EFFECTS OF CUSTOMER VALUE AND SERVICE QUALITY ON CUSTOMER LOYALTY: MEDIATION ROLE OF TRUST AND COMMITMENT IN BUSINESS-TO-BUSINESS CONTEXT

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Abstract
This study aims to investigate the effects of customer value, service quality, trust and commitment on customer loyalty in the context of business-to-business. Moreover, this study examines the mediating role of commitment and trust between service quality, customer value and customer loyalty. This study is informed by a sample of 350 managers and employees working for two Iranian automotive industries. The results reveal a significant effect for service quality, customer value, commitment and trust on customer loyalty. In addition, the findings confirm a mediating role for commitment and trust between service quality, customer value and customer loyalty. This study makes a significant theoretical contribution to the B2B literature by examining the effects service quality and customer value on customer loyalty in a single model, and by exploring the mediating role of commitment and trust between these constructs. Moreover, the findings of this study have a number of practical implications.

Keywords: Customer loyalty, service quality, customer value, commitment, trust, business to business (B2B)

1. INTRODUCTION

Customer loyalty has a significant positive impact on the profitability of business-to-business (B2B) firms. Moreover, by staying with the same supplier and rejecting competitors, loyal customers provide a company with a steady stream of revenue (Lam, Shankar, Erramilli, & Murthy, 2004). In the context of B2B, loyal customers are more likely to focus on long-term benefits and engage in cooperative actions beneficial to both partners, thus enhancing their competitiveness by reducing the costs of further transactions (Doney & Cannon, 1997). However, business service providers face a number of challenges due to the complex nature of the B2B market, increased competition, increased deregulation, technological convergence, a rapidly evolving internet, and increasingly tailored products and services (Olu Adeyoyin, 2005). Creating a loyal customer base is not only about maintaining customers over time, but in the context of B2B, it is also about nurturing one’s relationship with their business customers to encourage future purchases and a level of advocacy (Rauyruen & Miller, 2007). Berry and Parasuraman (1991) demonstrated the need for firms to establish high levels of customer loyalty for themselves as a prerequisite for developing and maintaining effective B2B relationships. Focusing on corporate customer relationships contributes toward the development of a secure and loyal customer base and provides opportunities for increased profitability (Reichheld, 1996). As Jones, Busch, and Dacin (2003) note, having loyal customers makes a positive contribution to the revenue of service providers and suppliers as these customers are willing to pay more on each purchase.

Various theories, including trust-commitment theory (Morgan & Hunt, 1994), and relationship marketing theory (Grönroos, 1996, 2000), have been used to identify the factors influencing customer loyalty. Moreover, a
number of studies have shown that customer loyalty is directly influenced by customer trust and commitment (Bloemer & Odekerken-Schroder, 2002; Garbarino & Johnson, 1999; Hennig-Thurau, 2004; Ibrahim & Najjar, 2008a). Liang, Wang, and Farquhar (2009) found that industrial customers were more loyal when they had trust in the services and products being offered. Similarly, Garbarino and Johnson (1999), and Ibrahim and Najjar (2008b) report that customer trust and commitment is influenced by service quality. Service quality, therefore, is a crucial antecedent of customer loyalty (Johnston, Leach, & Liu, 1999; Lin, 2009).

Woo and Ennew (2005) showed that the quality of B2B relationships determines both market success and the manner in which products and services are utilised. Moreover, customer value impacts a firm’s business strategies, priorities and other interests (Pretty et al., 2000), which will invariably influence the medium of exchange through which the relationship occurs (Zhang, Wang, & Shi, 2012). In the context of B2B, understanding value creation is essential because positive customer value contributes to the cooperative relationship between customers and suppliers (Anderson & Narus, 1998). Developing this understanding, however, is challenging because there are so few studies of customer value in the business context (Flint, Woodruff, & Gardial, 2002). What studies exist have focused on the values associated with physical products and not the relational aspects of customer value (Dwyer, Schurr, & Oh, 1987; Singh & Koshy, 2011). Customers create value at various stages of the purchase process (Woodruff & Gardial, 1996), even contributing to the perception of value without a product or service being bought or used (Sweeney & Soutar, 2001).

The connection between customer value and customer loyalty has been hotly debated in the marketing literature. Notwithstanding, Ulaga and Eggert (2006) observe that the customer value construct remains somewhat elusive. Considerable research is necessary to fill this gap and to arrive at a better, more nuanced understanding of the relationship between customer value and customer loyalty. Value certainly plays a key role in the relationship between customer and supplier (Woodruff & Gardial, 1996). And while customer value may be an antecedent of customer satisfaction, the question of how customer value influences commitment, trust and customer loyalty remains a subject of intense academic interest (Eakuru & Mat, 2008; Li, 2012; McKean, 2010; Omar, Alam, Aziz, & Nazri, 2011; Woodruff & Gardial, 1996; Zeithaml, 1988).

The current study, based on relationship marketing theory, attempts to investigate the effects of service quality, customer value, trust and commitment on customer loyalty in relation to B2B and in the context of the Iranian automotive industry. Moreover, this study aims to examine the mediating role of trust and commitment between service quality, customer value and customer loyalty. The automotive sector is often considered a key B2B industry because automotive manufacturers directly influence a number of other industries, from component suppliers and the extraction and refining of raw materials, to the manufacturers of machinery, car repair shops, research and technology, driving schools, retailers and financial institutions. In Iran, the automotive industry is the second most active industry next to the oil and gas industry (Abedini & Peridy, 2009). The automotive industry provides other industries with a number of research and development incentives which helps to spur productivity gains (Afsharipour, Afshari, & Sahaf Amin, 2006). Iran’s automotive industry includes almost 1200 firms, making Iran one of the world’s largest manufacturers of spare parts.

This paper is structured thusly; in the following sections, we review the existing loyalty, commitment, trust, service quality and the customer value literature in the context of the B2B model. Following this literature review, we outline the research methods and present the results of our analysis. This is followed by a discussion pertaining to the key findings of this study. We conclude this paper by identifying a number of practical implications and theoretical contribution made by this study, and then describe some of the limitations this study and offer suggestions for future research.

2. LITERATURE REVIEW

2.1. Customer loyalty

Developing customer loyalty is the primary objective for an organization. Consequently, the task of retaining customers is critical for achieving a sustainable competitive advantage (Eakuru & Mat, 2008; Li, 2012). Customer loyalty provides a number of advantages for firms over the long-run, and in the context of B2B, these advantages are thought to benefit both partners in the relationship. Industrial marketing studies suggest a
mutually beneficial relationship between suppliers and customers (Dwyer et al., 1987). Similarly, the supplier–customer relationship in B2B marketing is long-term with complex, close interactions (Håkansson, 1987). Previous marketing studies indicate that the pursuit of loyalty is essential for maintaining these relationships (Cater & Cater, 2009; Lam et al., 2004; Zineldin, 2006).

Specifically, the pursuit of loyalty is an important concept and the primary objective of relationship marketing (Sheth & Parvatiyar, 2002). And while developing customer loyalty might be important (Eakuru & Mat, 2008; Reichheld, 1996), how to develop this loyalty remains a subject of intense academic interest (Dimitriades, 2006; Fullerton, 2005; Hennig-Thurau, 2004). Gee, Coates, and Nicholson (2008) describe several advantages to customer loyalty, including the fact that having loyal customers reduces service costs, their willingness to pay more for products or services, and free word-of-mouth marketing. Therefore, loyalty not only increases the competitiveness of both partners, but also minimizes the cost of transactions within the B2B context (Doney & Cannon, 1997; Ganesan & Hess, 1997; Morgan & Hunt, 1994). Moreover, the cost of retaining customers is generally less than that of their acquisition, thus underscoring the importance of retaining existing customers (Chumpitaz & Paparoidamis, 2004; Grönroos, 2000; Reichheld & Schefter, 2000).

Current loyalty is assumed to be product of previous buying decisions. As such, these previous decisions influence current decision making. Notwithstanding, the definition of loyalty is not without controversy, and what exactly causes customers to be loyal, and what determines their degree of loyalty, would appear to be quite fluid and be subject to a number of environmental influences (Morris & Holman, 1988). Morris and Holman (1988) further argue that the nature of loyalty is such that B2B buyers make more of a commitment and assume a greater burden of a risk in vendor selection than is found in the average consumer purchase.

However, according to previous literature, there are three core areas of loyalty (Durvasula, Lyonski, Mehta, & Tang, 2004; Lin, 2009): behavioural loyalty, attitudinal loyalty and composite or integrated loyalty (Dimitriades, 2006; Olsen, 2002; Rauyruen & Miller, 2007; Zeithaml, Berry, & Parasuraman, 1996). Tucker (1964) suggests that behaviours, such as previous product or brand purchases, are often attributable to loyalty. According to Uncles, Dowling, and Hammond (2003), this kind of behavioural loyalty is stochastic rather than deterministic. Rauyruen and Miller (2007) describe behavioural loyalty as a desire to purchase a product or service again and to maintain a relationship with a supplier or service provider. The core issue in behavioural loyalty, from a research perspective, concerns the interpretation of repurchases as a result of loyalty (Curtis, 2009; Zins, 2001). Attitudinal loyalty, on the other hand, is distinguished by frequent purchasing, which is the opposite of behavioural loyalty (Dekimpe Steenkamp, Mellens, & Vanden Abeele, 1997). As Zins (2001) notes, customer knowledge structures, also their emotional and mental structures, mediate between stimuli and responses. Rauyruen and Miller (2007), however, suggest that attitudinal loyalty is a function of customer psychological attachments and their attitudinal advocacy of suppliers and service providers. In general, the extent to which a customer is predisposed toward a particular product or service is a function of their attitude. Attitudinal loyalty is reflected in certain customer behaviours, including suggesting the service to others, positive word of mouth and their commitment to a particular firm (Andreassen & Lindestad, 1998; Curtis, 2009; Dimitriades, 2006; Rauyruen & Miller, 2007).

Behavioural and attitudinal loyalty components go toward the development of a composite concept of loyalty and it is assumed that they have better power of prediction (Dimitriades, 2006; Rauyruen & Miller, 2007). The main issue in these components is the fact that loyalty and spurious in terms of purchase decisions may not be easily distinguished. Consequently, an expanded definition of loyalty is necessary to facilitate an expand approach to measurement (Rajagopal, 2006). Sheth and Sharma (2006) note that the behavioural component of loyalty is equated with repurchase intentions, while the attitudinal component that is based on consumer impressions and partner preferences.

### 2.2. Determinants of customer loyalty

A number of determinants of customer loyalty have been identified in the academic literature, including image, perceived risk, relationship quality, service quality, involvement, physical environment and value (Ganesan, Brown, Mariadoss, & Ho, 2010; Jones et al., 2003; Lin, 2009; Morgan & Hunt, 1994; Schakett, Flaschner, Gao, & El-Ansayry, 2011). In this study, we identified the determinants of customer loyalty based on relationship
marketing theory. These determinants include service quality, customer value, trust and commitment. According to the literature, these are the key determinants of customer loyalty in the B2B context (Gallarza & Gil Saura, 2006; Rauyruen & Miller, 2007).

### 2.3. Relationship marketing theory

Relationship marketing theory suggests that firms will enter into some form of relational exchange with a supplier if they believe that the advantages of this exchange are in excess of the associated costs (Hunt, Arnett, & Madhavaram, 2006). According to Grönroos (1993), all of the marketing strategies fulfil a range from transactional marketing toward relational marketing through which marketing relationship can be mediated via measures of customer retention rather than market share. Consequently, there is a difference between sales-related marketing efforts and loyalty building strategies (Gedenk & Neslin, 1999). Building customer loyalty is a matter of relationship marketing (Suhartanto, 2011). Sheth and Parvatiyar (2002) described relationship marketing as realizing, explaining and managing the ongoing collaborative business relationships among customers and suppliers. Relationship marketing includes all of the various marketing activities aimed at setting up, expanding and maintaining successful relational exchanges (Morgan & Hunt, 1994).

Having said that, relationship marketing challenges marketing experts and professionals to understand the antecedent factors that impact the outcomes of this marketing approach (Chang, 2006). Relationship marketing has its roots in relationship exchange or social exchange theory (Doney & Cannon, 1997; Ganesan & Hess, 1997; Morgan & Hunt, 1994), and aims to develop durable relationships between customers (Perrien & Ricard, 1995). Therefore, subject of relationship in long-run was the main emphasize in relationship marketing field through commitment and trust (Doney & Cannon, 1997). According to Gruen et al. (2000), “developing and keeping long-term relationships with buyers is the core aspect of relationship marketing” (p. 34). Therefore, understanding the antecedent factors that impact the outcomes of relationship-marketing are crucial (Chang & Chang, 2010).

In conclusion, relationship marketing theory asserts that customers enter into a relational exchange with organizations when they believe that the advantages derived from this exchange exceed any associated costs. Companies, on the other hand, enter into relational exchanges with customers and other companies because market-based economies are intrinsically driven by competition. Therefore, this study proposes that companies enter into relational exchanges if such relationships make them more competitive. In short, relationship marketing is a strategic choice. According to this strategy, relationship marketing is about gaining competitive advantage and improving financial performance. Consequently, companies should aim to expand and improve their relationship portfolio (Gummesson, 2004; Hunt et al., 2006).

### 2.4. Commitment

The central construct in relationship marketing is commitment (Garbarino & Johnson, 1999). Fullerton (2005) and Rauyruen and Miller (2007) argue that having a sense of commitment to the supplier is crucial for the development of customer loyalty. Commitment and trust are the key components necessary for establishing and maintaining long-term relationships between business partners (Dwyer & Tanner, 2008; Morgan & Hunt, 1994).

Such commitment, however, is underscored by relationship rewards. According to the relationship marketing literature, commitment is the perceived likelihood of a focal company ending its relationship with another company in the foreseeable future (Morgan & Hunt, 1994). In addition, Morgan and Hunt (1994) identify commitment as a key mediating factor. In the context of service marketing, Berry and Parasuraman (1991) suppose that relationships develop based on mutual commitment. In addition, Moorman and Rust (1999) define commitment as the enduring desire to maintain valued relationships. As such, while a competing supplier might offer better value than the incumbent supplier, committed relationship partners avoid switching. A high degree of commitment has a stabilizing effect on relationships. Like other relationships, commitment is a critical element in B2B purchasing transactions (Morgan & Hunt, 1994). Therefore, the commitment construct can measure a potential customer’s commitment toward a supplier’s sales consultant. High commitment, it is
assumed, will result in greater loyalty (Pritchard, Havitz, & Howard 1999). Therefore, the following hypothesis can be identified for this relationship:

H1: Commitment has a positive effect on customer loyalty in the B2B context.

2.5. Trust

Trust is particularly important from the perspective of relationship marketing theory and the development of loyalty. In B2B markets, relationship marketing is all about building trust (Andreassen & Lindestad, 1998; Ganesan & Hess, 1997; Lages, Lancastre, & Lages, 2008; Moorman & Rust, 1999; Morgan & Hunt, 1994). While a supplier might be expert in attracting customers, they may falter in their deliver of goods or services (Smith, Jones, Landau, Gershkoff-Stowe, & Samuelson, 2002). Therefore, trust may be even more vital in the customer–supplier relationship than in traditional marketplaces (Lages et al., 2008).

Trust is a critical issue in successful B2B service relationships and for the development of customer loyalty (Parasuraman, Zeithaml, & Berry, 1988). According to Reichheld and Schefter (2000), in order to achieve customer loyalty, you should get trust first. Quality relationships, built upon trust, are developed through a process of making and keeping promises (Dwyer et al., 1987; Grönroos, 1993; Hewett & Bearden, 2001). Trust exists when one party has confidence in an exchange partner’s reliability and integrity (Morgan & Hunt, 1994).

H2: Trust has a positive effect on customer loyalty in the B2B context.

2.6. Service quality

Many of the product purchase decisions made by customers are influenced by the promise of after-sales service support (Agnihothri et al., 2002). Such after-sales support, if of sufficiently high quality and delivered efficiently, can be helpful in building and maintaining a relationship with customers. Several studies have highlighted the importance of service quality in providing competitive advantage and in differentiating companies (Parasuraman et al., 1988; Rust, Lemon, & Zeithaml, 2004). Service organizations must constantly search for new ways in which to enhance their service offering. They need to add value to their services in order to stand out from the pack in terms of the services they offer (Farrel, 2005).

Service quality is thought to be a major source of competitive advantage within B2B market settings (Roman & Martin, 2008). Crosby, Evans, and Cowles (1990) observes that high quality services are an important prerequisite for optimal B2B relationships. Therefore, maintaining quality services should be given top priority in strategic planning (Taylor & Baker, 1994). In refining their marketing strategies, organizations should begin with customer evaluations of their service quality (Jain & Gupta, 2004). Armed with this information, companies can differentiate themselves from their competitors through attention to service quality (Boshoff & Gray, 2004). Relationship marketing theory suggests that service quality has a positive impact on both the quality of relationships and customer loyalty, something which has been borne out through research (Chumpitaz & Paparoidamis, 2007; Fullerton, 2005; Rauyruen & Miller 2007). According to this theory, customers enter into a relational exchange with organizations on the assumption that the advantages of this exchanges outweigh the costs. Therefore, customers are more loyal to businesses with a higher quality of service, thus leading to a greater investment of trust and commitment, which are the key components of a quality relationship. The following hypotheses identifies the effects of service quality on loyalty, commitment and trust.

H3: Service quality has a positive effect on customer loyalty in the B2B context.
H4: Service quality has a positive effect on commitment in the B2B context.
H5: Service quality has a positive effect on trust in the B2B context.

Service quality has a number of direct and indirect effects on customer loyalty (Chumpitaz & Paparoidamis, 2004, 2007). Therefore, in addition to above hypotheses, the current study explores the indirect effects of
service quality on loyalty through commitment and trust. The following hypotheses have been proposed to examine the mediating role of trust and commitment between service quality and customer loyalty:

H6: Trust has a mediating role between service quality and customer loyalty.
H7: Commitment has a mediating role between service quality and customer loyalty.

2.7. Customer value

In recent years, the trend in B2B markets is toward the formation of fewer and more intimate relationships (Ulaga & Eggert, 2006). According to Barry and Terry (2008), manufacturers now prefer to have fewer suppliers, which is not only more efficient and less risky, but adds value to the relationship. Developing these long-term relationships motivates both customers and suppliers to create additional value for one another in order to maximize their benefits (Gil-Saura, Frasquet-Deltoro, & Cervera-Taulet, 2009; Leonidou, 2004).

For long-term company survival and success, identifying and creating customer value is essential (Payne & Holt, 2001). Understanding how customers judge and value a service or product is an essential prerequisite for achieving a competitive advantage. Several studies attest to the power of the customer value concept for ensuring the effective management of customers (Johnson, Herrmann, & Huber, 2006; Kothari & Lackner, 2006).

Despite three decades of studies devoted to exploring the customer value concept, a consistent theoretical and conceptual understanding of the concept remains out of reach (Lee, Pak, & Lee, 2004). Nonetheless, the customer value concept broadly covers customer perceived value, and generating and providing customers with value (Payne & Holt, 2001). Ultimately, value is the trade-off between getting and giving (Heskett & Schlesinger, 1994).

Woodruff (1997) articulated a customer value hierarchy model in which customer value is presented as a hierarchically structured construct at the levels of consumption goals, consequences and attributes. Customer value is pervasive throughout the customer and expectancy-disconfirmation process (Oh, 1999). Furthermore, Eggert et al. (2006) demonstrated the importance of service and personal interaction in delivering value within the industrial context. Some suggest that the creation of value is the primary goal of business relationships and that marketing activities should have the creation of value as their founding principle (Gil-Saura, Ruiz-Molina, & Arteaga-Moreno, 2011).
Customer value research gives us a better understanding of how customers combine attributes into an overall assessment of value. There are several supplier attributes that customers consider as being beneficial. Other attributes, including the supplier’s price and location, might be viewed as costs (Andreassen & Lindestad, 1998). This customer value hierarchy offers a more comprehensive way of looking at customer value (Woodruff & Gardial, 1996; Zeithaml, 1988). Therefore, being a rational trade-off between the benefits and costs of a product or service, customer value influences the quality of relationships and customer loyalty (Lam et al., 2004). The following hypotheses identify these relationships.

H8: Customer value has a positive effect on customer loyalty in the B2B context.
H9: Customer value has a positive effect on commitment in the B2B context.
H10: Customer value has a positive effect on trust in B2B context.
H11: Trust is a mediator of the relationship between customer value and customer loyalty.
H12: Commitment is a mediator of the relationship between customer value and customer loyalty.

Figure 1 shows the conceptual framework of the current study.

3. RESEARCH METHODOLOGY

This study has employed a survey questionnaire to collect data from respondents. The number of items used to measure each construct varied from four to fourteen items. The origins of each of these items has been outlined in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty</td>
<td>14</td>
<td>Arnold &amp; Reynolds (2003); Mowday, Steers, &amp; Porter (1979)</td>
</tr>
<tr>
<td>Commitment</td>
<td>6</td>
<td>Morgan &amp; Hunt (1994); Rabiei, Meigounpoory, Yazdani, &amp; Maleki Someahlu (2011)</td>
</tr>
<tr>
<td>Trust</td>
<td>8</td>
<td>Morgan &amp; Hunt (1994); Rabiei et al. (2011)</td>
</tr>
<tr>
<td>Service Quality</td>
<td>8</td>
<td>Parasuraman et al. (1988)</td>
</tr>
<tr>
<td>Customer Value</td>
<td>4</td>
<td>Rabiei et al. (2011)</td>
</tr>
</tbody>
</table>

Participants in this study are drawn from a sample of Iranian national automotive companies, and includes managers and non-managers who have knowledge and experience with the purchasing of raw materials and other necessary product parts. Iran is home to 28 automotive manufacturing facilities, most of which are subsidiaries of the 13 publicly and privately owned automotive manufacturers (Afsharipour et al., 2006). Moreover, Iran’s automotive spare parts industry consists of approximately 1200 companies, making it amongst the world’s largest producers of automotive spare parts (Afsharipour et al., 2006). Respondents for the current study were chosen from the production, product development, quality assurance and purchasing departments of the Iran Khodro Company (IKCO) and SAIPA automotive companies, with 1860 and 1140 employees, respectively. Sampled employees were selected on the basis of their involvement in the ordering and purchasing of parts and raw materials. Given the nature of the sample, proportionately stratified sampling was used. Consequently, the sample size was determined based on the number of eligible research participants in each company. Almost two-thirds of the sample were drawn from IKCO, while the remainder came from SAIPA. In other words, 216 of the 350 respondents in this study came from IKCO, and 134 respondents came from SAIPA. Individual participants from each company were identified using simple random sampling.

After translating each of the scales into the local language, a pilot study was conducted to check on their validity and reliability. Cronbach’s alpha was used from the original scales to confirm their reliability by comparing with the calculated Cronbach’s alpha from the pilot study. In addition, the draft copies of the questionnaire were given to a panel of industrial marketing experts to ensure the face validity of the constructs. Respondents indicated that some measures adopted from the literature were difficult to understand, especially those items pertaining to the trust and commitment constructs. For the most part, however, what the pilot study revealed were a number of minor issues involving translation into the local language.
Partial least squares – structural equation modeling (PLS-SEM) was used to analyse the measurement and structural models in this study. This study includes a number of reflective constructs, to which we applied the Mode A algorithm to perform PLS analysis using SmartPLS (version 3.2.6) (Ringle, Wende, & Becker, 2015).

4. ANALYSIS AND RESULTS

4.1. Analysis of respondents profile

The analysis in this study is based on a sample of 350 completed questionnaires. The demographic breakdown of respondents is illustrated in Table 2. Most of the respondents (i.e. 62%) were IKCO employees, either managers or non-managers of, while the remaining 38% of the sample were SAIPA Company employees.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Item</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>IKCO</td>
<td>216</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>SAIPA</td>
<td>134</td>
<td>38</td>
</tr>
<tr>
<td>Department</td>
<td>Product Development</td>
<td>78</td>
<td>22.3</td>
</tr>
<tr>
<td></td>
<td>Quality Assurance</td>
<td>75</td>
<td>21.4</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>94</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td>Purchase</td>
<td>103</td>
<td>29.4</td>
</tr>
<tr>
<td>Job Title</td>
<td>Manager</td>
<td>65</td>
<td>18.6</td>
</tr>
<tr>
<td></td>
<td>Non-manager</td>
<td>285</td>
<td>81.4</td>
</tr>
<tr>
<td>Education Level</td>
<td>Diploma</td>
<td>10</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>Post-Diploma</td>
<td>44</td>
<td>12.6</td>
</tr>
<tr>
<td></td>
<td>Bachelor</td>
<td>206</td>
<td>58.8</td>
</tr>
<tr>
<td></td>
<td>Master</td>
<td>90</td>
<td>25.7</td>
</tr>
<tr>
<td></td>
<td>Doctorate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Age</td>
<td>≤ 30 years</td>
<td>20</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>31–40 years</td>
<td>160</td>
<td>45.7</td>
</tr>
<tr>
<td></td>
<td>41–50 years</td>
<td>139</td>
<td>39.7</td>
</tr>
<tr>
<td></td>
<td>51–60 years</td>
<td>29</td>
<td>8.3</td>
</tr>
<tr>
<td></td>
<td>≥ 61 years</td>
<td>2</td>
<td>0.6</td>
</tr>
<tr>
<td>Experience in Current Position</td>
<td>1–5 years</td>
<td>18</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>6–10 years</td>
<td>67</td>
<td>19.1</td>
</tr>
<tr>
<td></td>
<td>11–15 years</td>
<td>139</td>
<td>39.7</td>
</tr>
<tr>
<td></td>
<td>16–20 years</td>
<td>74</td>
<td>21.2</td>
</tr>
<tr>
<td></td>
<td>21–25 years</td>
<td>52</td>
<td>14.9</td>
</tr>
<tr>
<td></td>
<td>&gt; 25 years</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

4.2. Assessment of Model Using PLS-SEM

SmartPLS (version 3.2.6) (Ringle, Wende, & Becker, 2015) software was employed to perform the PLS-SEM analysis on the collected data. According to Chin (2010) and Hair, Hult, Ringle, and Sarstedt (2017), the assessment of a model by PLS-SEM analysis typically follows a two-step process, which includes the assessment of both measurement and structural models. The measurement or outer model is inclusive of the relationships between each of the latent constructs and their associated observed indicators. On the other hand, the structural or inner model shows the relationships or pathways between the latent constructs. The combination of structural and measurement models leads to a complete structural equation model.
4.3. Assessment of Measurement Model

This section outlines the criteria necessary to confirm the reliability and validity of the measurement model. According to Chin (2010) and Hair et al. (2017), the assessment of the measurement model involves an examination of the validity and reliability of the relationship between the latent constructs and their associated observed variables. The measurement model used in this study was composed of five constructs. These constructs include customer loyalty, commitment, trust, customer value and service quality. These are reflective constructs, because the items used to measure each construct are highly correlated with each other and are interchangeable. The reflective measurement model is used to facilitate the evaluation of reliability and validity. This evaluation is contingent upon two key criteria: composite reliability (CR) and average variance extracted (AVE) (Chin, 2010; Hair et al., 2017).

Following the validation guidelines established by Hair et al. (2017), the measurement models in the current study were assessed for indicator reliability, internal consistency reliability, convergent validity and discriminant validity. To evaluate the reliability of the measurement model for PLS-SEM, tests of indicator and construct reliability or internal consistency should be conducted accordingly. To assess indicator reliability, the loading of the associated items for each construct should be checked and the loadings should be higher than 0.7 (Hair et al., 2017). Loadings between 0.4 and 0.7 are considered acceptable if CR and AVE cross the threshold (Hair et al., 2017). The results of the assessment of the measurement model, shown in Table 3, indicate that most of outer loadings were greater than 0.7. Items with outer loadings less than 0.7 which should be checked for removal based on the CR and AVE of their corresponding constructs. Furthermore, to assess construct reliability or internal consistency, two coefficients are checked: CR and the more common coefficient Cronbach’s alpha (Chin, 2010). However, CR is more suitable coefficient for PLS-SEM (Hair et al., 2017). Table 3 shows that the CR and Cronbach’s alpha for each of the latent variables in the measurement model were greater than 0.8. Therefore, the results show that the measurement model has internal consistency and acceptable reliability.

According to Hair et al. (2017), the validity assessment of the reflective measurement model considers both convergent and discriminant validity. AVE is used to measure the amount of variance in a construct that is contributed from its associated items (Chin, 2010). The AVE values of constructs should be higher than 0.5 for convergent validity to be considered acceptable (Chin, 2010; Hair et al., 2017). Table 3 shows that each of the constructs had an AVE value between 0.540 and 0.648, with customer value having the highest AVE and customer loyalty the lowest. Therefore, the results show acceptable convergent validity for the latent variables.

Discriminant validity is the extent to which each construct is distinct from other constructs in the model (Hair et al., 2017). There are several criteria used to assess the discriminant validity of constructs in the model. Two most conservative methods are the Fornell-Larcker criterion and the heterotrait-monotrait (HTMT) ratio. To assess discriminant validity based on the Fornell-Larcker criterion, the square root of the AVE for each construct should be higher than the correlation between the construct and the other constructs in the model (Hair et al., 2017). Table 4 shows the square root of the AVE for each construct on the diagonal and the correlations between these constructs. Table 4 also indicates that the model presents with acceptable discriminant validity. Moreover, the HTMT criterion, recently established as the more conservative approach as compared to more traditional assessment methods (Henseler, Ringle, & Sarstedt, 2015), should be lower than 0.9 or 0.85 as a more conservative threshold for establishing discriminant validity (Henseler et al., 2015). The HTMT is shown in Table 5. Of all constructs are lower than 0.85. Therefore, both the Fornell-Larcker criterion and HTMT0.85 demonstrate acceptable discriminant validity for the measurement model.

| Table 4 - Discriminant Validity Using the Fornell-Larcker Criterion. |
|-----------------------|----------------|---------|----------------|----------------|
|                       | Customer Loyalty | Commitment | Trust   | Customer Value | Service Quality |
| Customer Loyalty      | 0.735           |          |        |               |                |
| Commitment            | 0.709           | 0.776    |        |               |                |
| Trust                 | 0.651           | 0.545    | 0.757  |               |                |
| Customer Value        | 0.374           | 0.258    | 0.550  | 0.805         |                |
| Service Quality       | 0.513           | 0.502    | 0.542  | 0.390         | 0.750          |

Note: Square roots of average variances extracted (AVE’s) shown on diagonal in bold.
<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Factor Loading</th>
<th>CR</th>
<th>Cronbach’s alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Loyalty (CL)</td>
<td>1. My company considers the supplier as its first choice for purchasing raw materials/services.</td>
<td>0.666</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. My professional colleagues mainly are satisfied with the supplier.</td>
<td>0.649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I have recommended the supplier to my colleagues because I trust it.</td>
<td>0.768</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I have encouraged other companies to do business with the supplier.</td>
<td>0.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I am willing to put in extra effort to purchase raw materials and receive services from the supplier.</td>
<td>0.793</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. I am proud that I purchase raw materials from the supplier.</td>
<td>0.804</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. The supplier always stimulates and encourages our company to purchase more.</td>
<td>0.758</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. The supplier is the best possible company to purchase raw materials/service provision.</td>
<td>0.789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9. My company is a truly loyal customer of the supplier.</td>
<td>0.645</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>10. My company has a good relationship with the supplier.</td>
<td>0.665</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>11. My company will certainly remain a customer of the raw materials/service supplier.</td>
<td>0.651</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12. I suggest other companies to do business with the supplier.</td>
<td>0.744</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13. I am committed to encourage my company to purchase raw materials/service from the supplier repeatedly.</td>
<td>0.834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14. In my opinion, continuing business with the supplier would be more profitable.</td>
<td>0.788</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment (C)</td>
<td>1. I expect to continue purchasing from the supplier for a long time.</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. I am concerned with long-term outcomes in dealing with the supplier.</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I am committed to the relationship with the supplier.</td>
<td>0.796</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. The relationship between my company and supplier is something my company intends to maintain.</td>
<td>0.765</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Maintaining a long-term relationship with the supplier is important to my company.</td>
<td>0.762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. I would not willingly change the supplier.</td>
<td>0.784</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust (T)</td>
<td>1. Based on my experience with the supplier in the past, I know it is honest.</td>
<td>0.761</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Based on my experience with the supplier in the past, I know it is predictable.</td>
<td>0.719</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I trust on my supplier completely.</td>
<td>0.789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I am trust worthy from the supplier as a customer.</td>
<td>0.834</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. The supplier is honest and truthful.</td>
<td>0.763</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. My preferred supplier is reliable as promised.</td>
<td>0.742</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. The supplier can be trusted to do what is right.</td>
<td>0.797</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. My company is comfortable doing business with the supplier.</td>
<td>0.635</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Value (CV)</td>
<td>1. The supplier offers reasonable raw materials/services costs compared to alternative suppliers.</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The supplier charges my company fairly for similar raw materials/services compared to alternative suppliers.</td>
<td>0.794</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. The supplier provides more free services compared to alternative suppliers.</td>
<td>0.736</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I think the supplier provided our company with good value compared with what I pay for and what I might get from other competitive suppliers.</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Quality (SQ)</td>
<td>1. The supplier understands my business and shipping requirements.</td>
<td>0.641</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The supplier is reliable in delivering their shipments (accurately, on time, etc.)</td>
<td>0.812</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I can book all requests with a supplier conveniently.</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. The supplier’s physical facilities are attractive.</td>
<td>0.749</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. The appearance of the physical facilities of the supplier is aligned with the type of services provided.</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. When the supplier promises to do something by a certain time, it does so.</td>
<td>0.886</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>7. When I have problems, the supplier is sympathetic and reassuring.</td>
<td>0.680</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8. The raw materials provided by the supplier are of good quality.</td>
<td>0.710</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4. Assessment of Structural Model

After the measurement model has been successfully validated, the structural model can be analysed. According to Hair et al. (2017), the assessment of the PLS structural equation model begins with an assessment of the coefficient of determination (R2) for each endogenous latent variable. Chin (2010) observes that R2 is used to explain the amount of variance in the model. R2 measures the relationship between the explainable variance of a latent variable and its total variance. These values should be sufficiently high for the model to have a minimum level of explanatory power. The value of R2 is, however, contingent upon the research area. Chin (2010) suggests that R² values of 0.67, 0.33 and 0.19 be considered substantial, moderate and weak, respectively. An R² value of 0.2 for customer behaviour is high (Hair et al., 2011). Notwithstanding, the results show that the overall condition of the endogenous variables in the model is satisfactory. Overall, the model explains 42.9% of the variance for trust and 25.7% of the variance for commitment. The final dependent construct, customer loyalty, has an R² value of 0.608.

Another criterion that is important to assess the predictive capability of the model is Stone-Geisser’s Q² (Hair et al., 2017). A Q² value greater than zero indicates predictive relevance. The results of cross validated redundancy, performed by SmartPLS 3.2.3, indicates that the value of Q2 is greater than zero for each of the endogenous constructs. The Q2 value for commitment, trust and customer loyalty is 0.144, 0.232 and 0.310, respectively. Therefore, the results allude to the predictive capability of the model based on the value of the endogenous constructs. The next step in the assessment of the structural model involves and evaluation of the path coefficients in relation to the model’s latent variables. In so doing, it is important to check the path coefficient’s sign, magnitude and significance. A path coefficient’s magnitude represents the degree of power effect. Significant paths, as indicated by the hypothesized direction do not support their hypotheses. Significant paths, as indicated by the hypothesized sign, provide empirical support the proposed causal relationship (Hair et al., 2017).

4.4.1 Hypotheses Testing

A key aspect of the PLS-SEM analysis is the testing of the hypotheses to ascertain the direction and strength of the relationships in the model. This is done by examining the path coefficients and their statistical significance. The path coefficients represent the direct effects of one latent variable on another. The statistical significance of these coefficients is assessed using t-tests, with the critical t-value determined by the sample size and the desired level of significance. The hypotheses testing involves examining whether the path coefficients are statistically significant, indicating a significant effect, or not, indicating no significant effect.

Hypothesis Testing

H1: T → CL
H2: C → CL
H3: SQ → CL
H4: SQ → T
H5: SQ → C
H6: SQ → T → CL
H7: SQ → C → CL
H8: CV → T
H9: CV → C
H10: CV → CL
H11: CV → T → CL
H12: CV → C → CL

The table below presents the results of hypotheses testing for each hypothesis, including the coefficient, t-value, and confidence interval (bias corrected). The support column indicates whether the hypothesis is supported (Yes) or not supported (No).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Type of Effect</th>
<th>Coefficient</th>
<th>t-value</th>
<th>Confidence Interval (Bias Corrected)</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>T → CL</td>
<td>Direct</td>
<td>0.322</td>
<td>5.31</td>
<td>[0.201 0.422]</td>
<td>Yes</td>
</tr>
<tr>
<td>H2</td>
<td>C → CL</td>
<td>Direct</td>
<td>0.482</td>
<td>9.49</td>
<td>[0.378 0.577]</td>
<td>Yes</td>
</tr>
<tr>
<td>H3</td>
<td>SQ → CL</td>
<td>Total</td>
<td>0.433</td>
<td>8.18</td>
<td>[0.332 0.537]</td>
<td>Yes</td>
</tr>
<tr>
<td>H4</td>
<td>SQ → T</td>
<td>Direct</td>
<td>0.386</td>
<td>7.19</td>
<td>[0.282 0.483]</td>
<td>Yes</td>
</tr>
<tr>
<td>H5</td>
<td>SQ → C</td>
<td>Direct</td>
<td>0.474</td>
<td>7.92</td>
<td>[0.351 0.583]</td>
<td>Yes</td>
</tr>
<tr>
<td>H6</td>
<td>SQ → T → CL</td>
<td>Indirect (Mediator)</td>
<td>0.168</td>
<td>4.67</td>
<td>[0.103 0.239]</td>
<td>Yes</td>
</tr>
<tr>
<td>H7</td>
<td>SQ → C → CL</td>
<td>Indirect (Mediator)</td>
<td>0.243</td>
<td>8.97</td>
<td>[0.192 0.298]</td>
<td>Yes</td>
</tr>
<tr>
<td>H8</td>
<td>CV → T</td>
<td>Direct</td>
<td>0.400</td>
<td>7.54</td>
<td>[0.287 0.496]</td>
<td>Yes</td>
</tr>
<tr>
<td>H9</td>
<td>CV → C</td>
<td>Direct</td>
<td>0.073</td>
<td>1.03</td>
<td>[-0.069 0.217]</td>
<td>No</td>
</tr>
<tr>
<td>H10</td>
<td>CV → CL</td>
<td>Total</td>
<td>0.205</td>
<td>2.94</td>
<td>[0.068 0.339]</td>
<td>Yes</td>
</tr>
<tr>
<td>H11</td>
<td>CV → T → CL</td>
<td>Indirect (Mediator)</td>
<td>0.180</td>
<td>5.15</td>
<td>[0.112 0.250]</td>
<td>Yes</td>
</tr>
<tr>
<td>H12</td>
<td>CV → C → CL</td>
<td>Indirect (Mediator)</td>
<td>0.127</td>
<td>3.56</td>
<td>[0.057 0.197]</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Note: CL: Customer Loyalty; C: Commitment; T: Trust; SQ: Service Quality; CV: Customer Value
Table 6 and Figure 2 show the results of the assessment of relationship and hypothesis testing. There were 12 hypotheses explored in the context of this study, some of which represented direct relationships, some indirect relationships (e.g. mediators), and some total effect. As shown in Table 6, H1, H2, H4, H5, H8 and H9 were concerned with the direct relationships between constructs. H6, H7, H11 and H12, on the other hand, represent indirect effects or mediators. H3 and H10, however, hypothesized the effects of service quality and customer value on customer loyalty. These effects are mediated through a number of direct and indirect effects working in conjunction. Therefore, in order to examine these relationships, it is necessary to examine the total effect of service quality and customer value on customer loyalty.

To assess the direct effects, the significance of the path coefficients have been assessed based on the t-value and the bias-corrected confidence interval using the bootstrap resampling approach. The results indicate a level of significance for all direct effects except for customer value on commitment (H9). Therefore, the results support H1, H2, H4, H5 and H8. The findings of this study indicate a significant effect for trust and commitment on customer loyalty, service quality on trust and commitment, and customer value on trust.

Indirect effects hypotheses refer to mediators. While there are several possible approaches to the assessment of mediators, a simulation study conducted by Hayes and Scharkow (2013) suggests that the product of a coefficient of indirect effects using bootstrap resampling might be the best assessment approach. Using this approach, the results support each of the indirect effect hypotheses. Therefore, H6, H7, H11 and H12 are supported by the finding of this study. The findings confirm a significant mediating role for trust and commitment between service quality and customer loyalty, as well as between customer value and customer loyalty.

Finally, we examined the total effect of service quality and customer value on customer loyalty. Previous studies highlight the importance of evaluating total effects when some success factors effect on a dependent variable among some direct and indirect effects (Hair et al., 2017; Rasoolimanesh, Jaafar, Badarulzaman, & Ramayah, 2015). Total effects have been assessed using the t-value and bias-corrected confidence interval using the bootstrap resampling approach. The results indicate a significant effect for service quality and customer value on customer loyalty. Therefore, the findings of this study support H3 and H10.

The results indicate that service quality has a greater effect on customer loyalty as compared to customer value and that the effect of commitment on customer loyalty is greater than that of trust. In addition, the results show a stronger effect for service quality on commitment, whereas customer value has a greater effect on trust as compared to service quality.

5. DISCUSSIONS

This study investigated the key success factors underlying customer loyalty and examined the mediating role of commitment and trust in the relationship between service quality, customer value and customer loyalty. The
results of current study confirmed a strong and positive effect for service quality on customer loyalty. This finding is consistent with several previous studies (Chumpitaz & Paparoidamis, 2007; Rauyruen & Miller 2007). Based on the findings of this study, as purchasers in B2B markets become increasingly sophisticated, service quality becomes an increasingly critical element in purchase decisions, especially the context of the automotive industry. Complex business environments (e.g. B2B) require high levels of service quality from their suppliers in exchange for customer loyalty.

As hypothesized, this study found that customer value has a positive influence on customer loyalty. This finding supports the results of several earlier studies (Eakuru & Mat, 2008; Gil-Saura et al., 2009; Woodruff, 1997), and is consistent with relationship marketing theory. Companies are often eager to engage in cooperative relationships suppliers – study, consistent with commitment one hand and customer loyalty on the other. Previous studies have shown an intervening effect for relationship quality between service quality and customer loyalty (Chumpitaz & Paparoidamis, 2004, 2007), the findings of the current study confirming the results of these studies. Moreover, this study found that customer value exerts an influence over customer loyalty through trust and commitment, which is a finding consistent with those of Lam et al. (2004) and Sirdeshmukh et al. (2002).

In addition, this study identified a positive and significant effect for trust on customer loyalty. Repeat purchases of automotive parts, raw materials and the use of supplier services led to higher trust levels and greater customer loyalty. The findings are consistent with those of previous studies that identify trust a necessary factor in the development of loyalty (Chumpitaz & Paparoidamis, 2007; Kassim & Asiah Abdullah, 2010).

This study also examined the effect of commitment on customer loyalty and found a positive effect for commitment on customer loyalty. This result is consistent with commitment–trust theory, as proposed by Morgan and Hunt (1994), and with relationship marketing theory. Afsar et al. (2010) and Luarn and Lin (2003) found that commitment has significant and positive impact on customer loyalty. In the current study, commitment was also found to be a predictor of customer loyalty in the Iranian automotive industry. A high degree of commitment and positive attitudes provide customers with the motivation to continue to patronize a business, thus increasing their loyalty over time (Dick & Basu, 1994; Uncles et al., 2003).

Moreover, this study investigated the effects of service quality and customer value on trust and commitment. The results showed a positive and significant effect for service quality on both trust and commitment. In addition, the effect of customer value on trust was positive and significant, but this study could not support an effect for customer value on commitment. Relationship marketing theory supports a relationship between service quality and relationship quality (i.e. commitment and trust might be considered components of relationship quality). Therefore, the results of the current study are consistent with both relationship marketing theory and a number of previous studies (Chumpitaz & Paparoidamis, 2007; Fullerton, 2005; Rauyruen & Miller, 2007). Moreover, several studies have investigated relationship marketing theory’s claims of a positive effect for customer value on relationship quality (Lam et al, 2004). The findings of these studies are consistent with those of this study in relation with the effect of customer value on trust. However, the finding of the current study regarding the effect of customer value and commitment is not consistent with relation marketing theory or with previous studies. This is probably refer to greater effect of service quality compared to customer value in automotive companies in Iran.

The findings of this study confirm a mediating role for trust and commitment between service quality and customer value on the one hand and customer loyalty on the other. Previous studies have shown an intervening effect for relationship quality between service quality and customer loyalty (Chumpitaz & Paparoidamis, 2004, 2007), the findings of the current study confirming the results of these studies. Moreover, this study found that customer value exerts an influence over customer loyalty through trust and commitment, which is a finding consistent with those of Lam et al. (2004) and Sirdeshmukh et al. (2002).
6. CONCLUSIONS

Customer loyalty is thought to be an important resource in the B2B context. This study has investigated the effect of service quality, customer value, commitment and trust on customer loyalty, finding that these variables were important factors in the successful promotion of customer loyalty. In the context of the current study, understanding how car manufacturers prioritize the important constructs of customer loyalty can help suppliers to better manage their relationships with automotive companies.

Much of the earlier customer loyalty research has been confined to the Business to Consumer (B2C) environment. Consequently, this study makes an important theoretical contribution to the customer loyalty literature by exploring antecedent concepts within a B2B environment. Establishing and maintaining loyalty in B2B contexts is not easy. Establishing such loyalty is further complicated by the fact that the determinants of customer loyalty, which underlie relational exchanges in the business context, are not well understood. Consequently, this study fills a knowledge gap by contributing to the development of a substantive understanding of customer loyalty in the B2B environment. From a theoretical perspective, this study makes a number of valuable contributions to the literature by providing a clear view of the relationship between customer value, service quality, commitment and trust on customer loyalty. The customer loyalty literature suggests that customer loyalty might be conceptually related to relationship marketing theory. Relationship marketing is a process of establishing, maintaining and enhancing relationships with customers and other stakeholders (Grönroos, 1994; Morgan & Hunt, 1994). This implies that the relationship is not only with customers, but with other stakeholders, including suppliers, mediators and other partners. Notwithstanding, the promotion of customer loyalty is undeniably the main objective of relationship marketing (Bowen & Shoemaker, 1998; Lovelock & Wirtz, 2007; Oly Ndubisi, 2007).

The outcomes of this study have a number of practical implications for Iranian automotive manufacturers and their suppliers with respect to customer loyalty. Most previous studies of customer loyalty have been conducted in developed countries (Chang & Chen, 2009, Ou, 2011). Little attention has been afforded to the development of customer loyalty in the context of developing countries, such as Iran.

Notwithstanding, due caution should be exercised before applying the outcomes of this study to real scenarios. There are two limitations to this study in terms of methodology that should be noted. The first of these limitations is related to sampling and sample size. The data in this study was collected only from automotive companies in Iran. Consequently, the finding of this study may not be representative of automotive companies in other parts of the world, especially where there is little state-ownership in the industrial sector. Secondly, this study used a cross section of data to test the hypotheses. Trust and commitment, however, may be variable that is subject to flux over time. Therefore, a time-series or longitudinal study design might contribute toward a better understanding of antecedent constructs, such as service quality, customer value and customer loyalty. Additional studies may be in order to overcome the outlined limitations of this study.

REFERENCES


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