



Corvinus University of Budapest
Doctoral School of
Business Administration

THESIS OF PHD DISSERTATION

by

Edit Neumann-Bódi

**CUSTOMER EVALUATION OF INDIVIDUAL
AND ORGANISATIONAL BUYERS**

Characteristics of customers acquired through recommendation and their impact on
customer value in a business-to-business context

Supervisor:

Dr. Judit Simon

professor

Budapest, 2012

Department of Marketing Research and Consumer Behaviour

THESIS OF PHD DISSERTATION

by

Edit Neumann-Bódi

**CUSTOMER EVALUATION OF INDIVIDUAL
AND ORGANISATIONAL BUYERS**

Characteristics of customers acquired through recommendation and their impact on
customer value in a business-to-business context

Supervisor:

Dr. Judit Simon

professor

Table of Contents

I. Background of the Study and Topic Justification	7
I.1. Introduction	7
I.2. Research Objectives	7
II. Adopted Methodology	9
II.1. Data Collection and Analysis.....	9
II.2. Building the Research Model	9
II. 3. Research hypotheses and adopted testing methods	13
III. Results	16
III.1. Results of explorative factor analysis and variation analysis.....	16
III. 2. Structural Equation Modelling (SEM) and the Results of Multi Group Analysis (MGA)	17
III. 3. Remarks on theoretical concepts used in model building.....	20
III.4. Presentation of results important for practical usage on the basis of customer value concept	21
III.5. Limitations and further research opportunities	23
IV. Publications on the dissertation topic.....	25

I. Background of the study and topic justification

I.1. Introduction

Customer value orientation is an approach which re-ranks marketing tool systems and places the value of relationship between customers and businesses into the centre of analyses. This means that company's customers are considered to be a part of company's financial assets and customer value is the total of financial and non-financial assets invested in a company by a customer (Blattberg et al., 2001). The initial customer value models comprised past cash flow, which could easily be quantified. Later, the elaborated models expanded in time and shifted towards factors, which were more complicated to measure (Helm, 2003).

There are a number of uncertainty factors that make calculations more difficult. Only the events that have already happened can properly be computed. But, the question is, how can future events be predicted? What are the ways to decrease forecast uncertainties? Forecasting customer behaviour highly depends on characteristic features of particular markets, products and services, on corporate objectives as well as on the characteristics of customer and company relationship. To identify factors describing the characteristics of customer-company relationship is of most importance in terms of forecasting the future behaviour of customers, which provides a profound basis for computing customer value and building a model. Technological devices and other conditions applied for identifying past events are already available. Predictions about future events can be made and modelled only after past data have been evaluated and analyses of other factors having impact on phenomena have been conducted. While constantly monitoring and reviewing customer data, focus should be laid on the reasons motivating costumers and the factors hiding behind their behaviour. Only these findings together are suitable for forecasting future events.

I.2. Research objectives

This research is aimed at more precise understanding of long-term effects of marketing tools and at analysing the impacts of one of the hardly measurable factors of customer value models.

The contribution of research to science means the deeper understanding and development of the customer value construction. We focus from among the non-tangible elements of customer value on the customer value increasing effect of recommendation in an business-to business relation.

We examine if the customers acquired through recommendation differ in aspects of trust, satisfaction, loyalty, and recommendation behaviour from other customers.

The practical significance of the research is given by the fact that with the development of customer value calculation, we can get a more exact picture about as to what extent the particular customers of the company, certain segments or the entire clientele contribute to the return on investment of applied tools, this way we can make a direct connection between marketing activity and the achievements of the company's targets.

By constantly maximising customer value, profitability of companies can be increased. The analysis of the recommendation potential, the hardly measurable element of customer value, provides bases for a more differentiated segmentation of the circle of customers, which results in a more accurate identification of target groups. In the long-run, the application of the customer-value concept considerably contributes to creating an optimal customer portfolio for companies.

II. Adopted methodology

II.1. Data collection and analysis

Prior to the quantitative research there was an extensive qualitative stage when expert interviews were conducted with corporate decision-makers in order to understand the practical benefit of this issue.

The data for quantitative research was gathered between 1 October and 30 November 2011. The sampling framework was defined by an address list compiled by a Hungarian manufacturer of artificial fertilisers. The list contained over two thousand Hungarian business partners involved in agriculture. As for the methodology, a telephone questionnaire survey was conducted for collecting information from random members of the companies placed on the list. The sample encompassed 238 Hungarian agricultural companies involved in cultivation and animal husbandry. The sample well illustrates the agricultural companies operating in Hungary, but as for their area distribution or company size, this survey cannot be considered representative. This research focused on purchasing habits of companies buying artificial fertilisers and on the main supplier of this product. The respondent usually was one of the staff members of the purchasing department, who was in charge of purchasing artificial fertilisers.

The selection of this specific sector and product is justified by our decision to choose a product neutral in terms of recommendation and has an appropriate element number of customer groups belonging to both customers acquired through recommendation and not through recommendation. In addition, the research looked for a product being constantly in used and attempted to avoid purchases rarely repeated or repeated only once. Another criterion was the availability of potential respondents and this was ensured by the list of addresses provided. Artificial fertilisers applied in cultivation are very similar to additives used in food industry in several aspects and in terms of purchase processes and decision-making factors. Furthermore, their quality and standard ingredients can be physical measured and easily compared with other products. These product features considered are essential for this research. The sample number of customers acquired through recommendation amounts to 103 and the amount of respondents acquired in another way accounts for 135 people. Apart from recommendation, sales representatives and visitors of product exhibitions and trade fairs were sampled at random as well.

II.2. Building the research model

An empirical research was conducted in business-to-business market. The review of the existing literature showed that though numerous empirical research conducted in the past few years has

examined mainly the impact of recommendation within the circle of individual customers (Kumar et al., 2010, MacPherson, 2010, Schumann et al., 2010, Schmitt et al., 2011), little regard has been given in the literature to business-to-business context. Only Wangenheim (2002) as well as Wangenheim and Bayón (2007) investigated the impact of recommendation in an business-to-business context. Eggert (Eggert et al., 2006), Glynn (Glynn et al., 2007) and Piscopo (Piscopo, 2007) studied the role of personal communication and participation in value creating processes. The role of social relationships among individuals played in the process of creating values in the organisational market was highlighted by empirical research (Abdul-Muhmin, 2005, Vieira, 2009). The research findings show that the relationship among individuals in business-to-business context is an area that requires further deep analyses and experimental research.

A fundamental peculiarity of business-to-business markets lies in the customer who is an organisation and not an individual. From this consideration it follows that the characteristics of customer behaviour considerably change and shift towards interactivity and mutual interdependence. Organisations become embedded in their own social, economic and technical environment (Mandják, 2002)..

In the industry chosen by us most companies selected suppliers on the basis of individual decision-making mechanism and did not apply a mechanism for group decision making. The background history is that the companies under investigation were mainly micro- and small-size enterprises. In addition, the number of employees performing intellectual work in large enterprises was low and there was only one person assigned in each area to carry out particular work. The buying centres were dominated by one decision maker, a key informant (an owner or a senior manager). Thus, the influence of decision-making stakeholders on the key informant is considered minimal. While examining communication relationships between buying centres, Johnston and Bonoma identified and characterised major characteristic features of these centres, their roles played in buying processes and compared the findings with purchasing various goods. While conducting analyses of communication behaviour of buying centres, they took into consideration the following factors: vertical involvement, lateral involvement, extensivity, connectedness and centrality (Johnston and Bonoma, 1981). As far as the mentioned factors are concerned, the impact of operations of buying centres compared to individual decision-makers is not considerable in the samples of this research. The deviation between individual and organisational decision-making processes in the samples under analysis may primarily arise from the objectives and motivations that differ from the personal decision situation of the decision maker. The logical steps of building the model are as follows:

- **Customer value concept as a theoretical framework**

The concept of customer value provides a broader theoretical framework for the research model. This model becomes imbedded in this framework. The impacts can be illustrated to companies through this measure tool. Using customer value measurement, the impact on company’s profit can also be measured. There are several customer value concepts, but this research focuses on the model elaborated by Rust, Lemon and Das Narayandas (2005), on the ‘Return on Marketing’ model built by Rust, Lemon and Zeithaml (2004) and on the model created by Bell et al. (2002), which may serve as approaches to the model becoming embedded in the customer vale.

- **Highlighting the relationship between customer acquisition and customer characteristics**

The research model combined two previous models into one structural model. The models created by Verhoef (2002) as well as Verhoef and Donkers (2005) illustrated below provide a basis for the basic model of this research:

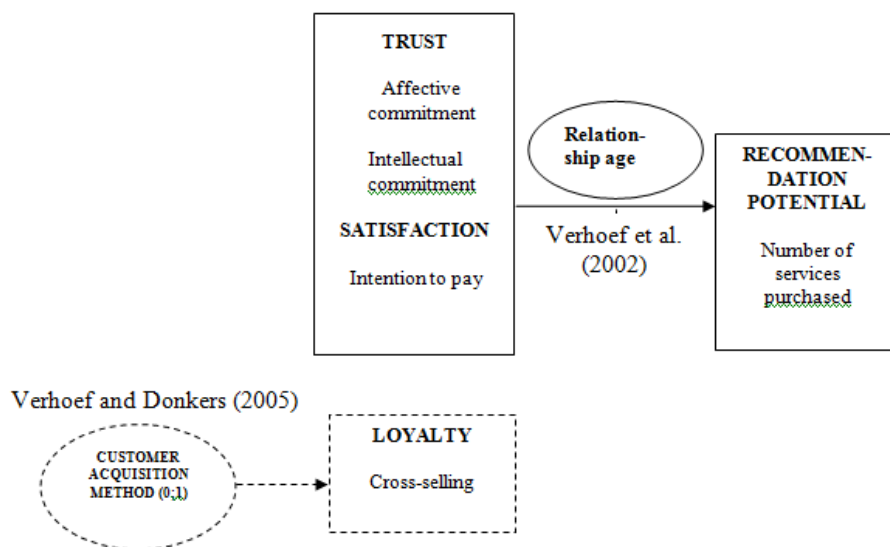


Figure 1: Combination of the two selected research models (built by the author)

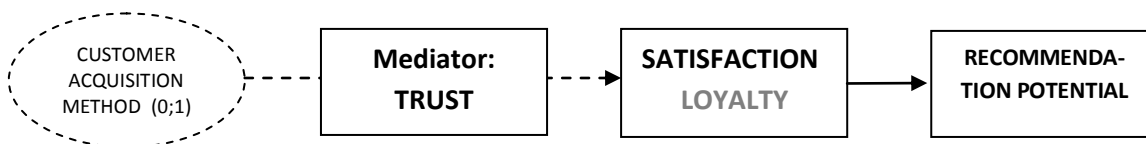


Figure 2: Basic model of this research (built by the author)

Verhoef et al. (2002) analysed various latent variables (relational constructs) in their model and the relationship between the recommendation potential and the number of used services by applying a

structural equation modelling, LISREL. They found a significant and direct relationship between trust, satisfaction, effective commitment, intention to pay and recommendation potential. This research deals with trust and satisfaction variables.

The model elaborated by Verhoef and Donkers (2005) studies the relationship between customer acquisition methods, loyalty and cross-buying in various product categories by applying a regressive model (probit). They examined four customer acquisition channels, such as public media, direct marketing, internet and telemarketing. They clearly expressed that customer acquisition channels affect loyalty. Telemarketing, being one of the customer acquisition channels, is considered to be a moderately powerful factor compared to others.

A new research model combining the two above-mentioned models has been constructed in this research. Trust acts as a mediator between customer acquisition methods, satisfaction and loyalty variables.

The combination of the models is based on the assumption that the methods customers were acquired (with or without recommendation) affect the relationship between a customer and a company as well as the future interaction with the company (Blattberg and Deighton, 1996, Thomas, 2001, Venkatesan and Kumar, 2004).

This research used social exchange theories to explain the correlation between customer acquisition methods and relationships to a company (relational constructs). The social exchange theory was originally developed to describe a process of exchanges between individuals which is not purely of economic character. According to the theory, the behaviour of individuals in a society can be described by an exchange of different types of resources and regularities related to exchanges may be formulated (Homans, 1958, Thibaut and Kelley, 1959, Blau, 1964). The regularity that similar sources are exchanged more frequently is of a great importance for this research (Foa and Foa, 1980). Originally, social exchanges were related to exchanges between people, but later this was upgraded to organisational and business-to-business levels (Aiken and Hage, 1968, Jacobs, 1974, Levine and White, 1961).

We suppose that if a customer enters into a relationship with a company through a social type of exchange (recommendation), he rewards the recommender with social resource in return for his investment in the direction of participants in the exchange (recommender and recommending company). We suppose that social exchanges performed in the direction of a recommended company result in a higher level of trust based on goodwill and have a favourable impact on satisfaction, loyalty and recommendation potential.

- **The examination of the effect of the recommendation**

Unlike other customers, positive characteristics of customers acquired through recommendation have been proved both in the case of individual (Kumar et al., 2010, Schmitt et al., 2011, Schumann et al., 2010), and organisational (Wangenheim, 2002, Wangenheim and Bayón, 2004, Wangenheim and Bayón, 2007) customers. The identification and proof of correlation in an organisational context is very essential, especially in terms of supposition of accumulative effects of recommendation (a customer acquired through recommendation is more inclined to recommend). This research aims at analysing the effect of recommendation, the correlation between trust, satisfaction, loyalty and **recommendation potential** (moderator effect) as well as the impact of recommendation through two dimensions of trust acting as a mediator variable (mediator effect).

The basic model of the research consists of five latent variables, which are measured reflectively with the application of indicators. The variables are as follows: customer acquisition methods (dichotomy), satisfaction (Cronin Jr et al., 2000, Oliver, 1997), loyalty (Ganesh et al., 2000), trust (Kumar et al., 1995) and recommendation potential (Zeithaml et al., 1996). Trust consists of the following two dimensions: credibility-based trust and benevolence-based trust. The applied scales were tested in earlier research and proved to be suitable for measuring applied construction in the research model.

II. 3. Research hypotheses and adopted testing methods

	Content of the hypotheses	Testing method of the hypotheses
H1	The way of acquisition has a stronger positive effect on the benevolence based trust than on credibility based trust.	Structural Equation Modeling (SEM)
H2	By customers acquired through recommendation the level of benevolence based trust is higher than by customers acquired not through recommendation.	explorative factor analysis and variation analysis (ANOVA) Structural Equation Modeling (SEM)/ Multi Group Analysis (MGA)
H3	The way of customer acquisition has a positive effect on the recommendation potential.	SEM
H4	The recommendation potential is higher by customers acquired through recommendation.	ANOVA, SEM/MGA
H5	Both dimensions of trust have a positive effect on satisfaction.	SEM/MGA
H5a	Benevolence based trust has a stronger positive effect on satisfaction in the case of customers acquired through recommendation.	
H6	The customers acquired through recommendation are more satisfied.	ANOVA, SEM/MGA
H7	Both dimensions of trust have a positive effect on loyalty.	SEM/MGA
H7a	The effect of benevolence based trust on loyalty is stronger by customers acquired through recommendation, than by customers acquired not through recommendation.	

H8	The customers acquired through recommendation are more loyal, than the customers acquired not through recommendation.	ANOVA, SEM/MGA
H9	Satisfaction has a positive effect on the recommendation potential.	SEM/MGA
H10	Loyalty has a positive effect on the recommendation potential.	SEM/MGA
H11	Satisfaction has a positive effect on loyalty.	SEM/MGA

Table 1. Summary of research hypotheses (compiled by the author)

Different quantitative methods were applied to test the research hypotheses. A scale consisting of several items was used to measure the variables. Firstly, an explorative factor analysis was conducted in order to analyse the quality of the adopted scale (reliability and validity) and to create factor values for performing further analyses (variation analysis). Thus, on the one hand, it can be proved that the adopted scale is suitable for measuring the selected latent constructions and on the other hand, to create a metric index number (a mean of factor values for all respondents) which is applicable for comparing latent variables in subgroups under investigation.

Next, on the basis of factor values, variance analysis (ANOVA) is conducted in order to examine whether the recommended customers are more satisfied, more loyal, express more trust and declare stronger intention to recommend than customers acquired in other ways. Analysis of variance is suitable for comparing group means; however, it is unsuitable for expressing cause-effect relationships and the strength of effects between particular variables.

Structural Equation Modelling (hereinafter SEM) is applied for conducting effect analysis. SEM can be seen as an extension of General Linear Model, (hereinafter GLM) and applied in parallel testing of several multiple regression computations in order to model a more complex relationship between variables under investigation. SEM consists of a measurement model and a structural model. The measurement model enables us to build derived, latent variables directly from the observed variables, but does not allow us to examine casual relationship. The structural model allows us to examine the casual relationship between variables of the measured model (Backhaus et al., 2011).

Two variants of SEM are used for testing the research hypotheses. Building in customer acquisition as dummy variable allows us to examine the direct effects of recommendation on two dimensions of trust and on recommendation potential as well as enables us to analyse the mediator impact of two dimensions of trust on the recommendation potential, as a method of acquiring customers and on other constructions (satisfaction, loyalty and referral potential) under investigation (Wu and Zumbo, 2008).

In the other SEM variation the research model is applied to several groups (Multi Group Analysis, hereinafter: MGA) and the **moderator** effect of recommendation is examined for illustrating cause-effect relationships between the remaining variables. (Sauer and Dick, 1993). Multi Group Analysis is suitable for expressing the moderator effect on correlation between multi-variables. (Weiber and Mülhhaus, 2010, p231.)

III. Results

III.1. Results of explorative factor analysis and variation analysis

A scale consisting of several items used to measure variables was applied for conducting explorative factor analysis. The explorative factor analysis (hereinafter: factor analysis) allows us to describe phenomena frequently occurring in the field of social sciences when several indicators (directly measurable manifest variable) are required to describe a latent construction (indirectly measurable manifest variable). Factor analysis is applied in processes requiring reducing the number of data to be analysed and summarising the available data (Malhotra and Simon, 2008).

This analysis aims at investigating the quality of the adopted scales, on the one hand, and at creating factor values for future analyses, on the other. As for the methods of factor analysis, main component analysis and promax rotation are used. (Backhaus et al., 2011). Satisfying the theoretical concept of the research, six factors were established after factor analysis had been performed. The six factors are as follows: benevolence-based trust, credibility-based trust, satisfaction, two dimensions of loyalty and recommendation potential. Factor analysis allows us to make sure that the adopted scale is really suitable for measuring chosen latent constructions. In addition, a metric index number suitable for comparing the latent variables of the research in selected sub-groups was created.

This was followed by a variation analysis based on factor analysis, which enabled us to investigate whether the recommended customers were more satisfied, more loyal, expressed more trust and declared stronger intention to recommend than customers acquired in other ways. The values of six factors of the research were applied for one-aspect variation analysis in order to test (ANOVA) the H2, H4, H6 and H8 research hypotheses. Variation analysis was applied with the aim of identifying any changes occurred in the means of groups created by a nominal group-building variable (acquisition of customers is not recommendation: 0, recommendation: 1) in terms of vertical metric variables under investigation.

The research findings show that the customers acquired through recommendation had a higher mean in each examined variable (satisfaction, benevolence-based trust, active loyalty, passive loyalty and recommendation potential). ANOVA (F-test) was used to compare the differences between the mean scores.

In the case of benevolence-based trust, active loyalty and recommendation potential, the null hypothesis saying that the means of variables were similar in two groups, was not refutable at the usual 5% significance level. Thus, H2 and H4 research hypotheses were rejected. As for

variables of satisfaction and the passive dimension of loyalty, the null hypothesis was refused, thus, H6 research hypothesis was accepted. H8 research hypothesis was rejected, because the difference between group means in constructions under analysis (loyalty) was significant only in one dimension (passive).

The research findings show that the group means of customers acquired through recommendation and in other ways significantly differ in terms of satisfaction and passive loyalty variables. In addition, the mean of both variables is higher in the case of customers acquired through recommendation.

III. 2. Structural Equation Modelling (SEM) and the Results of Multi Group Analysis (MGA)

The application of Structural Equation Modelling (SEM) aimed at testing a theoretically-based model in which latent variables were measured by using a validated measuring scale. The SEM model consists of a measurement model and a structural model. Firstly, the adopted scale was validated with a confirmatory factor analysis, which allowed us to make sure that the measuring model complied with the required quality standard. Then a structural model was built and using the indicators suggested in the technical literature the adoption of the model was regarded adequate (Weiber and Mühlhaus, 2010).

The structural model is the following:

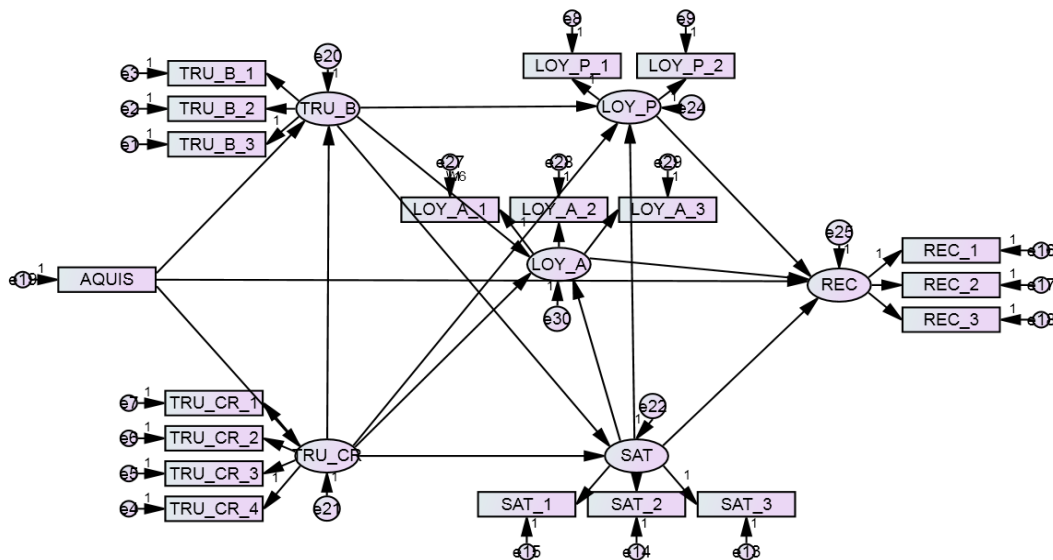


Figure 3: Structural model¹ (AMOS/built by the author)

¹ Abbreviations: AQUIS: method of acquiring customers, TRU_CR: credit-based trust, TRU_B: good will-based trust, LOY_P: passive loyalty, LOY_A: active loyalty, SAT: satisfaction, REC: recommendation potential

Two variants of SEM model were applied to test research hypotheses. Two variants of SEM are used for testing the hypotheses. Building in customer acquisition as dummy variable (AQUIS) allows us to examine the direct effects of recommendation on two dimensions of trust (TRU_B, TRU_C) and on recommendation potential (REC). In addition, this enables us to analyse the mediator impact of two dimensions of trust on the recommendation, as a method of acquiring customers and on other constructions: satisfaction (SAT), loyalty dimensions (LOY_A, LOY_P) and recommendation potential.

In the other SEM variation the research model was applied to several groups (Multi Group Analysis, hereinafter: MGA) and the **moderator** effect of recommendation was examined for illustrating cause- effect relationships between the remaining variables (AQUIS variable was not included in the model).

The next table summarises the strengths of effects and the significance level belonging to them (P) in the cases of SEM model related to the whole data base and in the subgroup models under investigation (MGA).

Latent variable	Effect direction	Latent variable	Total database (SEM)		Recommendation (MGA)		Not-recommendation (MGA)	
			Std. regr. w.	P	Std. regr. w.	P	Std. regr. w.	P
AQUIS	--->	TRU_CR	0,053	0,445				
AQUIS	--->	TRU_B	-0,048	0,274				
AQUIS	--->	REC	0,008	0,852				
TRU_B	--->	SAT	-0,081	0,545	-0,166	0,277	0,515	0,01
TRU_B	--->	LOY_P	0,351	0,002	0,435	***	0,365	***
TRU_B	--->	LOY_A	0,737	***	0,798	***	0,646	0,011
TRU_CR	--->	TRU_B*	0,861	***	0,800	***	0,882	***
TRU_CR	--->	SAT	0,831	***	0,895	***	0,232	0,241
TRU_CR	--->	LOY_A	-0,901	***	-0,734	0,014	0,555	0,02
SAT	--->	LOY_A	0,671	***	0,351	0,05	0,425	0,002
SAT	--->	LOY_P*	0,653	***	0,583	***	0,578	***
SAT	--->	REC	0,103	0,431	0,096	0,559	0,122	0,478
LOY_A	--->	REC	-0,054	0,323	0,047	0,508	-0,11	0,162
LOY_P	--->	REC	0,788	***	0,817	***	0,76	***

*the strength of the effect does not deviate in the two groups at 5% significance level

Table 2: Strength and significance of effects in the total samples and in the subgroups under investigation (built by the author)

Analyses of effects between variables is aimed at testing the directions and the extent of changes in one of the variables, if the level of the other variable increases. The findings show:

The effect of customer acquisition methods (AQUIS: 0= not-recommendation; 1= recommendation) on other variables:

Customer acquisition methods do not have significant linear effect on trust dimensions or recommendation potential. As a result, H1 and H3 hypotheses were rejected. The mediator effect of trust between recommendation potential and other variables under investigation was not disconfirmed.

The effect of trust dimension (TRU_CR, TRU_B) on other variables:

The benevolence-based trust has a significantly positive effect on both loyalty dimensions according to SEM results and to MGA findings in the subgroups. The effect is a stronger on the loyalty active dimension than on the passive one. MGA shows that the effects on customers acquired through recommendation are stronger than on other customers in both loyalty dimensions. Consequently, H7 hypothesis is accepted.

Both SEM and MGA results show that the dimension of credit-based trust has a strong negative effect on active loyalty dimension. MGA analyses illustrate that the effect is stronger in the case of customers acquired through recommendation. This means that the customers having a lower level of credit-based trust will leave if they are offered a better recommendation or experience rise in prices. Thus, if trust increases in this dimension, active loyalty decreases.

In the relationship between trust and loyalty, purely positive effects are not observed. Since the effect of the two trust dimensions significantly differ from the loyal active dimension, H7 hypothesis is rejected.

SEM model does not show a significant correlation between goodwill dimension of trust and satisfaction. However, the analysis of the two subgroups illustrates that by customers acquired through other methods benevolence-based trust has a significant positive impact on satisfaction. This result deviates from the preliminary assumption of this research according to which in the customers acquired through recommendation the effect is stronger. Thus, H5 is rejected.

In the customers acquired through recommendation credibility-based trust demonstrates a significant positive effect on satisfaction.

As far as the effect of trust on satisfaction is concerned, it can be stated that both trust dimensions have a positive effect on satisfaction. However, their strength and significance differ both in dimensions and in the two subgroups. H5 is rejected.

The effect of satisfaction (SAT) on the remaining variables:

Satisfaction has a positive effect on both loyal dimensions. Thus, H11 is accepted. The effect of satisfaction on active loyalty is stronger by customers acquired with other methods. The effect of satisfaction on the recommendation potential is not significant. Thus, H9 is rejected.

The Effect of loyalty (LOY_P, LOY_A) on recommendation potential (REC):

Passive loyal dimension has a significant positive effect on recommendation potential in both subgroups under investigation. Active loyal dimension does not demonstrate significant effect in one of the groups. Thus, H10 saying that loyalty has a positive effect on recommendation potential is rejected because of the observed divergence in the two dimensions.

Since significant differences are observed between the two investigated subgroups in terms of several variables, the moderator effect of recommendation is confirmed.

III. 3. Remarks on theoretical concepts used in model building

The social exchange theory built in the model is used to explain the correlation between the method of acquiring customers and relations to the company ((relational constructs), since we have found a lot of evidence in the technical literature that the application of this theory is relevant in our research. According to references in the literature the social exchange theory explains fundamental mechanisms of building relationships (Gassenheimer et al., 1998, Houston and Gassenheimer, 1987). In order to understand paradigmatic shifts in marketing that started in the 1990s, we should go back to the basics of human exchange mechanism and accept fundamental theorems of the social exchange theory (Jancic and Zabkar, 2002).

The research findings show that the effect mechanisms of the social exchange theory used in the construction of the model can be recognised, however, its interpretation and tailoring it to the research model require further consideration. Relying on the statement that trust is a social dimension of inter-organisational exchange (Mandják, 2010), the two investigated dimensions do not demonstrate any differences in terms of correlation with social exchange.

The hypothesis saying that the benevolence based dimension of trust ‘would carry further’ the social input of recommendation to the inter-organisational interaction through the mediation effect of trust is not confirmed. The effect mechanisms demonstrate that recommendation has moderating effect and may strengthen the effect of both trust dimensions in various relations.

No difference is demonstrated between groups at the level of trust either. However, some trust dimension have some effect on satisfaction and loyalty, which strengthens the recommendation

moderator effect – as a channel of customer acquisition – on customer characteristics and behaviour. Conducting effect analyses allows us to understand the ways recommendation exerts its effects. **The most important finding in this issue is that recommendation strengthens credit-based trust in the satisfaction direction and the benevolence-based trust shifts towards loyalty.**

Significant effect is observed in the cumulative effect of through passive loyalty. However, the two groups did not demonstrate any differences in terms of recommendation potential. This research does not confirmed the positive effect existing between satisfaction and recommendation potential demonstrated by other research. Loyalty has a positive effect on recommendation potential only the passive dimension.

III.4. Presentation of results important for practical usage on the basis of customer value concept

The wider theoretical framework of the model is provided by the customer value concept, since effects can be demonstrated to companies on this measuring tool. Calculation of customer value allows us to measure its effect on corporate profit. As for the company profitability, it is important to retain valuable customers in the long run.

The essence of the customer value concept lies in the fact that customers may be considered potential investors who consciously perform economic or social investments in the company (Dorsch and Carlson, 1996). Since social investments are difficult to identify and measure, companies frequently neglect this factor. This behaviour distorts the estimation of customer value and weakens corporate effectiveness and profitability. It is essential to identify factors to be used for characterising and describing customer-company relationship as precisely as possible in order to predict customer behaviour, which provides a basis for computing customer value and building a model (Berger and Nasr, 1998).

This research contributes to the customer-value maximizing process, since it analyses the effect of recommendation selected from customer acquisition methods on customer value in order to examine whether it is worth placing variables of customer acquisition methods in models calculating customer values.

This research finds that variables of customer acquisition methods should be considered when customer values are computed, since customers acquired through recommendation have different characteristics than other customers. The customers acquired through recommendation are more satisfied than other buyers. Since satisfaction demonstrated positive effects in both loyalty dimensions, customers acquired through recommendation may be considered to be more loyal. If two customers have similar economic values in the customer value calculations, the customer acquired

through recommendation may be considered more valuable. The application of marketing toolbar can be made more efficient by targeting this group.

Another important result is that in the group of customers acquired through recommendation passive loyalty is higher, which is in strong significant relationship with recommendation potential. Apart from the fact that customers acquired through recommendation are more loyal, they generate more turnover in the long run and act as channels of customer acquisition. In the case of customers acquired through recommendation it is worth paying more attention to price-related decision-making processes, since they seem to be more sensitive in terms of loyalty than other clients.

Finally, it can be stated that customer acquisition methods (recommendation) help managers make decisions and identify the areas where to focus resources in order to utilize them most effectively, which results in cutting corporate costs and increasing profit in the long run. The table below summarises findings of hypothesis analyses:

	Content of hypothesis	Expl. FAC, ANOVA	SEM	SEM/MGA
H1	The way of acquisition has a stronger positive effect on the benevolence based trust than on credibility based trust.		rejected	
H2	By customers acquired through recommendation the level of benevolence based trust is higher than by customers acquired not through recommendation.	rejected		rejected
H3	The way of customer acquisition has a positive effect on the recommendation potential.		rejected	
H4	The recommendation potential is higher by customers acquired through recommendation.	rejected		rejected
H5	Both dimensions of trust have a positive effect on satisfaction.			rejected (dimensions differ)
H5a	Benevolence based trust has a stronger positive effect on satisfaction in the case of customers acquired through recommendation.			rejected
H6	The customers acquired through recommendation are more satisfied.	accepted		accepted
H7	Both dimensions of trust have a positive effect on loyalty.			rejected (dimensions are of contrasting effect)
H7a	The effect of benevolence based trust on loyalty is stronger by customers acquired through recommendation, than by customers acquired not through recommendation.			accepted

H8	The customers acquired through recommendation are more loyal, than the customers acquired not through recommendation.	accepted		accepted
H9	Satisfaction has a positive effect on the recommendation potential.			rejected
H10	Loyalty has a positive effect on the recommendation potential.			accepted (dimensions differ)
H11	Satisfaction has a positive effect on loyalty.			accepted

III.5. Limitations and further research opportunities

There are several factors in this research that limit generalization of the findings.

Qualitative research primarily prepares the quantitative phase and analyses the relevancy of the topic. The results demonstrate the characteristics of the respondent companies and are unsuitable for illustrating Hungarian customer value management systems. Conducting further qualitative research is worth considering, for example, further examination of Hungarian customer value management systems within the framework of case studies. By having a deeper insight into characteristics and by better understanding the processes the scientific results of the research may be adopted in practical applications more efficiently.

One of the limits of this quantitative research is that the sample element number is relatively low, although this is considered acceptable in the business-to-business research in Hungary. The comparison of sample characteristics with national data well demonstrates the analysed amount.

As for the applied methodology, a higher sample number would be worth involving in the research because of multinormal distribution. For the same reason, seven or nine-item scale should be used instead of the five-item one. Although this would make filling the questionnaire more difficult, the data quality would be higher from the scientific perspective.

Another limit of this research is that only one product of one company in one sector of industry (agriculture) was involved in the research, which does not allow us to generalise the findings. the research model should be expanded to test other sectors and products.

This research focused only on analysing the effect of recommendation on other customer acquisition methods. Apart from recommendation, the correlations between customer acquisition methods, customer characteristics and behaviour in other channels of customer acquisition should be also investigated.

This research is a cross-sectional research. In order to give a clearer picture about effects, both intentional and real behaviour should be analysed within the framework of a longitudinal analysis.

Application of further variables in the model should also be considered, such as the role played in the network or experienced risk of purchasing.

The most essential objective of further research is to calculate customer value on the basis of real data taking into account the value of the recommendation potential. In order to meet this objective, an access to real corporate data is required, which makes research work more difficult. This research would be complete if the recommendation value (customer acquisition) were built in the model which measures customer value. This would help perform a more accurate customer segmentation, a more efficient positioning of marketing tools and would create a more optimal corporate portfolio in the long run.

IV. Publications on the dissertation topic

Type of Publication	Publication	Year
Journal article	Az ügyfélszerzési csatorna hatásának vizsgálata a vevőelégedettségre és lojalitásra szervezetközi piacon Vezetéstudomány / Budapest Management Review (megjelenés várhatóan 2012 második félév)	2012 (in press)
	The Importance of Acquisition Channel by Customer Segmentation - A quantitative research approach Corvinus Marketing Tanulmányok http://portal.uni-corvinus.hu/index.php?id=47115#12 (megjelenés várhatóan 2012 április)	2012 (in press)
	Contribution of Hungarian researchers to the IMP philosophy: summary of the papers written by Hungarian authors or co-authors for the annual IMP Conferences between 1996-2009 IMP Journal, ISSN 0809-7259 (megjelenés várhatóan 2012 szeptember-október) Társszerzők: Zsuzsanna Szalkai, Barbara Jenes, Mária Magyar, Tímea Tóth	2012 (inpress)
	To Solve the Impossible, From Necessity to Success with the Help of Business Network IMP Journal, Issue 3, Volume 5, p. 212-225. ISSN 0809-7259 Társszerzők: Mandják Tibor, Simon Judit, Bárdos Krisztina, Németh Sarolta	2011
	Consumer behaviour on market of the Hungarian travel services -- Examination of hybrid consumption Vezetéstudomány / Budapest Management Review, Jun 2010, Vol. 41 Issue 6, p. 50-62 Társszerzők: Neulinger Ágnes; Simon Judit; Kelemen Kata; Hofmeister Tóth Ágnes;	2010
Hungarian Conference Publications	Hatékonyabb vevőérték menedzsment-környezettudatosabb marketing? A vevőérték menedzsment hatása a marketing eszközök alkalmazására (terjedelem 22 oldal) Marketing Oktatók Konferenciája 2011 Társszerző: Simon Judit	2011
	A vevőérték (customer equity) koncepció jelentősége a marketing fejlődésében (terjedelem 25 oldal) Marketing Oktatók Klubjának Konferenciája, 2008 Társszerző: Simon Judit	2008
	A vevőérték koncepció jelentősége a marketing fejlődésében, a szájreklám szerepe a vevőérték modellezésben (terjedelem 16 oldal) "60 éves a Közgáz" Tudományos Jubileumi Konferencia Budapesti Corvinus Egyetem Társszerző: Simon Judit	2008
International Conference Publications	The Role of Word of Mouth Communication in Customer Equity Management (terjedelem 15 oldal) IMP Doctoral Consortium, 2009, Marseilles	2009
	The Role of Word of Mouth Communication in Customer Equity Management (terjedelem 18 oldal) Marketing Theory Challenges in Transitional Societies, Zagreb, 2008 Társszerző: Simon Judit	2008
Book, part of a book (in Hungarian)	A marketingkutatás alapjai, 6-8. fejezet 121-161.o. Aula Kiadó, Budapest, 2011 Társszerzők: Dr. Simon Judit, Dr. Szűcs Krisztián	2011
Research studies	Kvalitatív és kvantitatív kutatás a sport és szabadidős termékek vásárlási és használati szokásaival kapcsolatban (terjedelem kb.60 oldal) Kutatási prezentáció Kutatásvezető: Simon Judit	2010
	A fogyasztói elégedettség, lojalitás és az ügyfélmegtartás modelljének kidolgozása és alkalmazása a villamos energia fogyasztói piacán	2007

	(terjedelem 147 oldal) Kutatási tanulmány Kutatásvezetők: Simon Judit és Hofmeister Tóth Ágnes Kutatás társrészvevői: Jenes Barbara, Malota Erzsébet, Kovács István, Farkas Dániel	
--	--	--

V. References

- ABDUL-MUHMIN, A. G. 2005. Instrumental and interpersonal determinants of relationship satisfaction and commitment in industrial markets. *Journal of Business Research*, 58, 619-628.
- AIKEN, M. & HAGE, J. 1968. Organizational interdependence and intra organizational structure. . *American Sociological Review*, 33, 912-930.
- BACKHAUS, K., ERICHSON, B. & WEIBER, R. 2011. *Fortgeschrittene Multivariate Analysemethoden*, Berlin-Heidelberg, Springer.
- BERGER, P. D. & NASR, N. I. 1998. Customer Lifetime Value: Marketing Models and Applications.
- BLATTBERG, R. C. & DEIGHTON, J. 1996. Manage Marketing by the Customer Equity Test. *Harvard Business Review*, 74, 136-144.
- BLATTBERG, R. C., GETZ, G. & THOMAS, J. S. 2001. Customer Equity: Building and Managing Relationships as Valuable Assets (Hardcover).
- BLAU, P. M. 1964. *Exchange and Power in social life*, New York, Wiley.
- CRONIN JR, J. J., BRADY, M. K. & HULT, G. T. M. 2000. Assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environments. *Journal of Retailing*, 76, 193.
- DORSCH, M. J. & CARLSON, L. 1996. A Transaction Approach to Understanding and Managing Customer Equity. *Journal of Business Research*, 35, 253-264.
- EGGERT, A., ULAGA, W. & SCHULTZ, F. 2006. Value creation in the relationship life cycle: A quasi-longitudinal analysis. *Industrial Marketing Management*, 35, 20-27.
- FOA, E. & FOA, U. 1980. Social exchange: Advances in theory and research In: PRESS, N. Y. P. (ed.) 103-376-860 (Last edited on 2002/05/04 10:34:36 GMT-6) New York: Plenum Press. ed.
- GANESH, J., ARNOLD, M. J. & REYNOLDS, K. E. 2000. Understanding the Customer Base of Service Providers: An Examination of the Differences Between Switchers and Stayers. *Journal of Marketing*, 64, 65-87.
- GASSENHEIMER, J. B., HOUSTON, F. S. & DAVIS, J. C. 1998. The Role of Economic Value, Social Value, and Perceptions of Fairness in Interorganizational Relationship Retention Decisions. *Journal of the Academy of Marketing Science*, 26, 322-337.
- GLYNN, M. S., MOTION, J. & BRODIE, R. J. 2007. Sources of brand benefits in manufacturer-reseller B2B relationships. *Journal of Business & Industrial Marketing*, 22, 400-409.
- HELM, S. 2003. Calculating the value of customers' referrals. *Managing Service Quality*, 13, 124-133.
- HOMANS, C. G. 1958. Social behavior as exchange. *American Journal of Sociology*, 63, 597-606.
- HOUSTON, F. S. & GASSENHEIMER, J. B. 1987. Marketing and Exchange. *Journal of Marketing*, 51, 3-18.
- JACOBS, D. 1974. Dependency and vulnerability: An exchange approach to the control of organizations. *Administrative Science Quarterly*, 19, 45-59.
- JANCIC, Z. & ZABKAR, V. 2002. Impersonal vs. Personal Exchanges in Marketing Relationships. *Journal of Marketing Management*, 18, 657-671.
- JOHNSTON, W. J. & BONOMA, T. V. 1981. THE BUYING CENTER: STRUCTURE AND INTERACTION PATTERNS. *Journal of Marketing*, 45, 143-156.
- KUMAR, N., SCHEER, L. K. & STEENKAMP, J.-B. E. M. 1995. The Effects of Perceived Interdependence on Dealer Attitudes. *Journal of Marketing Research (JMR)*, 32, 348-356.
- KUMAR, V., PETERSEN, J. A. & LEONE, R. P. 2010. Driving Profitability by Encouraging Customer Referrals: Who, When, and How. *Journal of Marketing*, 74, 1-17.
- LEVINE, S. & WHITE, P. E. 1961. Exchange as a Conceptual Framework for the Study of Interorganizational Relationships. *Administrative Science Quarterly*, 5, 583-601.
- MACPHERSON, D. 2010. Now Is a Good Time to Get Referrals. *Journal of Financial Planning*, 10-11.
- MALHOTRA, N. K. & SIMON, J. 2008. *Marketingkutató*, Budapest, Akadémiai Kiadó.
- MANDJÁK, T. 2002. *Az üzleti kapcsolatok értéke, doktori disszertáció*. Budapesti Közgazdaságtudományi és Államigazgatási Egyetem.
- MANDJÁK, T. 2010. A bizalom szerepe az üzleti kapcsolatokban. *Corvinus Marketing Tanulmányok*, 2010, 39-45.
- OLIVER, L. 1997. *Satisfaction: A Behavioral Perspective on the Consumer*.
- PISCOPO, M. G. Year. CREATING VALUE THROUGH CUSTOMER SPECIFIC MARKETING INVESTMENTS IN A B2B CONTEXT. In, 2007/01// 2007. American Marketing Association, 190-197.

- SAUER, P. L. & DICK, A. 1993. Using Moderator Variables in Structural Equation Models. *Advances in Consumer Research*, 20, 637-640.
- SCHMITT, P., SKIERA, B. & VAN DEN BULTE, C. 2011. Referral Programs and Customer Value. *Journal of Marketing*, 75, 46-59.
- SCHUMANN, J. H., V. WANGENHEIM, F., STRINGFELLOW, A., YANG, Z., BLAZEVIC, V., PRAXMARER, S., SHAINESH, G., KOMOR, M., SHANNON, R. M. & JIMÉNEZ, F. R. 2010. Cross-Cultural Differences in the Effect of Received Word-of-Mouth Referral in Relational Service Exchange. *Journal of International Marketing*, 18, 62-80.
- THIBAUT, J. W. & KELLEY, H. H. 1959. *The social psychology of groups*, Oxford, John Wiley.
- THOMAS, J. S. 2001. A Methodology for Linking Customer Acquisition to Customer Retention. *Journal of Marketing Research (JMR)*, 38, 262-268.
- VENKATESAN, R. & KUMAR, V. 2004. A Customer Lifetime Value Framework for Customer Selection and Resource Allocation Strategy. *Journal of Marketing*, 68, 106-125.
- VIEIRA, A. L. 2009. BUSINESS-TO-BUSINESS RELATIONSHIP QUALITY. *Portuguese Journal of Management Studies*, 14, 197-215.
- WANGENHEIM, F. 2002. *Weiterempfehlung und Kundenwert, Ein Ansatz zur persönlichen Kommunikation*. Universitaet Mainz.
- WANGENHEIM, F. & BAYÓN, T. 2004. Satisfaction, loyalty and word of mouth within the customer base of a utility provider: Differences between stayers, switchers and referral switchers. *Journal of Consumer Behaviour*, 3, 211-220.
- WANGENHEIM, F. V. & BAYÓN, T. 2007. The chain from customer satisfaction via word-of-mouth referrals to new customer acquisition. *Journal of the Academy of Marketing Science*, 35, 233-249.
- WEIBER, R. & MÜHLHAUS, D. 2010. *Strukturgleichungsmodellierung*, Berlin-Heidelberg, Springer.
- WU, A. & ZUMBO, B. 2008. Understanding and Using Mediators and Moderators. *Social Indicators Research*, 87, 367-392.
- ZEITHAML, V. A., BERRY, L. L. & PARASURAMAN, A. 1996. The Behavioral Consequences of Service Quality. *Journal of Marketing*, 60, 31-46.