support H23. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a feminine orientation has a significant positive relationship with customer loyalty (C.R. = 2.311, $p < 0.05$), which supports H24. Finally, relationship quality for customers with either feminine or masculine orientation has a significant positive impact on customer loyalty. The higher level of relationship quality, the higher level of customer loyalty (C.R. = 5.448, $p < 0.05$; $\beta = 0.703$, and C.R.=3.065, $p < 0.05$; $\beta = 0.463$ respectively), which supports H25a and H25b.

The results of the regression weights for long-term and short-term orientations reveal that the implementation of coercive seller influence tactics by a salesperson toward a customer who has a short-term orientation has no significant relationship with relationship quality (C.R. = 1.545, $p > 0.05$), which does not support H26. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a long-term orientation has a significant relationship with relationship quality (C.R. = 2.292, $p < 0.05$), which supports H27. The implementation of coercive seller influence tactics by a salesperson toward a customer who has a short-term orientation has no significant negative relationship with customer loyalty (C.R. = -1.648, $p > 0.05$), which does not support H28. The implementation of non-coercive seller influence tactics by a salesperson toward a customer who has a long-term orientation has no significant positive relationship with customer loyalty (C.R. = 1.572, $p > 0.05$), which does not support H29. Finally, relationship quality for customers in both short and long term orientation groups has a significant positive impact on customer loyalty. The higher level of relationship quality, the higher level of customer loyalty (C.R. = 5.168, $p < 0.05$; $\beta = 0.655$, and C.R. = 3.249, $p < 0.05$; $\beta = 0.537$ respectively), which supports H30a and H30b.

The results of the regression weights which was moderated by cultural value orientations at the individual level for the channel related to coercive seller influence tactics (H6, H8, H11, H13, H16, H18, H21, H23, H26, and H28) reveal that only H21 is supported and the rest are not supported. Such results suggest that coercive seller influence tactics cannot be used to set up the relationship between a salesperson and his or her customer, and cannot achieve customer loyalty. On the other hand, the results of the regression weights which was moderated by cultural value orientations for the channel related to non-coercive seller influence tactics (H7, H9, H12, H14, H17, H19, H22, H24, H27, and H29) show a variety of outcomes. The results show that non-coercive seller influence tactics can be used to set up the relationship in the group with a low power distance, low uncertainty avoidance, collectivism, and long-term orientation but cannot be used in the group with a femininity orientation. Customers in such a group are friendlier, tender in nature, cooperative, and interdependent. These characteristics make them build comparable relationships to all salespersons who approach them.

Moreover, the results show that non-coercive seller influence tactics can achieve the customer loyalty in the group of low power distance, low uncertainty avoidance, femininity, and long-term orientation but cannot achieve the customer loyalty in the group of collectivism and long-term orientation. This suggests that although customers with a collectivism orientation appreciate the power of the group and prefer to build and maintain relationships, customers in such a group put more emphasis on the value of the interpersonal closeness of the relationship. This can result in them to switch to another salesperson who has an appeal of interpersonal closeness. For customers with a long-term orientation, although they are more likely to enjoy relationship benefits which are not on a monetary basis, the nature of the product in direct selling provides them more variety and more specifications, which can meet their specific needs. This can in turn lead to a switching to another product or salesperson. Finally, the results of the regression weights for the all paths between relationship quality and customer loyalty (H10a, H10b, H15a, H15b, H20a, H20b, H25a, H25b, H30a, and H30b) are supported, which imply that once the relationship between a salesperson and his or her customer is set up, it has the positive effects on customer loyalty.

CONTRIBUTIONS AND IMPLICATIONS

The findings of this study are fruitful to both academics and practitioners as the results of the study provide a better understanding and extend four bodies of knowledge: seller influence theory, adaptive selling theory, cultural value orientation theory, and relationship marketing theory. First, this study provides a better understanding about seller influence tactics at an individual level since it applies seller influence tactics to individual end users rather than on an industry basis. Second, the study explores different seller influence tactics by classifying them into coercive and non-coercive types, which can be applied in situations with regard to the variety of customers identified by their cultural value orientations. Third, the study focuses on the effects of cultural value orientations at the individual level in five different dimensions on the relational marketing model. To my knowledge, such a study has not been performed in prior work.

The discoveries of the current research are useful to practitioners since the results of this research provide some practical and feasible guidelines which can be applied to create a competitive advantage for companies and salespersons in either selecting suitable selling tactics for a given situation or in implementing an appropriate relational concept to maintain good relationships with customers. First, the results of the study confirm that seller influence tactics are antecedents of relationship quality. Second, the study not only suggests that companies and salespersons should employ non-coercive seller influence tactics, but also provides information about matching non-coercive seller influence tactics to specific groups of customers. Third, the results of the study on the relationship between relationship quality and customer loyalty show that all relationship paths between these two constructs are strongly significant, implying the loyalty of a customer depends on the quality of the relationship.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

In setting up this current study, I am aware of some limitations. First, the samples of the study have specific demographic characteristics as a result of performing cultural research. Further studies might explore various demographic groups of respondents in order to provide a more comprehensive picture. Second, the study context was focused on a direct selling industry, which may limit the generalizability of the research. The product characteristics in a direct selling industry may produce different results from industries that are not into direct selling since a perfect substitutable product in such a direct selling industry provides little discomfort to consumers. Further work can be conducted in industries that are not direct selling. Third, the study only employed customer loyalty as the single dependent variable, which likely limits the generalizability of the study. Including more relevant and dependent variables may better understand these issues and contribute to the relational marketing literature. Finally, future work should extend to focus on non-coercive seller influence tactics since the paper employs the integration of information exchange, recommendation, and request as the representatives of non-coercive seller influence tactics. Future work may include ingratiation and inspirational appeal to broaden the knowledge as suggested by McFarland et al. (2006).

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Kernis, M. H., Cornell, D. P., Sun, C. R., Berry, A., Harlow, T., & Bach, J. S. (1993). There's more to self-esteem than whether it is high or low: The importance of stability of self-esteem. *Journal of Personality and Social Psychology,* 65, 1190-1204.

Zar, J. H. (1999). *Biostatistical analysis.* (4^{th} ed.). Englewood Cliffs, NJ: Prentice-Hall.

Trankel, S. A. & Haw, J. (2009). Predicting Australian health behavior from health beliefs. Electronic Journal of Applied Psychology, 5(2), 9-19. Retrieved from http://ojs.lib.swin.edu.au/index.php/ejapejap/

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