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## Drivers and outcomes of relationship quality with professional service firms: An SME owner-manager perspective

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## ABSTRACT

Strong relationships are important, particularly for business partners dealing with business-to-business (B2B) professional service providers, as the quality of the relationship can serve as a proxy for evaluating the service delivery. Grounded in the RM paradigm, this study focused on this unique inter-firm business exchange between professional service firms (PSFs) and small and medium-sized enterprises (SMEs) in order to investigate the drivers and outcomes of relationship quality (RQ). Specifically, we utilized a mixed-methods approach to understand (i) the key dimensions of RQ and its drivers, (ii) the mechanism through which RQ affects relational outcomes (i.e. loyalty and willingness-to-pay premium price), and (iii) the moderating role of relationship duration and perceived risk among these relationships in a B2B professional service context. The results from a survey of 324 SME CEOs and/or owner-managers confirmed the importance of relationship value in mediating the effects of RQ and its outcomes, particularly in long-term relationships and under high-risk situations. The authors discuss the implications of the findings for theory and practice in the PSF context, and acknowledge the research limitations.

## 1. Introduction

Professional service firms (hereafter PSFs) play a crucial role in the business-to-business (B2B) sector as they provide salient business advice and knowledge that can empower their clients to develop competitive products and/or services (Ngo & O'cass, 2013; Siahtiri, 2017). PSFs refer to specialized providers of knowledge-intensive, high-skill services that collaborates extensively with internal and external parties (Altinay, Roper, Reihlen, & Alexandra Apel, 2007; Consoli & Elche-Hortelano, 2010; Von Nordenflycht, 2010; Yalabik, Van Rossenberg, Kinnie, & Swart, 2015). Key professional services include legal, accounting, engineering and management consultancy, architectural, surveying, scientific and environmental research, as well as advertising and market research (IBISWorld, 2017).

Professional services usually involve 'medium-high contact' suggesting that a high degree of ongoing interaction and interpersonal communication between client and service provider is critical to the success of the service delivery (Ng, Plewa, & Sweeney, 2016; Sarapaivanich & Patterson, 2015). Prior research explicates the benefits of inter-firm collaboration in this environment (Rosenfeld, 1996), as it is characterized by intense client-employee interactions (Frey, Bayón, & Totzek, 2013; La, Patterson, & Styles, 2009). Yet, research

attention on the drivers and outcomes of relationship quality (hereafter RQ) between PSFs and customers in B2B settings is still limited (Empson, Muzio, & Broschak, 2015; Ng et al., 2016). As noted by Heirati et al. (2016, p.51): "...the field of B2B marketing contains limited research examining the role of PSFs' simultaneous collaboration with customers and suppliers under differing environmental conditions". This lack of research is surprising given that PSFs face unique challenges in developing strong relationships with their clients due to their low capital intensity, complexity in evaluating service quality (i.e. opaque quality), and the difficulties in retaining key skilled employees, many of whom serve as the focal point of contact for customers (Von Nordenflycht, 2010).

A dominant theme that continues to appear in the literature is that SMEs should be willing to work cooperatively with other firms (such as PSFs) if they are to be successful (McGrath & O'Toole, 2012). In the modern competitive business era, SMEs are increasingly seeking the services of PSFs to support their operations. Similarly, PSFs are also striving to provide SME clients with excellent service as a means of establishing long-term client relationships (Sarapaivanich & Patterson, 2015). Because PSFs offer intangible services that are high in credence properties (Jarvis & Rigby, 2012), clients often lack the knowledge and expertise to evaluate service outcomes (Sarapaivanich & Patterson,

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**Table 1**  
A summary of empirical RQ research in B2B service settings.

Authors	Relationship quality		Dimensions	Outcomes	Identified research gaps
	Antecedents	Relationship quality			
(Crosby et al., 1990)	Similarity, expertise, relational selling behavior	Trust and satisfaction	Trust and satisfaction	Sales effectiveness, future interactions	Examine to what extent RQ restrain the customers from switching to another supplier
(Kumar, Scheer, & Steenkamp, 1995)	Fairness	Conflict, trust commitment, willingness to invest, expectation of continuity, moderated by environment uncertainty	Conflict, trust commitment, willingness to invest, expectation of continuity, moderated by environment uncertainty	NA	NA
(Dorsch, Swanson, & Kelley, 1998)	NA	Trust, satisfaction, commitment, opportunism, customer orientation, ethical profile	Trust, satisfaction, commitment, opportunism, customer orientation, ethical profile	NA	Identify the antecedents of RQ constructs
(Smith, 1998)	Similarity	Trust, satisfaction, commitment	Trust, satisfaction, commitment	NA	NA
(Lee, Pae, & Wong, 2001)	Decision making uncertainty, opportunism, perceived similarity, Guanxi	Trust and satisfaction	Trust and satisfaction	Business performance (sales)	Incorporate other firm and business characteristics (e.g. duration of the relationship) on the relationship between RQ and its outcomes
(Roberts et al., 2003)	Service quality and interactions	Trust, commitment, satisfaction, affective conflict	Trust, commitment, satisfaction, affective conflict	Loyalty	Examine whether relationship value could more effectively predict outcomes than RQ
(Johnson, Sohi, & Grewal, 2004)	Relational knowledge stores,	Trust, commitment, stability, moderated by environmental turbulence	Trust, commitment, stability, moderated by environmental turbulence	NA	NA
(Farrelly & Quester, 2005)	NA	Trust, commitment, social satisfaction, economic satisfaction	Trust, commitment, social satisfaction, economic satisfaction	NA	The long-term effects of key relationship drivers to understand how commitment develops over time
(Lages, Lages, & Lages, 2005)	NA	Information sharing, communication quality, long-term orientation, satisfaction	Information sharing, communication quality, long-term orientation, satisfaction	NA	How RQ relates to loyalty, commitment, and other transaction-specific investments
(Phan, Styles, & Patterson, 2005)	Relational competence	Trust, satisfaction, commitment, joint problem solving	Trust, satisfaction, commitment, joint problem solving	Partnership performance, communication behavior	NA
(Leonidou, Barnes, & Talias, 2006)	Uncertainty, Distance, Conflict	Adaptation, commitment, communication, cooperation, satisfaction, trust, understanding	Adaptation, commitment, communication, cooperation, satisfaction, trust, understanding	NA	Examine the link between RQ and performance
(Ulaga & Eggert, 2006)	Relationship value	Trust, commitment, satisfaction	Trust, commitment, satisfaction	Expansion, retention	Identify the impact of moderating variables on the links between relationship value, RQ, and behavioral outcomes.
(Chumpitaz Caceres & Paparoidamis, 2007)	Technical and functional quality	Satisfaction, trust, commitment	Satisfaction, trust, commitment	Loyalty	Include other indicators of loyalty, such as willingness-to-pay premium price
(Ivens & Pardo, 2007)	NA	Trust, commitment, social and economic satisfaction	Trust, commitment, social and economic satisfaction	NA	Linking RQ with customer contribution margins (e.g. WTP)
(Raayruen & Miller, 2007)	NA	Trust, commitment, satisfaction, service quality	Trust, commitment, satisfaction, service quality	Loyalty	Involving SME decision-makers as study participants
(Palmtatier et al., 2007)	Relationship marketing programs	Trust, commitment, satisfaction	Trust, commitment, satisfaction	Share of wallet, WTP, sales growth	NA
(Lai et al., 2008)	NA	Fairness	Fairness	Trust, commitment, relationship continuity, moderated by business uncertainty	Incorporate more relevant constructs and other forms of business uncertainty.
(Sarmiento, Simões, & Farhangmehr, 2015)	Information exchange, social exchange	Trust, satisfaction, commitment, moderated by relationship duration	Trust, satisfaction, commitment, moderated by relationship duration	Anticipation of future interaction,	Identify possible moderators affecting RQ and future interaction
(Nyadzayo et al., 2016)	Information sharing, franchisor support, conflict handling, bonding	Trust and commitment	Trust and commitment	Brand citizenship behavior (relationship value, image, loyalty)	Identify the underlying mechanisms that might affect relationship outcomes in B2B exchanges
(Jiang et al., 2016)	NA	Communication, long-term orientation, social satisfaction, economic satisfaction	Communication, long-term orientation, social satisfaction, economic satisfaction	NA	Examine the antecedents and outcomes of RQ
(Chatterjee, 2017)	Instrumental service, interpersonal service, value mindset	Relationship satisfaction	Relationship satisfaction	NA	Further examination of the consequences of RQ

NA = not addressed.

2015). For example, SME clients with no accounting training are unlikely to be capable of determining, with confidence, whether they are actually receiving the best possible accounting services. As a result, the service provider–client relationships are at the center of the client evaluation of the service experience (Čater & Čater, 2010; Sarapaivanich & Patterson, 2015).

Although the existing body of literature has examined the drivers, dimensions, and outcomes of RQ in the service settings (outlined in Table 1), there are two notable gaps of research that the present study aims to address. First, as noted by Jiang et al. (2016, p.297), “there is a lack of consensus on the structural nature of this [RQ] construct... which leads to the ongoing academic standoff regarding the dimensions that should be chosen for measuring the construct”. Consequently, the first objective of this study is to explore and identify critical drivers and dimensions of RQ in the PSF-SME context. Given the lack of academic consensus on the structure of RQ, an exploratory inquiry was first conducted to help determine the strategic key facets of RQ in this under-researched B2B service context. Grounded in Relationship Marketing (RM) theory, we explored and validated key germane RQ drivers and dimensions using data from SME owner-managers across various industry sectors. Second, while a limited number of studies has examined the effects of RQ on important relational outcomes such as loyalty (Chumpitaz Caceres & Paparoidamis, 2007; Rauyruen & Miller, 2007; Roberts, Varki, & Brodie, 2003) and willingness-to-pay premium price (hereafter WTP) (Palmatier, Dant, & Grewal, 2007), none of these studies has explained the mechanism through which RQ affects such outcomes, and the boundary conditions of this mechanism. Indeed, several scholars (Homburg & Giering, 2001; Palmatier, Dant, Grewal, & Evans, 2006; Paulssen, Roulet, & Wilke, 2014) have highlighted the need for more research to investigate such boundary conditions. The second objective of this study, therefore, is to examine the mechanism through which RQ affects relational outcomes of loyalty and WTP. Specifically, following a critical review of the literature, we attempted to establish that the link between RQ, loyalty, and WTP is mediated by relationship value (Alejandro, Souza, Boles, Ribeiro, & Monteiro, 2011), and moderated by relationship duration (Nyadzayo, Matanda, & Ewing, 2016) and perceived risks (Lai, Bao, & Li, 2008).

In terms of its contribution to B2B practitioners, our study seeks to add to the current knowledge on the pertinent factors that can engender strong client–service provider relationships. In PSFs, there is high information asymmetry between customers and service providers (Greenwood, Li, Prakash, & Deephouse, 2005), high intangibility and customization of services (Madhavaram & Hunt, 2017), coupled with high knowledge intensity (Sørensen, Sundbo, & Mattsson, 2013), and a highly professionalized workforce (Von Nordenflycht, 2010). This suggests that successful service delivery depends on how the customer relationship is managed. Hence, it is crucial for PSF managers to understand the key drivers of RQ, and how RQ should be managed so as to positively influence important relational outcomes such as customer loyalty and WTP.

## 2. Theoretical framework

To help determine the salient drivers of RQ in our context, we drew on the Relationship Marketing (RM) theory which is the framework most commonly used for understanding inter-firm relationship performance. RM is considered one of the dominant paradigms in the business strategy spheres by both practitioners and academics (Palmatier et al., 2006). According to Morgan and Hunt (1994), RM encompasses the totality of marketing activities focused on establishing, developing and maintaining successful relational exchanges. Extant research shows that RM is a proximal topic that regards buyer–seller relationships as valuable resources that enhance positive customer value perceptions and produce superior seller performance outcomes (Hunt, 1997; Skarmeas, Katsikeas, Spyropoulou, & Salehi-Sangari, 2008). The premise of RM is

that marketing exchanges are not discrete or transactional; rather, they are relational, reflecting an ongoing relationship development process (Palmatier et al., 2006). The concept of RM is especially crucial in B2B contexts in which customer relationships usually take longer to develop, tend to last longer, exhibit high switching costs, and have significant impacts on outcomes compared to B2C markets (Zhang, Netzer, & Ansari, 2014).

Research shows that RM literature helps us to understand the factors that influence RQ (Mysen, Svensson, & Payan, 2011; Xiong Chen, Shi, & Dong, 2008), hence our reason for drawing on RM as a theoretical foundation. However, because of the significant investment and sacrifice required in building quality relationships (especially in the PSF-SME context), there is a possibility that unique drivers of RQ prevail in different markets; hence the potential for different market responses to firms' relationship building efforts and strategies (Segarra-Moliner, Moliner-Tena, & Sánchez-García, 2013). Therefore, the drivers and outcomes of RQ cannot be generalized without a nuanced exploration of context-specific factors that can facilitate appropriate theory development (Ashnai et al., 2009; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011). This, along with the lack of academic consensus regarding RQ structure in B2B services (Jiang et al., 2016), motivated us to supplement our literature review with qualitative exploratory research to identify specific drivers and dimension of RQ in the PSF-SME settings (for similar approach, see Morgan, Vorhies, & Schlegelmilch, 2006; Spyropoulou, Skarmeas, & Katsikeas, 2010; Weijters, Geuens, & Schillewaert, 2009). First, we explored the RQ literature that focused mainly on B2B services.

### 2.1. Relationship quality in B2B services

In the RM literature, RQ is widely recognized as a central construct (Crosby, Evans, & Cowles, 1990). However, despite the extensive number of RQ studies in B2B literature over the past two decades, there is no academic consensus with regards to RQ structure and measurement (Athanasopoulou, 2009; Jiang et al., 2016). Thus, in Table 1, we provide a critical review of empirical studies on the antecedents, dimensions, and outcomes of RQ as well as some identified research gaps in B2B services settings that are relevant to this study. In this study, we refer to RQ as an overall evaluation of the relationship between buyer and seller (Woo & Ennew, 2004). This definition guided our research objective of identifying relevant dimensions that constitute RQ in the PSF-SME context from a customer's perspective.

As shown in Table 1, the literature shows a lack of investigation into the directions of relationships between RQ and relationship outcomes (Jiang et al., 2016; Woo & Ennew, 2004). Further, despite the general contention that strong RQ enhances performance outcomes such as sales growth and profits (Morgan & Hunt, 1994), some disappointing results have been reported in the literature (Colgate & Danaher, 2000; De Wulf & Odekerken-Schroder, 2001). In fact, research shows that RM efforts are not effective in every situation or context (Day, 2000; Kalwani & Narayandas, 1995). For instance, a recent study by Heirati et al. (2016) found that the effectiveness of PSF inter-firm collaboration in driving relational outcomes was dependent on certain environmental factors. These inconsistent findings suggest that the efficacy of RM efforts may vary according to the context and scope of organizations. Hence, it is crucial to understand the conditions (i.e. boundary conditions) under which RM is most effective in generating positive outcomes in specific contexts such as PSFs and SMEs.

### 2.2. Exploring antecedents of RQ in B2B services

Given the absence of a universally accepted driver and dimension of RQ in B2B service settings (Athanasopoulou, 2009; Jiang et al., 2016; Leonidou, Samiee, Aykol, & Talias, 2014), an exploratory inquiry was deemed a crucial first step to help identify the strategic key facets of RQ

in a B2B service context. This approach was chosen because it provides more comprehensive, complete, and robust findings as well as strengthening external validity (Davis, Golicic, & Boerstler, 2011). Qualitative research helps to rule out alternative explanations (Cuervo-Cazurra, Andersson, Brannen, Nielsen, & Reuber, 2016), thereby allowing contextualization by capturing phenomena, exploring comprehensive insights, and developing context-specific theories (Tsui, 2006). A qualitative design using an open-ended survey was adopted to determine the drivers and dimensions of RQ, as perceived by SME owner-managers. As a pilot study, we opted for an open-ended survey because it tends to elicit more honest responses due to respondents having greater anonymity compared to other qualitative approaches such as in-depth interviews or focus groups (Erickson & Kaplan, 2000). In the marketing literature, open-ended surveys have frequently been utilized when employing a mixed-methods approach (Voorhees, Brady, & Horowitz, 2006; see, for example: Wang & Ding, 2017) to facilitate “an initial exploration of the phenomena followed by a more directed quantitative model” (Krishen et al., 2016, p.1076).

In line with prior research on RQ (Garry et al., 2010; Hingley, 2005), we adopted a single-informant approach by asking SME CEO and/or owner-managers to participate in the study on behalf of their firm. Prior studies suggested that CEOs are as reliable as multiple informants when representing an organization as study respondents (Weerawardena, 2003), particularly in the case of SMEs (Fleming, Lynch, & Kelliher, 2016). A random sample of 500 email addresses was obtained from a professional database supplier (IncNet). The authors emailed the link to an online open-ended survey to potential respondents. The introductory section asked respondents to think of a PSF with which their business engages, and with which the respondents have direct contact. Specifically, we asked respondents to identify the critical components that characterize a strong RQ with a PSF (i.e. RQ dimensions), and what the PSF does to develop RQ with the respondent's firm, including key factors that foster successful relationships (i.e. RQ drivers). The resulting sample comprised 63 respondents (representing a 13% response rate).

Following the established protocol for qualitative data analysis (Glaser & Strauss, 2009; Spiggle, 1994), we allowed categories to emerge from the data and did not restrict the length of text required for inclusion. To address the limitation of coder variability (Niedomysl & Malmberg, 2009), each author independently identified relevant themes emerging from the data. A comparative analysis was undertaken until the authors reached consensus regarding the identification and labelling of emerging themes (Brady, Voorhees, & Brusco, 2012). Based on the open-ended survey findings as well as literature on RQ (i.e. Table 1), we identified two drivers and three key dimensions of RQ that are relevant to our context. Table 2 outlines the key themes that emerged from the open-ended survey which helped to determine the salient drivers of RQ as well as the key dimensions in the PSF-SME context.

Following the qualitative insights drawn from the open-ended survey and the literature, we propose two context-specific RQ drivers namely: interaction and benevolence, and three RQ dimensions namely: trust, competence and perceived relationship orientation (PRO). In this section, we provide definitions of the key constructs and corroborate our conceptualization as shown in Fig. 1.

*Interaction* is defined as the process whereby customers interact and share information with the firm which, in turn, enables the firm to respond to customers (Jayachandran, Sharma, Kaufman, & Raman, 2005). Without collaborative and mutual interactive communication, strong relationships are unlikely to develop (Mohr, Fisher, & Nevin, 1996). The second RQ driver: *benevolence* is defined as the extent to which the customer believes that the firm has intentions and motives beneficial to the customer (Ganesan, 1994).

In terms of the RQ dimensions, we define *trust* as “the willingness to rely on and faith in the other party in an exchange” (Yang, Sivadas, Kang, & Oh, 2012, p.1108). In simple terms, *competence* refers to “the

competent execution of visible behaviors as an indication of service in action” (Sirdeshmukh, Singh, & Sabol, 2002, p.18). Due to the specialized nature of the service provider's knowledge, the competence of the professional service provider is a critical measure of relationship success (Teece, 2003; Von Nordenflycht, 2010). Finally, *PRO*, the third dimension of RQ in this study, refers to the customer's perception of the firm's willingness and ability to develop and maintain a genuine relationship with its customers (Aurier & Séré de Lanauze, 2012). Although not generally used as a dimension of RQ, *PRO* signals the firm's intention and integrity with respect to continuing the relationship (Harker, 1999), and is therefore expected to be an important dimension of RQ in the B2B services context.

In our conceptual model, relationship value is presented as a key outcome of RQ that also plays a mediating role in enhancing customer loyalty and WTP. Since the buyer-seller relationships evolve through different phases over time, the effect of certain relational variables might vary accordingly (Jap & Anderson, 2007). Therefore, knowing which variables are more critical in the short and long term will help managers to optimally allocate resources (Hibbard, Brunel, Dant, & Iacobucci, 2001). We expect the indirect effects of RQ on customer loyalty and WTP via relationship value to vary based on the relationship duration between the PSF and SME. Further, the literature found evidence that the relationship between RQ and its outcomes is moderated by business and environmental uncertainty (Kumar et al., 1995; Lai et al., 2008). Findings from the B2C literature also found support for the moderating role of perceived risks on the trust – loyalty relationship (Paulssen et al., 2014). Hence, we expect that the varying degree of perceived risks could moderate the indirect effects of RQ on customer loyalty and WTP via relationship value. Fig. 1 illustrates the proposed conceptual model.

### 3. Hypotheses development

#### 3.1. RQ dimensions

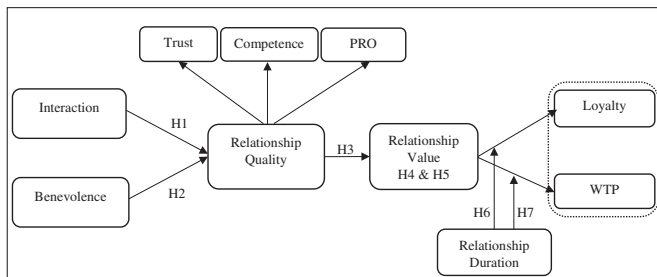
The qualitative insights suggest that since most SMEs are resource-constrained and usually face the challenge of intensified competition from their established counterparts, a well-implemented relationship strategy based on trust, competence and a perception of long-term relationship orientation will help drive relationship value and loyalty behavior. We further elaborate on these proposed drivers based on the literature.

*Trust* is a key driver of successful and long-term relationships in consumer markets and is also a critical success factor in viable relationships in B2B marketing (Nguyen Hau & Viet Ngo, 2012; Parasuraman, Zeithaml, & Berry, 1985). In B2B settings, trust is considered crucial in relationship-building efforts as it fosters cooperation and minimizes the fear of opportunistic behavior and free-riding (Anderson & Narus, 1990; Anderson & Weitz, 1992; Morgan & Hunt, 1994). In the marketing literature, trust has been conceptualized as a two-dimensional construct consisting of reliability and intention (Delgado-Ballester & Luis Munuera-Alemán, 2005). The dimension of reliability explains the technical or competence-based nature of the brand, which involves the ability and willingness to keep promises and satisfy the needs of the consumers. Based on the component theory of trust (Rempel et al., 1985), trust in the other organization involves attributions made to the exchange partner regarding his/her intentions, behaviors and qualities. Arnott, Wilson, and Arnott (2007) posited that trust lies at the heart of the marketing concept as it involves the belief of one party's reliability, especially when there is an element of risk such as financial risk. Organizations seek to establish long-term relationships in order to overcome uncertainty (Ndubisi & Natarajan, 2016). Thus, in this study, trust is considered a key RQ dimension as SMEs tend to be risk-averse due to their relatively limited resources.

*Competence* is an important component of B2B relationship exchange (Nyadzayo et al., 2016). Research shows that competence

**Table 2**  
Exploring RQ drivers and its dimensions.

A priori themes	Incidence rate	Evidence from existing literature	Sample comments from respondents
RQ drivers			
Interaction	24%	In complex services, interaction epitomizes the service in the customer's eyes (Guiry, 1992). In PSFs, customers mainly interact with a designated professional service provider over some time, hence their dyadic relationship is critical to viable service outcomes (Ng et al., 2016; Ngo & O'cass, 2013). Reciprocity is a key defining characteristic of relationship management (Wulf, Odekerken-Schröder, & Iacobucci, 2001)	[1] Good work and the provision of relevant information. [4] regular contact [5] "Shares knowledge and knowhow... Engages regularly in business updates" [19] Ongoing dialogue, some social/cultural events outside work
Benevolence	34%	Service providers might offer their customers some extra assistance during the service encounter with the intention of enhancing their long-term relationship (Nguyen, 2016). Benevolence focuses on the motives, intentions, qualities and characteristics of the exchange partner rather than its specific behavior with impact the long-term orientation (Ganesan, 1994; Rempel, Holmes, & Zanna, 1985)	[3] Consultation and good interaction [25] They prioritize our work, and they have advised me personally on issues related to the ownership of our business [39] "They know me and get to know the issues that are most important. They know what it's like to be an SME and how to help them. This takes time and not money" [15] "Is willing to go above and beyond"
RQ dimensions			
Competence	44%	PSFs differ from other organizations due to their knowledge intensity, use of a professionalized workforce and their reliance on reputation for competence (Von Nordenflycht, 2010). People are more likely to seek strong relationships with partners they perceive as more competent, as this engenders greater confidence, solves their problems and reduces costs associated with the exchange (Crosby et al., 1990; Palmatier, Scheer, Evans, & Arnold, 2008).	[15] Industry and subject matter knowhow [31] "Responsiveness would be a critical element to the relationship and coming up with alternative ways to look at our book keeping." [43] "strong technical capability, ability to deliver, understand our business"
Trust	35%	Trust is an essential ingredient in creating, developing, and maintaining long-term relationships between partners ((Anderson & Narus, 1990; Ganesan, 1994). Trust plays a central role in influencing relational exchanges as it reflects the confidence that one party has in an exchange partner's reliability and integrity (Morgan & Hunt, 1994)	[18] Technical competence - tax and accounting services. [7] "it is more trust than anything else" [26] "trust that they will give us good advice, shared experience in past deals and work that means are aren't starting from a basic level of understanding each time we engage them for a new project." [40] "Trust and being there when the chips are down"
Perceived Relationship Orientation	30%	Relationship orientation provides a more specific perspective emphasizing the importance of customer relationships in the business (Day, 2000). It is grounded on the RM concept and reflects the extent to which a company is willing and able to develop and maintain a relationship with its customers (Aurier & Séré de Lanauze, 2012; Sin, Tse, Yau, Chow, & Lee, 2005)	[23] It [relationship quality] only occurs with long term constructive personal relationships. [21] personalize their service and are very attentive. [5] "Their relationship management strategy made us feel like we are an important client even though I know that they have many clients on their books. I felt their service was very personalized and tailored to our needs."



PRO=Perceived Relationship Orientation WTP=Willingness-to-pay premium price

**Fig. 1.** Conceptual model. PRO = perceived relationship orientation WTP = willingness-to-pay premium price.

involves two components: technical expertise and problem-solving skills (Sirdeshmukh et al., 2002) which complement each other to ensure the best possible solution for the customers (Nguyen, 2016). The notion of competence is closely related to service quality, which has been identified as a key RQ dimension in the literature (Rauyruen & Miller, 2007). The resource-based view acknowledges that the potential of resources and capabilities to create value depends on the market environment in which a firm operates (Barney, 2001). This view also corroborates the importance of marketing-related resources such as brands and relationships as valuable to the firm (Srivastava, Stratton, & Pelton, 2001). Using a value creation logic approach to investigate the role of competencies in creating customer value, Möller (2006, p.916) noted that "...competence perspective, the level of determination of the value activities and the actors forming the value system constitute a fundamental characteristic of the system". In a B2B exchange, competencies can be transferred from one party to the other

and vice versa, so that each party takes advantage of learning from the domains in which other partners are highly competent, thereby reinforcing relational exchanges (Rulke & Rau, 2000).

PRO represents an organizational culture that places the buyer-seller relationship at the center of an organization's strategic and operational thinking (Panayides, 2007). It is a perception that a party is proactive in the creation, development and maintenance of the relationship with its partner, thereby resulting in a long-term mutual exchange (Harker, 1999). The notion of PRO is closely related to long-term orientation (Aurier & N'Goala, 2010; Aurier & Séré de Lanauze, 2012), which has been identified as one of the key dimensions of RQ (Jiang et al., 2016; Lages et al., 2005). Although extant research on RQ in B2B markets has focused mainly on trust, commitment and satisfaction, past research offers a compelling argument that strong relationships develop best when the customer is receptive to the relationship-building efforts of the seller (Anderson & Narus, 1990; Dwyer & Oh, 1987; Matikainen, Terho, Matikainen, Parvinen, & Juppoo, 2015). Hence, several scholars (e.g. Jiang et al., 2016; Lages et al., 2005; Lee & Dawes, 2005) have asserted the need to consider additional exchange-specific factors, such as relationship orientation, which may affect the customer's receptivity to the seller's RM efforts.

### 3.2. RQ drivers

Prior literature shows various drivers of RQ in B2B, and due to the uniqueness of our PSF-SME context, we 'listened to the qualitative data' and identified two RQ drivers, namely interaction and benevolence, as discussed next.

#### 3.2.1. Interaction

The concept of interaction and its management is central to RM

(Dwyer & Oh, 1987), particularly in B2B situations where firms often establish business relationships that are close, complex and long-term (Ford, 1980; Grönroos, 2004). Developing strong relational norms usually takes time and effort from both partners in a B2B exchange (Palmatier et al., 2007). One of the central mechanisms used to ensure a successful and long-term relationship is the interaction between B2B partners (Håkansson and Group, 1982). In this study, we conceptualize interaction as reciprocal communication (information reciprocity) between the service provider and the client that enables customers to share information with the firm and vice versa. Ballantyne and Varey (2006) stated that interaction can be informational, communicational, and dialogical. The last mode, dialogue, is critical to value co-creation as it emphasizes parties learning together (Ballantyne, 2004; Ballantyne & Varey, 2006).

In particular, prior research clearly pinpoints that in B2B interactions, SME owner-managers need to actively engage in cultivating and maintaining effective dyadic relationships (Fleming et al., 2016), as the quality of the relationship is considered a crucial factor in driving customer loyalty (Rauyruen & Miller, 2007). Indeed, the ability to interact with customers is mostly important for organizations that seek to address customers' business problems by providing knowledge-based services, such as PSFs (Siahtiri, 2017). For example, as outlined in Table 2, respondents stated that a good relational partner is one who shares knowledge and know-how, engages regularly in business updates, and maintains an ongoing dialogue. Prior research suggests that interaction orientation reflects a firm's ability to interact with its customers and optimally utilize such information to achieve profitable customer relationships (Ramani & Kumar, 2008). Also, Jayachandran et al. (2005) attest that interactive firm-customer information exchanges are key considerations in the successful execution of RM strategy. We therefore expect that the communicative interaction efforts play a role in enhancing RQ. Thus, this study hypothesizes that:

**H1.** Interaction is positively related to RQ.

### 3.2.2. Benevolence

Implicit in the idea that benevolent behavior helps to strengthen B2B relationships is the notion that such extra-contractual behavior evokes the desire to take into account the interests of others when making decisions and taking action (Atuahene-Gima & Li, 2002; Bell, Oppenheimer, & Bastien, 2002; Nguyen, 2016). Benevolence may be either altruistic or mutualistic. Altruistic benevolence refers to interpersonal attention and willingness to do good to the other partner beyond egocentric motives (Jarvenpaa, Knoll, & Leidner, 1998), whereas mutualistic benevolence entails assisting behavior that is based on reciprocal utilitarian motives (Doney & Cannon, 1997). Although some scholars have conceptualized benevolence as a dimension of trust, it is important to note that in our study, the two are conceptualized differently (see McEvily, Perrone, & Zaheer, 2003). Further, Hill, Eckerd, Wilson, and Greer (2009) stated that the key elements of trust (honesty, integrity, and dependence) do not imply benevolent action. In fact, prior research conceptualizes benevolence as an antecedent of trust (Jarvenpaa et al., 1998; Mayer, Davis, & Schoorman, 1995; Schoorman, Mayer, & Davis, 2007). For example, Schoorman et al. (2007) stated that perceived benevolence will have an effect on how much trust an individual can garner and such perceptions also influence the extent to which a firm can be trusted. Benevolence has been construed as an inter-organizational phenomenon centered on the focal firm's resources and actions, in which the partner firm acts in ways that protect, and refrains from exploiting the interests of the focal firm (Atuahene-Gima & Li, 2002; Wang & Jap, 2017 (In Press)).

Emerging from the social psychology literature, benevolence (i.e., 'social motives') has also been applied in cooperation theory (De Dreu, Weingart, & Kwon, 2000). Prior research suggests that there are three dimensions of benevolence: (i) a desire (affective benevolence), (ii) a need (calculative benevolence), and (iii) an obligation (normative

benevolence) that help to maintain relationship continuity (Wang & Jap, 2017 (In Press)). Moreover, a partner may avoid switching to another service provider to circumvent set-up and learning costs by continuing the exchange with the same partners over time (Wang & Jap, 2017 (In Press)). For example, one participant from our pilot study stated: "They [the PSF] know me and get to know the issues that are most important. They know what it's like to be an SME and how to help them. This takes time and not money". Prior research shows that benevolence represents altruism and kindness that helps to alleviate concerns about opportunism and uncertainty, thereby firming the intention to continue the relationship (Wu, Huang, & Hsu, 2014). Thus, this study hypothesizes that:

**H2.** Benevolence is positively related to RQ.

### 3.3. RQ outcomes

The importance of RQ between B2B partners has been widely acknowledged as this determines the permanence and intensity of such relationships (Griffith & Harvey, 2001; Hewett, Money, & Sharma, 2002; Johnson, 1999; Rauyruen & Miller, 2007). In organizational research, relationships are at the center of B2B marketing since they are dynamic (as customer mobility is high), take longer to develop, last longer, and have high switching costs (Zhang, Watson, Palmatier, & Dant, 2016). Evidence shows that B2B relationships provide opportunities for firms to create competitive advantage in the form of customer commitment and loyalty (Čater & Čater, 2010; Rauyruen & Miller, 2007) and industrial brand equity (Marquardt, 2013). In long-term relationships, customers go beyond merely consuming the product/service of the organization and become co-creators of value (Sheth & Parvatiyar, 1995). Extant literature provides many insights on the nature and mechanisms of B2B relationships and a plethora of conceptual frameworks have been developed focusing on a variety of relationship-relevant performance outcomes (Chumpitaz Caceres & Paparoidamis, 2007; Dwyer & Oh, 1987; Hewett et al., 2002; Ulaga & Eggert, 2006). The key outcomes of RQ in B2B exchanges emerging from prior research include (i) relationship value (Alejandro et al., 2011; Nyadzayo et al., 2016; Ulaga & Eggert, 2006), (ii) customer loyalty (Chumpitaz Caceres & Paparoidamis, 2007; Rauyruen & Miller, 2007; Roberts et al., 2003), and (iii) WTP (Kumar et al., 1995; Palmatier et al., 2007).

Generally, value relates to the trade-off between benefits and sacrifices involved in a B2B exchange (Flint, Woodruff, & Gardial, 1997). However, based on Alejandro et al. (2011, p.38), relationship value is defined as "the value generated from the relationship between two parties when we compare all benefits and sacrifices." Because we take the perspective of the customer (SME), this definition is best positioned to help us understand key factors that will affect the customer's perception of value. The concept of relationship value in B2B marketing literature has been based on the argument that value is not just embodied in products or services transacted between buyers and sellers, but rather it originates in relationships (Hohenschwert & Geiger, 2015). Our current understanding of how to create, communicate and deliver value in B2B relationships is still fragmented and limited (Jaakkola & Hakanen, 2013; Keränen & Jalkala, 2013) especially in the context of exchanges between PSFs and SMEs. Relationship value is mostly important for SMEs as competition forces them to proactively pursue strategies that foster value creation beyond their offerings in order to differentiate themselves from rivals (Badi, Wang, & Pryke, 2017; Ndubisi & Matanda, 2011).

When comparing standard business practices and RM frameworks, it is evident that established models of buyer-seller relationships reveal little managerial emphasis on supplier performance evaluation (Ulaga & Eggert, 2006). Moreover, current value assessment practices have been designed primarily for physical products, which can be problematic when assessing the value of complex and service-intensive

offerings such as those provided by PSFs (Keränen & Jalkala, 2013). Successful value creation means that the firm has met customer expectations of quality, delivery and cost (Vantrappen, 1992). Trasorras, Weinstein, and Abratt (2009) found that for PSFs, the creation of customer value is a key success measure of relationships. In addition, for SMEs, it has been established that RQ is a predictor of B2B customer loyalty (Rauyruen & Miller, 2007). In the B2B context, loyalty to the selling firm refers to the customer's "intention to perform a diverse set of behaviors that signal a motivation to maintain a relationship with the focal firm" (Sirdeshmukh et al., 2002, p.20). Loyal customers are regarded as a firm's key asset and a measure of success in B2B relationships (Ritter & Andersen, 2014). Prior research provides various facets of behavioral loyalty in organizational studies (Anderson & Weitz, 1992). Likewise, in this study, we expected relationship value to drive loyalty intention (Anderson & Weitz, 1992; Ritter & Andersen, 2014). We also expect relationship value to play a role in driving SME customers' WTP. Persson (2010) suggests that relational elements may be highly important drivers of premium price. Consumers are willing to pay a premium price when there is a bond between them and the service provider (Zeithaml, Berry, & Parasuraman, 1996). Thus, this study hypothesizes that:

**H3.** RQ is positively related to relationship value.

**H4.** Relationship value is positively related to (a) loyalty and (b) WTP.

There is considerable evidence, in addition to the above-mentioned direct links, that relationship value has a critical mediating influence on the relationship between RQ, loyalty, and WTP. As benefits exceed costs, a value-maximizing customer tends to increase current purchases, do more business with the seller, and show more willingness to pay a premium price (Palmatier et al., 2007). In addition, branding research suggests that although the relational variables such as information exchange, cooperation and trust can influence the RQ between the customer and a brand, it may be the core of that relationship that explains why the customer is willing to pay a premium (Persson, 2010). Indeed, "the creation of superior value increases the customer's willingness to pay for the supplier's offerings" (Geiger et al., 2012, p.83).

Prior research suggests that relationship equity captures the customers' overall assessment of their interaction quality with firms (Ou, Verhoef, & Wiesel, 2017). Thus, based on reciprocity, customers that have good relationships with the firm tend to avoid any decision that might harm the focal firm (Aurier & N'Goala, 2010; Selnes & Gønhaug, 2000). Subsequently, if perceived relationship equity is high, customers tend to feel a strong connection with the firm, thereby enhancing loyalty intentions (Ou et al., 2017). Since the value of professional services is determined by the client (Trasorras et al., 2009), we expect the impact of RQ on both customer loyalty and WTP to be mediated by relationship value. Thus, this study hypothesizes that:

**H5.** Relationship value positively mediates the effect of RQ on (a) customer loyalty and (b) WTP.

### 3.4. Moderating role of relationship duration

Relationship duration has been examined as a moderating variable in prior RQ studies (e.g. Athanasopoulou, 2009; Davis & Mentzer, 2008; Nyadzayo et al., 2016). The literature, however, offers mixed opinions regarding the direction of its moderation effects. For example, Lee, Kim, Kim, Lee, and Lim (2015) found that relationship duration positively moderates the link between RQ and relationship outcomes linkage. However, other researchers have also pointed out that long-term relationships are more prone to negative influences (Grayson & Ambler, 1999) and increased tensions (Fang, Chang, & Peng, 2011). Consequently, many firms move from relational to transactional relationships with their long-term suppliers (Pillai & Sharma, 2003). For example, companies such as Chrysler, Sony, Toyota, and Xerox reduced their

number of suppliers by 20–90% and maintained long-term relationships only with a few suppliers (Lindgreen, Vanhamme, van Raaij, & Johnston, 2013). Therefore, it is vital for B2B professional service providers to understand how relationship duration affects RQ in order to develop appropriate strategies that are relevant in each stage of the relationship cycle (Nyadzayo et al., 2016).

In our theoretical framework, we propose that the effects of relationship value on loyalty and WTP are stronger for SME customers who have a longer relationship with the PSF. Homburg, Wieseke, and Hoyer (2009) found that the effects of customer satisfaction on loyalty and WTP increase over time. Other studies found that in a long-term relationship, customers tend to have a stronger commitment to the firm (Davis & Mentzer, 2008; Ganesan, 1994). Hence, we expect that the effects of relationship value on loyalty and WTP is strengthened over time. Moreover, since relationship value is conceptualized as a mediator in our conceptual model, we propose that the indirect effects of RQ on loyalty and WTP via relationship value also increases as the relationship duration increases. Thus, this study hypothesizes that:

**H6.** The mediating role of relationship value on (a) loyalty (b) WTP is relatively stronger in longer rather than shorter relationships.

### 3.5. Moderating role of risk importance

Perceived risks play an important role in B2B relationships, particularly in the professional services context, as a poor choice of PSF may have adverse effects on firms' performance (Laurent & Kapferer, 1985). Consequently, prior studies in B2B relationships have taken into account the role of perceived risks in managing relationships between firms and suppliers (Brown, Zablah, Bellenger, & Johnston, 2011; Liu, Li, Tao, & Wang, 2008; Ryals & Knox, 2007). Moreover, since trust is usually associated with some degree of risk (Das & Teng, 2001), it is necessary to examine how trust interacts with risks in affecting important relationship outcomes (i.e. loyalty and WTP) proposed in this study.

In this study, we are particularly interested in examining the role of *risk importance*—the perceived importance of the potential negative consequences of a poor PSF selection in affecting relationship outcomes (Laurent & Kapferer, 1985). The risk importance attributed to PSF selection relates to the importance of the PSF's inputs to the performance of the firm as perceived by the client (i.e. firm CEO and/or owner-manager) (Hunter, Kasouf, Celuch, & Curry, 2004). For example, a selection decision surrounding a financial or legal advisor may be considered as high-risk as failure to comply with relevant financial/legal requirements may have adverse effects on the firm's performance. Indeed, a poor choice of crucial suppliers could "introduce unreliability, inefficiency, and performance failures, which detriment the organization's core operations" (Hunter et al., 2004, p.147).

In perceived high-risk situations, clients cannot rely solely on existing RQ when deciding whether to continue engaging with a PSF. In other words, the relevance of RQ in determining relational outcomes such as loyalty and WTP may vary depending on the level of perceived risks. Selnes (1998) argued that customers tend to rely on their prior experience when determining their future purchase intentions when there is low level of uncertainty. Thus, when perceived risk is low, the direct impact of RQ on loyalty and WTP may be stronger compared to high risk situations. On the other hand, relationship value has been proposed as a bonding dimension in buyer – seller relationship (Geiger et al., 2012), particularly in high risk situations (Ulaga & Eggert, 2006). Therefore, we propose that in high risk situations, clients are more likely to rely on relationship value in forming their loyalty intention and WTP. Therefore, risk importance is expected to moderate the mediating effect of relationship value on loyalty and WTP. Thus, this study hypothesizes that:

**H7.** The mediating role of relationship value on (a) loyalty (b) WTP is

relatively stronger in situations of high risk importance.

#### 4. Research methodology

##### 4.1. Data collection and sample

A random sample of 4000 email addresses was obtained from a professional database supplier (IncNet). The authors emailed the link to an online survey to acquire potential respondents, that is, SME key informants. For the purpose of this study, an SME was defined as having fewer than 200 employees (Huang, Soutar, & Brown, 2004). The survey required respondents to think of a PSF with which their business engages and with which the respondents had direct contact. In particular, consistent with previous studies (Brown et al., 2011; Zablah, Brown, & Donthu, 2010), the survey instructions asked respondents to think about a recent situation in which they were heavily involved in selecting or recommending a particular PSF with which to engage for business purposes. The respondents were then asked to insert the name of the PSF in a column, which was then dynamically inserted into the other questions in the survey.

The resulting sample comprised 324 respondents who use PSFs for their business (representing an 8.1% response rate). Approximately 80% of the sample operated within the service/retail sector and 20% in the manufacturing sector. Specifically, PSFs accounted for 14% of respondents, wholesale/distribution 10%, business services 6%, construction 6%, retail 5%, and property 3%. Most respondents' organizations had an annual income of over \$10 million AUD (42%) and employed between 20 and 199 full-time staff (66%).

##### 4.2. Measures

We utilized existing measures from prior literature and, where possible, adapted the items based on our open-ended survey findings to suit our PSF-SME context (For similar approach, see Kim & Tiwana, 2016). A seven-point scale anchored by 1 = 'strongly disagree' and 7 = 'strongly agree' was used in this study. Relationship duration was measured using a four-point scale anchored by 1 = '< 1 year' and 4 = '> 10 years' (Nyadzayo et al., 2016). Risk importance was measured using a single item adapted from Kapferer and Laurent (1993) to suit our B2B context ("If, after we engage with a(n) [Y]<sup>1</sup> firm, our choice proves poor, it would significantly affect our business operations"). Tables 3 and 4 outline the scale items and their respective sources.

##### 4.3. Measurement models

We evaluated the measurement properties by conducting confirmatory factor analysis, first on the focal construct of RQ and subsequently on the six-factor model that included the two RQ antecedents (interaction and benevolence), the RQ construct, the mediator (relationship value), and the two outcome constructs (loyalty and WTP). We used raw data as the input to this maximum likelihood-based estimation procedure. As discussed in the preceding section, RQ is a second-order construct, and its three dimensions (trust, competence and PRO) are first-order factors measured through their respective indicators. The second-order CFA model fit was deemed to be acceptable on the basis of the model fit indices (Hair, Lukas, & Miller, 2012), including:  $\chi^2 = 92.01$ ,  $df = 32$ ;  $CMIN/DF = 2.88$ ; root mean square error of approximation [RMSEA] = 0.07; comparative fit index [CFI] = 0.98; tucker-lewis index [TLI] = 0.97; and standardized root mean square residual [SRMR] = 0.03.

The path coefficients between the indicators and their respective

<sup>1</sup> [Y] indicates the type of services offered by the focal PSF firm in the survey (e.g. Accounting, IT, Marketing).

**Table 3**  
Results of the CFA using a second-order conceptualization of RQ.

	Factor loadings		SE	t	p
	Std	UnStd			
<b>Trust (Yang et al., 2012)</b>					
[X] is trustworthy in its business relationship with us	0.921	1.000			
[X] is receptive to our recommendations and suggestions	0.803	0.949	0.048	19.672	0.001
[X] is honest in doing business with us	0.902	0.998	0.038	26.518	0.001
<b>Competence (Sirdeshmukh et al., 2002)</b>					
[X] staff can competently handle most of my requests	0.878	1.000			
[X] staff can be relied upon to know what they are doing	0.945	1.045	0.040	26.363	0.001
[X] contact staff has adequate skills to deliver the right service	0.909	1.039	0.043	24.100	0.001
<b>Perceived Relationship Orientation (Aurier &amp; Séré de Lanauze, 2012)</b>					
[X] maintains strong relations with its customers	0.870	1.000			
[X] pays attention to its customers	0.912	1.016	0.043	23.567	0.001
Consumers enjoy genuine care from [X]	0.858	0.994	0.048	20.522	0.001
[X] tries to develop genuine affective ties with its customers	0.861	0.980	0.047	20.913	0.001
<b>Relationship quality<sup>a</sup></b>					
Trust <sup>b</sup>	0.974	1.000			
Competence <sup>b</sup>	0.904	0.962	0.056	17.321	0.001
Perceived relationship orientation <sup>b</sup>	0.818	1.035	0.067	15.528	0.001

<sup>a</sup> Second-order indicators.

<sup>b</sup> Second-order factor Std = Standardized UnStd = Unstandardized SE = Standard Errors.

first-order factors were significant at the 05 level. Before estimating the hypothesized structural model, we proceeded to apply CFA to all the six latent factors: interaction, benevolence, RQ, relationship value, loyalty, and WTP. The six-factor CFA model exhibited an acceptable fit with the data ( $\chi^2 = 881.57$ ,  $df = 306$ ;  $CMIN/DF = 2.88$ ;  $RMSEA = 0.07$ ;  $CFI = 0.92$ ;  $TLI = 0.92$ ,  $SRMR = 0.06$ ). The standardized factor loadings ranged from 0.65 to 0.94 and were statistically significant at the  $\alpha = 0.05$  level (Table 4). Construct reliabilities for all the seven latent constructs ranged from 0.83 to 0.93 (Table 5), which are well above the recommended value, thus supporting convergent validity (Fornell & Larcker, 1981).

We demonstrated discriminant validity by examining the values of square root of average variance extracted of each of the latent factor and compared it against the correlation that each factor shared with the other factors in the model. As shown in Table 5, the square root of average variance extracted (AVE) is always higher than each paired correlation between the constructs, thus supporting discriminant validity<sup>2</sup> (Fornell & Larcker, 1981). Given that we obtained samples across various companies and industries, measurement invariance needs to be established. We proceeded with metric invariance testing by comparing the configural and metric model using Mplus 7.3 (Muthén & Asparouhov, 2002). The  $\Delta\chi^2$  ( $\Delta df$ ) between the metric model and the configural model is 24.647 (38). The results imply that full metric invariance exists since respondents' interpretation of the scales is not significantly different across various industry sectors.

<sup>2</sup> We conducted additional testing for confidence intervals of correlations (Anderson & Gerbing, 1988; Ping, 2004) due to the moderately high correlation (> 0.70) between RQ – Interaction, RQ – Benevolence, and relationship value – loyalty. Our analysis reveals that no confidence intervals of correlations between constructs included 1.0 ( $p < 0.05$ ), which lends further support for discriminant validity.



**Table 4**  
Results of the CFA with the six latent factors.

	Factor loadings		SE	t	p
	Std	UnStd			
<b>Interaction (Jayachandran et al., 2005)</b>					
[X] enables us to have interactive communications with them	0.865	1			
[X] provides us with multiple ways to contact the organization	0.838	1.048	0.063	16.568	0.001
[X] focus on communicating periodically with us	0.653	0.895	0.076	11.701	0.001
<b>Benevolence (Ganesan, 1994)</b>					
[X] account manager cares for us	0.927	1			
In times of difficulties, [X] account manager has always been there for us	0.869	0.981	0.042	23.439	0.001
[X] account manager has made sacrifices for us in the past	0.788	0.985	0.051	19.304	0.001
[X] account manager always acts in our best interests	0.838	0.833	0.038	21.951	0.001
<b>Relationship value (Ulaga &amp; Eggert, 2006)</b>					
I consider the activities done by [X] to be of great value to our company	0.841	1			
The financial costs, the time and physical energy I spend when dealing with [X] are rewarded by the benefits obtained from our relationship	0.890	1.089	0.052	20.858	0.001
Compared to other service providers, our relationship with [X] accrues more advantages to us	0.820	1.084	0.065	16.671	0.001
Compared to other service providers, the financial returns we receive by operating with [X] are much greater	0.753	1.044	0.071	14.792	0.001
<b>Loyalty (Tellefsen, 2002)</b>					
I have a strong sense of loyalty to [X]	0.766	1			
Our relationship with [X] is a long-term alliance	0.907	1.174	0.066	17.765	0.001
I expect to be doing business with [X] for a long time	0.939	1.177	0.065	18.063	0.001
<b>Willingness-to-pay premium price (Netemeyer et al., 2004)</b>					
We are willing to pay a higher service fee for [X] services over another service provider	0.908	1			
How much more are you willing to pay for [X] services compared to another service provider?	0.701	0.718	0.050	14.424	0.001
We are willing to pay a lot more for [X] services than another service provider	0.830	0.937	0.053	17.767	0.001
<b>Relationship Quality<sup>a</sup></b>					
Trust <sup>b</sup>	0.925	1			
Competence <sup>b</sup>	0.893	1.013	0.057	17.678	0.001
Perceived relationship orientation <sup>b</sup>	0.885	1.183	0.075	15.834	0.001

<sup>a</sup> Second-order indicators.

<sup>b</sup> Second-order factor Std = Standardized UnStd = Unstandardized SE = Standard Errors.

**Table 5**  
Discriminant validity and common method bias analyses.

	CR	Mean	SD	1	2	3	4	5	6	7
1. Interaction	0.83	5.72	1.04	<b>0.791</b>						
2. Benevolence	0.92	5.51	1.11	0.436	0.857					
3. Relationship quality	0.93	5.88	0.90	0.743	0.690	<b>0.901</b>				
4. Relationship value	0.90	5.28	1.01	0.449	0.726	0.643	<b>0.827</b>			
5. Loyalty	0.91	5.45	1.1	0.404	0.616	0.534	0.704	<b>0.874</b>		
6. WTP premium price	0.86	3.48	1.28	0.303	0.481	0.423	0.670	0.581	<b>0.817</b>	
7. Number of employees (MV)	SI	2.67	0.67	0.294	0.475	0.416	0.666	0.576		SI
				<i>0.030</i>	<i>-0.037</i>	<i>0.047</i>	<i>0.017</i>	<i>-0.073</i>	<i>0.000</i>	
				<i>0.018</i>	<i>-0.050</i>	<i>0.035</i>	<i>0.005</i>	<i>-0.086</i>	<i>-0.012</i>	

Notes: CR = Construct Reliability. MV = marker variable. SD = Standard deviations. SI = Single-item construct. WTP = Willingness to pay. All correlations are significant at  $p < 0.01$ , except for values in italics. The first value in each cell is the correlation between the constructs, the second value is the correlation corrected for method bias. The square roots of the AVE for each construct are presented in **bold** on the diagonal of the correlation matrix.

4.4. Common method bias

We assessed the threat of common method bias using three statistical techniques recommended by Homburg, Klarmann, and Schmitt (2010). First, we employed the Harman one-factor analysis by reducing all of the items of the seven factors to one single factor (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). This one-factor model has poor model fit as reflected in the indices: ( $\chi^2 = 3445.54$ ,  $df = 324$ ; CMIN/DF = 10.63; RMSEA = 0.17; CFI = 0.60; TLI = 0.57, SRMR = 0.11). The significant chi-square change ( $\Delta\chi^2 (18) = 2563.97$ ,  $p < 0.001$ ) indicated that the six-factor model has better fit with the data than the

single-factor model. Second, we adopted the ‘marker variable’ technique recommended by Lindell and Whitney (2001) and employed a theoretically unrelated construct (i.e., number of employees) in the analysis as a proxy for common method variance (CMV). The average correlation coefficient for this marker variable was used to calculate the CMV-adjusted correlations for the variables under examination (Malhotra, Kim, & Patil, 2006). As shown in Table 5, there are no significant differences between the original and CMV-adjusted correlation matrix, suggesting that common method bias was not a problem in this study. Finally, we adopted the common latent factor technique (Podsakoff et al., 2003) by comparing the measurement model with and

**Table 6**  
Results of hypotheses testing (direct effects).

Path	Estimates		SE	t	p			
	Std	UnStd						
<b>Direct effects</b>								
H1	Interaction	→	Relationship Quality	0.532	0.429	0.040	10.687	0.01
H2	Benevolence	→	Relationship Quality	0.508	0.351	0.032	10.890	0.00
H3	Relationship Quality	→	Relationship Value	0.690	0.810	0.071	11.435	0.00
	Relationship Quality	→	Loyalty	0.178	0.215	0.082	2.608	0.01
	Relationship Quality	→	WTP	-0.010	-0.017	0.130	-0.131	0.90
H4a	Relationship Value	→	Loyalty	0.579	0.594	0.078	7.575	0.00
H4b	Relationship Value	→	WTP	0.673	0.996	0.119	8.364	0.00
<b>Indirect effects</b>								
H5a	Relationship Quality → Relationship Value → Loyalty			0.399	0.481	0.094	5.113	0.01
H5b	Relationship Quality → Relationship Value → WTP			0.464	0.807	0.185	4.371	0.01

Note: Std = Standardized UnStd = Unstandardized SE = Standard Errors WTP = Willingness to pay premium price.

without the common methods variance (CMV) factor. We examined whether the inclusion of a common latent factor would affect our results by allowing all items to correlate with one common factor (Homburg et al., 2010). An examination of the path coefficients revealed no significant changes in the strength of the effects. Thus, according to the findings outlined above, CMV was not an issue in this study.

#### 4.5. Structural model

We test the research hypotheses using the bias-corrected bootstrap method based on 1000 bootstrap samples in combination with the model indirect command of Mplus 7.3 (Preacher & Hayes, 2008) to test the hypotheses. The structural model has good fit with the data as reflected in the fit indices:  $\chi^2(312) = 950.73$ ,  $p < 0.001$ , CMIN/DF = 3.05; RMSEA = 0.07; CFI = 0.92; TLI = 0.91; SRMR = 0.07. The results of direct effects are presented in Table 6.

The two proposed drivers of RQ: interaction ( $\beta = 0.532$ ,  $\rho < 0.01$ ) and benevolence ( $\beta = 0.508$ ,  $\rho < 0.01$ ) have positive significant effects on RQ, thereby supporting H1 and H2, respectively. With regards to RQ outcomes, the empirical data supported our hypotheses. RQ has positive significant effects on relationship value ( $\beta = 0.690$ ,  $\rho < 0.01$ ), thereby supporting H3. Relationship value has positive significant effects on both loyalty ( $\beta = 0.579$ ,  $\rho < 0.01$ ) and WTP ( $\beta = 0.673$ ,  $\rho < 0.01$ ), thereby confirming H4a and H4b respectively. Finally, relationship value was found to positively mediate the relationship between relationship quality – loyalty ( $\beta_{\text{indirect}} = 0.399$ ,  $\rho < 0.01$ ) and relationship quality – WTP ( $\beta_{\text{indirect}} = 0.464$ ,  $\rho < 0.01$ ), thereby confirming H5a and H5b. With regards to the extent of mediation effects, we found that relationship value partially mediates the link between RQ and loyalty ( $\beta_{\text{direct}} = 0.178$ ,  $\rho < 0.01$ ) and fully mediate the link between RQ and WTP ( $\beta_{\text{direct}} = -0.010$ ,  $\rho > 0.05$ ).

#### 4.6. Moderated mediation analysis

We utilized the numerical integration method in Mplus 7.3 to test our moderated mediation hypothesis. Researchers have considered this method as less prone to violation of multivariate normality assumption (Gillespie, Noble, & Lam, 2016), and superior to the regression approach (Cheung & Lau, 2015 (In Press)). We used the log likelihood (LL) fit index ( $-2LL$ ) to compare whether the hypothesized moderation model was a significant improvement on the linear (non-moderated) model (Dakanalis et al., 2014).

We first estimated the linear model prior to adding the interaction effects to test for moderation effects. Our results suggest that the AIC value of the interaction model is smaller (20,548.135) than that of the linear model (20,554.941). Further, the model with interaction effects

( $-2LL = 14.806$  [ $df = 1$ ],  $p < 0.01$ ) has a better fit than the linear model, suggesting that the interaction model is preferred to the linear model. We thus proceeded with further analysis.

As expected, our results suggest that relationship duration has significant moderating effects on the link between relationship value and WTP ( $\beta_{\text{interaction}} = 0.189$ ,  $p < 0.01$ ). This implies that as relationship duration increases, the effects of relationship value on WTP increases. Using Aiken, West, and Reno (1991)'s recommended procedure, we plotted the significant interaction between relationship duration and relationship value (Fig. 2). On the other hand, relationship duration does not have significant moderating effects on the link between relationship value and loyalty ( $\beta_{\text{interaction}} = -0.075$ ,  $p > 0.05$ ).

With regards to the moderating role of risk importance, our results suggest that risk importance has significant moderating effects on the link between relationship value and WTP ( $\beta_{\text{interaction}} = 0.088$ ,  $p < 0.05$ ), but no significant effects on the link between relationship value and loyalty ( $\beta_{\text{interaction}} = 0.035$ ,  $p > 0.05$ ). This implies that as risk importance increases, the effects of relationship value on WTP increases. Using Aiken et al. (1991)'s recommended procedure, we plotted the significant interaction between risk importance and relationship value (Fig. 3).

Table 7 outlines the results of our moderated mediation analysis. The results reveal that relationship value has significant mediating effects on the link between RQ and loyalty in short-term ( $\beta_{\text{indirect}} = 0.673$ ,  $p < 0.01$ ) and long-term ( $\beta_{\text{indirect}} = 0.556$ ,  $p < 0.01$ ) relationships, thereby failing to confirm H6a, as the mediating effect of RV on loyalty remains consistent regardless of the

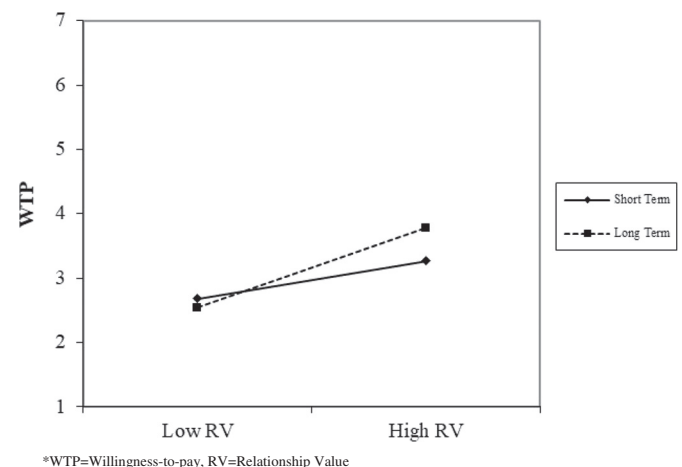


Fig. 2. The moderation effect of relationship duration on relationship value – WTP.  
\*WTP = Willingness-to-pay, RV = Relationship Value.

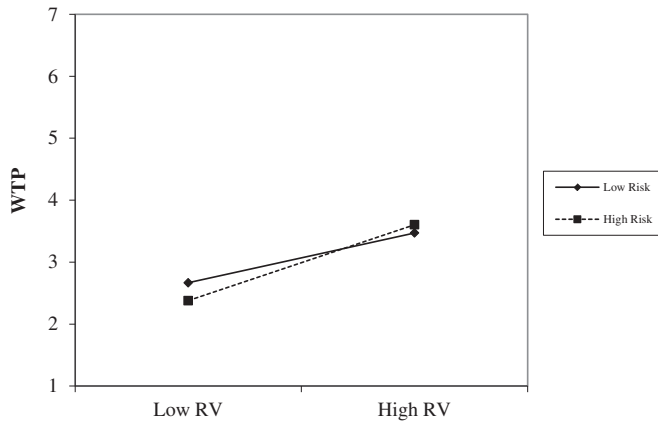


Fig. 3. The moderation effect of risk importance on relationship value – WTP.

Table 7  
Results of moderated mediation analysis.

Indirect paths	Estimates	SE	t	P
Relationship Quality → Relationship Value → Loyalty				
H6a Short-term relationship	0.673	0.189	3.558	0.01
Long-term relationship	0.556	0.117	4.762	0.01
H7a Low risk situations	0.273	0.172	1.588	0.112
High risk situations	0.349	0.116	3.02	0.01
Relationship Quality → Relationship Value → WTP				
H6b Short-term relationship	0.245	0.213	1.15	0.25
Long-term relationship	0.536	0.149	3.593	0.01
H7b Low risk situations	0.353	0.234	1.51	0.131
High risk situations	0.538	0.18	2.987	0.01

Notes: WTP = Willingness to pay premium price; All reported coefficients are non-standardized.

relationship duration. On the other hand, we found that the mediating effects of relationship value on the link between RQ and loyalty are only significant in high perceived risk situations ( $\beta_{\text{indirect}} = 0.349$ ,  $p < 0.01$ ), but not significant in low perceived risk situations ( $\beta_{\text{indirect}} = 0.273$ ,  $p > 0.05$ ), thereby confirming H7a. With regards to the indirect effects of RQ on WTP, our analysis found empirical support for our hypotheses. Specifically, the results reveal that the indirect effects of RQ on WTP via relationship value are only significant in long-term relationship ( $\beta_{\text{indirect}} = 0.536$ ,  $p < 0.01$ ) and high perceived risk situations ( $\beta_{\text{indirect}} = 0.538$ ,  $p < 0.01$ ), but not significant in short-term relationship ( $\beta_{\text{indirect}} = 0.245$ ,  $p > 0.05$ ) and low perceived risk situations ( $\beta_{\text{indirect}} = 0.353$ ,  $p > 0.05$ ). Thus, support was found for H6b and H7b, respectively.

## 5. Discussion

In the highly competitive business environment, firms are increasingly realizing the benefits of capitalizing on existing relationships and developing new strategic partnerships to overcome challenges (Ndubisi & Natarajan, 2016). Further, Lilien (2016) identified inter-firm relationships as one of the recent B2B knowledge gaps in which the author called for a wide range of research perspectives on B2B relationships including multi-level views on relationships and the application of RM frameworks in B2B firms. The role of RM is particularly imperative for business partners, such as SMEs, dealing with B2B professional service providers, as the quality of the relationship can serve as a proxy for evaluating the services as well as ensuring that there is continued delivery of superior support services (Sarapaivanich & Patterson, 2015; Yalabik et al., 2015).

Theoretically grounded in the RM paradigm, we examined the drivers and outcomes of RQ in the unique context of PSF–SME business

exchange. Specifically, we examined the mechanism through which RQ leads to desirable performance outcomes for PSF (i.e. WTP and loyalty) via the mediating role of relationship value. Further, we investigated the boundary conditions under which these mediated effects vary by testing the moderating roles of relationship duration and perceived risk. Overall, this study contributes to the RM literature by providing insights into how PSFs can engender strong relationships with their customers and how such relationships can be optimized to enhance loyalty and WTP.

### 5.1. Theoretical implications

To the best of our knowledge, this is the first study to examine the underlying mechanisms and boundary conditions through which RQ affects relational outcomes in the PSF–SME context. Given the limited research on the relationship between PSFs and their clients (Heirati et al., 2016), this study contributes to the RM literature in several ways. First, it confirms the critical role of interaction and benevolence in enhancing RQ in B2B services. Past research highlights that due to the complexity of many professional services, coupled with the client's limited knowledge of the problem (e.g., accounting, auditing, engineering, IT, to mention a few), most PSFs have a history of communicating with their clients in a controlling manner, exhibiting behaviors that confirm their control and power (Webster & Sundaram, 2009). However, clients' service expectations have changed significantly over the years, mainly due to growing competition, globalization and online services. Hence, clients now expect to be consulted by the service provider, are more assertive and emancipated due to the availability of information on the web (Sarapaivanich & Patterson, 2015). Similarly, the importance of interaction and benevolence in affecting business relationships has been acknowledged in prior studies (Filiatrault & Lapierre, 1997; Nguyen, 2016). Research conducted specifically in professional services also attests that empathy (a manifestation of benevolence) is a key success factor for employees who interact with customers in such B2B relationships that in turn can increase actual sales and improve overall performance (Weißehaar & Huber, 2016).

Second, the study conceptualized and operationalized RQ as a multi-dimensional construct comprised of trust, competence, and perceived relationship orientation, reflecting the key dimensions that emerged from the qualitative findings and substantiated by existing literature. Trust and competence have been identified as common RQ dimensions in the literature (Hennig-Thurau, Gwinner, & Gremler, 2002; Jiang et al., 2016; Rauyruen & Miller, 2007). On the other hand, perceived relationship orientation is relatively new to the conceptualization of RQ. Research shows that, although long-term orientation is significant in B2B relationship management (see Lages et al., 2005; Lee & Dawes, 2005), it has been neglected as a key component of RQ in extant studies (Jiang et al., 2016). Hence, in our conceptualization of RQ, we integrate perceived relationship orientation as a key dimension as this is particularly central in PSF–SME relational exchanges where mutual positive outcomes are expected to benefit clients in the long run.

Third, our finding supports the direct impact of RQ on relationship value, suggesting that the higher the quality of the relationship between a PSF and its SME client, the stronger is the value perception of the relationship. Paulin, Ferguson, and Payaud (2000) emphasized the importance of creating client-perceived value as a key measure of business performance. In line with this notion, prior literature also concluded that the use of PSFs reflected both institutional (professional assurance) and personal (relationships) trust that exists between service providers and their clients (Bennett & Robson, 1999).

Fourth, while prior research has predominantly treated RQ as a direct predictor of the outcome variables, this study proposes that RQ exerts indirect effects on relationship outcomes through the mediating role of relationship value. Perhaps, this is one of our key contributions

as it extends our current knowledge of the RQ-performance link in B2B settings (Rauyruen & Miller, 2007). This confirmation of the mediating role of relationship value facilitates our understanding of the underlying mechanisms through which RQ can translate into positive outcomes. The findings of this study support existing research on service-dominant logic (SDL) which emphasizes that service is a fundamental basis of exchange that engenders value co-creation (Lusch & Vargo, 2006). The SDL view is increasingly concerned with the practices through which the service providers interact with their customers and how these practices impact on value co-creation in B2B markets (Lombardo & Cabiddu, 2017; Vargo & Lusch, 2011). Understanding the underlying mechanisms that drive relationship value is therefore critically important in B2B service firms since “value can only be created with and determined by the user” (Lusch & Vargo, 2006, p.284).

Lastly, we contribute to RM literature by investigating the boundary conditions under which the relationship value mediates the relationship between RQ and its outcomes by testing relationship duration and perceived risk as potential moderators. Contrary to our expectation, the indirect effects of RQ on loyalty via relationship value remain constant in short-term and long-term relationship duration. A possible explanation is that relationship value remains central in determining the continuance of B2B relational exchanges regardless of whether the relationship is in the early or mature stage. In contrast, the mediating role of relationship value on the RQ – WTP link is significant only in long-term relationships. These results support past research that shows that some constructs are important at the beginning to help build the relationship, whereas others are crucial when the relationship matures to facilitate relationship maintenance (Palmatier, Houston, Dant, & Grewal, 2013). In our case, relationship value is one such variable that is critical for relationship maintenance in this B2B services context. Our analysis also found that the mediating role of relationship value is relevant only in high risk situations. While past studies have confirmed the moderating role of environment and business uncertainty as moderators on the link between RQ and its outcomes (Kumar et al., 1995; Lai et al., 2008), our findings further add to the literature by providing empirical evidence of the critical moderating role of perceived risks (i.e. risk importance) in the dynamics of relationships between RQ and its outcomes. In doing so, we have addressed Palmatier et al. (2006) call for more research on the study of moderators of relational constructs that determine the success of RM strategies, in a manner consistent with prior research (Casidy & Wymer, 2016; Paulssen et al., 2014).

## 5.2. Managerial implications

The findings of this study provide useful insights specifically for PSF managers and other B2B practitioners engaging with PSFs. The interaction and benevolence drivers of RQ in this study reflect SME owner-managers' perceptions of the PSF's willingness and ability to develop and maintain ongoing communications with its clients with the clients' best interests in mind. Such interactive communications are mainly critical for clients engaging PSFs as they often lack the requisite professional skills, knowledge, and expertise to evaluate service attributes that are best suited to their needs (Sarapaivanich & Patterson, 2015). Hence, a viable relationship that is founded on perceptions of trust, competence and relationship orientation will act as a proxy to help PSFs differentiate themselves from competitors. Also, it is important to note that the notion of benevolence in our study relates to the PSF account manager rather than the firm as a whole. This emphasizes the importance of personalized interactions in PSF –SME relationships. Hence, PSFs will benefit by training account managers who are willing to “go an extra mile” to assist the clients, particularly in difficult times. More specifically, in terms of interaction, providing clients with multiple ways to contact the organization, as well as activities such as ‘participation’, ‘frequent meetings’, ‘give and get feedback’ and ‘follow up visits’, can help to foster long-term relationships (Filiatrault & Lapierre,

1997).

A key managerial implication that emerged from our finding is that the impact of RQ on WTP is fully mediated by relationship value. When dealing with vulnerable customers such as SMEs, professional service managers are advised to ensure that their idiosyncratic investments in relationships go beyond just creating a good RQ, but translate into a valuable relationship. We note that it is only when the SME customers perceive positive returns in such a relationship, that RQ will then translate into loyalty, in both short-term and long-term relationship. These findings accentuate the importance for SME practitioners to invest in building a highly interactive environment, ensuring that their practices are reflecting act of benevolence. Also, they need to invest in training employees to recognize the intangible facets of RM that enables the creation of trust, competence and perceived relationship orientation with their SME customers. Overall, providing insights into how RQ and its antecedents can translate into positive behavioral outcomes can enable managers to calibrate the optimal level of relationship value, better allocate their constrained RM resources, and increase the probability of deploying such idiosyncratic relationship investments to customers who they will be most effective.

The ability to create and build an appropriate relationship with customers in PSFs has been identified as a key driver of relational outcomes such as loyalty and WTP that can translate into sustained competitive advantage (Sweeney, Soutar, & McColl-Kennedy, 2011). Our study recognizes that loyalty behavior remains a core marketing goal especially for B2B PSFs, and this is facilitated by demonstrating the ability and willingness to maintain relationship with customers. To achieve this managerial goal, our study revealed that trust, competence and perceived relationship orientation are key dimensions of RQ, thus providing professional service practitioners with the appropriate mechanisms of transforming RQ into customer loyalty and WTP by effectively creating relationship value. PSF practitioners are therefore advised to invest in specific relationship value-enhancing activities with their customers that can include social interactions, special reports, adaptive policies and procedures, and other initiatives that continue to cultivate effective seller-customer interactions (Anderson & Weitz, 1992; Palmatier et al., 2007).

Finally, we do not simply assume that managerial practices are easily transferrable across various relationship stages and to other business environment conditions (i.e., risk perceptions). Thus, we provide managers with additional insights regarding the boundary conditions that can interact with the indirect effects of RQ on relationship outcomes. First, we tested the moderating role of relationship duration and noticed that these indirect effects were not straightforward as they tended to vary with time. Our results suggested that within a short-term relationship, RQ alone seems to be sufficient to drive WTP. However, our research showed that, over time, RQ does not have a favorable impact on WTP unless it translates into strong relationship value. Second, we tested risk as a moderator and found that RQ does not have a direct impact on loyalty and WTP in high risk situations. The ability to understand various resources required at different relationship stages helps managers to allocate sufficient resources. For example, in the early stage of the relationship (as well as under low risk situations), B2B service firms might invest in employee training and communications to improve competence, customers' trust, and perceived relationship orientation. The training should also focus on nurturing benevolence behavior. Research agrees that employees require training to reinforce coping mechanisms and problem-solving skills when dealing with customers as well as their own feelings as this is crucial in enhancing both economic and relational values in professional services (Chan et al., 2010). However, as the relationship life cycle enters a mature phase (particularly in high risk situations), it is more important for B2B service firms to invest in cultivating positive relationship value in the eyes of the customer.

### 5.3. Limitations and future research

The findings of this study should be interpreted in light of the limitations that can be addressed in future research. The first limitation relates to the fact that our study respondents came from a wide range of industry sectors. Thus, what may be considered as important RQ drivers by a firm in one industry sector may not be considered as important by firms in other sectors. Future studies could focus on a single industry sector to enrich our understanding of RQ drivers and outcomes within specific industry context.

Second, because the data used emerged from a particular research setting, the interpretation of findings might be limited due to the structure and composition of the Australian economy and industries. To further generalize our findings, researchers could examine whether our findings could be replicated in other industries (e.g., B2B manufacturing) and other countries. Also, our dataset is limited to cross-sectional variation and cannot examine the mediated effects of RQ and relationship value over a period of time. Given the dynamic nature of these relational variables, a longitudinal study examining the interactions of these drivers and outcomes over time could consolidate the study findings.

Third, although the use of a single-informant approach is commonly used in B2B relationship studies (Li & Calantone, 1998; O’Cass & Ngo, 2011), there could be concerns regarding same-source bias. Future studies could use multiple-informants approach to further examine the generalizability of the findings of this study. In B2B settings, a mutual understanding between customers and suppliers is fundamental to the development of RQ (Naudé & Buttle, 2000). To shed more light, future research can broaden the scope of the research by including perspectives from both sides of the dyad. The one-sided approach used in this study risks excluding other potential constructs that can measure the impact of other parties on the focal relationship. Hence, there is a need for further research on the drivers and outcomes of RQ from the supplier perspective (i.e., PSFs in our case), specifically that of PSF account managers. The examination of supplier-perceived RQ drivers and outcomes could provide useful insights into the relationship development process in the B2B services context.

Fourth, our inclusion of PRO as a dimension of RQ in this B2B context should be interpreted as more suggestive than conclusive due to the cross-sectional nature of our data. This is an initial step, but future research needs to focus on this particular dimension in order to empirically test its relevance not only in contexts similar to ours, but in other B2B settings such as manufacturing, thereby enhancing its generalizability. In addition, a relationship-oriented view usually ignores the disadvantages of long-term relationships (Palmatier et al., 2008). Hence, this under-researched negative side of strong interpersonal relationships in B2B interactions merits further study.

Finally, we selected specific constructs for our conceptual model on the basis of the literature review and initial qualitative study. We acknowledge that there are other potential drivers, outcomes, mediators, and moderators of RQ that could be examined in future research. For example, the notion of perceived risk in this study is measured by a single item of risk importance. Future studies could examine other types of risks such as risk ambiguity and risk consequentiality (Paulssen et al., 2014), as well as performance, financial, social, and psychological risks (Casidy & Wymer, 2016). Similarly, future studies could examine other potential cognitive and affective mediators, as well as other boundary conditions on the link between relationship quality and relational outcomes. It would be interesting to examine the cognitive and affective mechanisms through which RQ affects relational outcomes under varying degree of perceived risks and relationship duration. Future research could also investigate whether service innovation is a driver or outcome of RQ in this B2B services context as our knowledge of this nexus is still limited. Overall, we anticipate that this study will serve as a stepping stone and attract more attention to this important research topic.

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