European Journal of Applied Business Management, 4(1), 2018, pp. 118-137.

EJABM European Journal of Applied Business and Management

ISSN 2183-5594

Research Paper

The effects of switching costs on relational outcomes in the insurance industry

Submitted in 9, December2017
Accepted in 16, March 2018
Evaluated by a double blind review system

ANABELA MARCOS[1]

Abstract

Purpose: This study seeks to propose and test a framework in car insurances for examining the alternative routes through which different types of positive switching costs (social and lost benefits) operate in affecting relational outcomes. Thus, the objective of this paper is to understand the effects of positive switching costs on relational outcomes in the insurance industry.

Design/methodology/approach: This investigation proposes a theoretical model tested using structural equation modelling (SEM). A questionnaire survey was developed to explore the relationships among two positive switching costs (social switching costs and lost benefits costs), relational commitment, loyalty and word-of-mouth (WOM). For this study, 744 valid questionnaires were collected from a sample of Portuguese car insurance holders.

Findings: The results show that lost benefits costs directly influence relational commitment, loyalty and WOM. However, social switching costs only directly influence relational commitment. In turn, relational commitment increases loyalty and word-of-mouth. Finally, loyalty is a determinant of word-of-mouth.

Originality/Value: In order to address gaps in the literature, the present study developed an integrative model through which two types of positive switching costs operate in directly affecting loyalty and WOM and indirectly, via relational commitment. Research on the downstream effects of different types of switching costs is lacking. Therefore, this investigation examines the partial mediating role of relational commitment in the relationship between two positive switching costs and loyalty and WOM, in a relational perspective.

Keywords: switching costs; relational outcomes; insurance industry.

1. Introduction

The role of switching costs in consumer markets has generated considerable theoretical and practical interest. Switching costs can be thought of as barriers that hold customers in service relationships. Switching costs shape the decision to quit or not to quit a service provider (Burnham, Frels & Mahajan, 2003). A limited amount of research has examined switching costs

[1] Instituto Superior de Contabilidade e Administração de Coimbra, Faculdade de Direito da Universidade de Coimbra. E-mail:amarcos@iscac.pt.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

in services. This research is important because it relates the switching costs with outcomes such as relational commitment, loyalty and word-of-mouth, in the insurance industry.

A number of researchers argued that switching barriers should be described as the degree to which customers experience a sense of being locked into a relationship with a provider based on the various costs (e.g., economic, social, or psychological costs) associated with exiting the relationship with a particular service provider (Bendapudi & Berry, 1997). These researchers focused mainly on the negative scope of switching barriers, viewing the relationship based on switching barriers as pseudo-relationships that make customers feel entrapped (Jones, Mothersbaugh & Beatty, 2000). That is, customers remain with their current provider only because of high switching costs. However, the positive scope of switching barriers should also be considered because some affirmative aspects of the barriers make it difficult for customers to leave a current service provider.

In this sense, several researchers have provided theoretical support for a distinction between positive and negative switching barriers. Hirschman (1970) first differentiated "wanting to be" in a relationship from "having to be" in a relationship. In his distinction, "wanting to be" could be described as a positive reason for remaining in a relationship and "having to be" can be characterized as a negative reason for staying in a relationship. The first premise links the customer with the entity under a desire to stay on it, while the latter cause in the consumer a non-voluntary retention (Lopez-Miguens & Vazquez, 2017). Therefore, positive switching barriers can be characterized as "wanting to be" in an existing relationship (i.e., a positive reason to stay in a relationship with a current provider), while negative barriers can be described as "having to be" in a relationship (i.e., a negative reason to remain). Consistent with this notion, Jones, Mothersbaugh & Beatty (2000) stated that switching barriers can be seen as either positive or negative in nature.

The distinction between positive and negative switching costs is essential to understand the mechanisms through which each type of costs influences behavioral outcome. Because positive switching costs are benefits beyond the core service, they may generate substantially different emotional responses and behavioral responses than do negative switching costs (Haj-Salem & Chebat, 2014). Negative switching costs may make customers feel entrapped and magnify their anger and frustration when experiencing poor recovery (Jones, Mothersbaug & Beatty, 2000).

In the current study, we examine the multidimensional nature of switching costs, as opposed to a unidimensional approach, who view the switching costs as the perceived economic and psychological costs associated with changing from one alternative to another. As such, switching costs can be thought of as barriers that hold customers in service relationships.

Our study categorizes each type of switching cost based on the underlying nature of constraint involved. Specifically, we consider only positive switching costs (social and lost benefits) that derive primarily from creating benefits and value for the customer. The negative scope of barriers generate an ingenuine relationship and cannot foster customer loyalty (Han & Hyun, 2012).

This paper aims to identify the consequences of switching costs in the insurance industry. In the current study, we suggest that social switching costs and lost benefits costs directly influence commitment, loyalty and WOM. We also propose that social switching costs and lost benefits costs indirectly influence loyalty and WOM, via commitment. Finally, we expected that loyalty has a positive impact on WOM.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

2. Literature review and research hypotheses

Switching costs may be defined as the sacrifices or penalties consumers feel they may incur in moving from one provider to the next (Heide & Weiss, 1995). According to the latest investigations, switching costs are multidimensional. These investigations distinguish between positive costs and negative costs. The positive costs are all those who retain customers in the company for their own will ("wanting to stay") showing a positive attitude towards the continuity of the relationship. On the contrary, negative costs include all those barriers that hold clients against their will ("having to stay"), reflecting a negative attitude towards the continuity of the relationship (Maícas Lopez, Polo Redondo & Sesé Oliván, 2007).

The purpose of these studies is to examine the effects of switching costs, classified by type (relational, procedural, and financial) and direction (positive and negative), on relational outcomes (El-Manstrly, 2016). In this multidimensional approach, Burnham, Frels and Mahajan (2003) identified three categories of switching costs, each with several subcategories: procedural, relational, and financial. Jones, Reynolds, Mothersbaugh and Beatty (2007) identify three dimensions of switching costs that correspond roughly with those of Burnham, Frels and Mahajan (2003): procedural, lost benefit, and social. Procedural is a negative switching cost while social and lost benefits are positive switching costs. We should like to mention the studies of Meng and Elliot (2009), El-Manstrly, Paton, Veloutsou and Moutinho (2011), Wang, Huang and Howng (2011), Huang and Hsieh (2012), Haj-Salem & Chebat (2014), Lee and Huang (2014), Ting (2014), Zhang, Chen, Zhao and Yao (2014), Blut, Frennea, Mittal and Mothersbaugh (2015), Blut, Evanschitky, Backhaus, Rudd Marck (2016), El-Manstrly (2016) and Zhang, Hou, Li and Yao (2016), that identifies these three categories of switching costs. In the insurance industry, we emphasize the studies of Picón, Castro and Roldán (2014) and Picón-Berjoyo, Ruiz-Moreno and Castro (2016).

It was found that research examining switching costs as a multi-dimensional construct is very limited when switching costs are classified by type (relational, financial, and procedural) and direction (positive and negative). Viewing switching costs as a multi-dimensional construct enhances the explanatory power of the construct (Whitten and Wakefiled, 2006), clarifies important theoretical and managerial implications across switching costs types (Jones, Mothersbaugh & Beatty, 2002; Jones, Reynolds, Mothersbaugh & Beatty, 2007), and adequately assesses the relationship between switching costs and other related constructs (Barroso & Picón, 2012).

In our study, we only consider positives switching costs: social and lost benefits. Social switching costs are the costs associated with the potential loss of personal relationships that customers have developed with a service. It is one of the two positive costs identified by Burnham, Frels and Mahajan (2003) and Jones, Reynolds, Mothersbaugh and Beatty (2007). Lost benefits costs are the costs reflecting the potential loss of special discounts and unique benefits if the consumer switched from her or his current service provider to another and is roughly equivalent to Burnham, Frels and Mahajan (2003) financial dimension and correspond to Jones, Reynolds, Mothersbaugh and Beatty (2007).

The positive switching costs (social and lost benefits switching costs) are derived largely from positive sources of constraint because they represent the positive benefits and value beyond the core service, that a customer would have to give up to switch. Alternatively, procedural switching costs are derived largely from negative sources of constraint because they involve the negative aspects (e.g., search time, inflexible contract, the need to fill out new paperwork) a customer would have to endure or incur to switch. In support of these perspectives, the results of Jones, Mothersbaugh and Beatty (2002) suggest that compared to procedural costs, social and lost benefits costs were the primary value drivers in service relationships. Thus, though

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

social and lost benefits costs are likely to be associated with positive value enhancement (Reynolds & Beatty, 1999), procedural switching costs are likely to be viewed as binding elements, causing customers to feel like "hostages" in the relationship (Sharma & Patterson, 2000).

In this article, we focus only on relational commitment, because relationships characterized by high levels of relational commitment correspond to dedication-based relationships, as described by Bendapudi and Berry (1997). We define relational commitment as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely (Morgan & Hunt, 1994). Our definition corresponds almost exactly with that developed by Moorman, Zaltman and Deshpandé (1992): "Commitment to the relationship is defined as an enduring desire to maintain a valued relationship". Their "valued relationship" corresponds with our belief that relationship commitment exists only when the relationship is considered important. Similarly, their "enduring desire to maintain" corresponds with our view that a committed partner wants the relationship to endure indefinitely and is willing to work at maintaining it. For this reason, we only consider positive switching costs.

The anticipation of future relational exchange is generally expressed in terms of two behavioral outcomes, namely, repeat purchase (re-patronage) and word-of-mouth recommendation (Bitner, 1990). Repeat purchase is viewed as an indicator of whether or not a customer will maintain the relationship with the company (Zeithaml, Berry & Parasuraman, 1996). Word-of-mouth recommendation is the extent to which customers will inform their friends, relatives, and colleagues about the consumption experience (Söderlund, 1998). Therefore, customer loyalty is defined as the intention to repurchase and word-of-mouth as the intention to provide positive word-of-mouth.

2.1. The effects of switching costs on commitment and loyalty and WOM

The direct effects of positive switching costs (social and lost benefits) on relational or affective commitment have supported in several studies. Sharma (2003), Jones, Reynolds, Mothersbaugh and Beatty (2007), Alves, Terres and Santos (2013) and Baloglu, Zhong and Tanford (2017) support the direct effect of switching costs on affective commitment. In turn, Jones, Mothersbaugh and Beatty (2000), Burnham, Frels and Mahajan (2003), Julander and Söderlund (2003), Vázquez-Carrasco and Foxall (2006), Barroso e Picón (2012), Blut, Frennea, Mittal and Mothersbaugh (2015), Lopez-Miguens & Vazquez (2017) and Ngo and Pavelková (2017) demonstrated that positive switching costs are antecedents of loyalty. Consequently:

H1. *Social switching costs have a positive influence on relational commitment.*

H2. *Social switching costs have a positive influence on loyalty.*

H3. *Social switching costs have a positive influence on WOM.*

H4. *Lost benefits costs have a positive influence on relational commitment.*

H5. *Lost benefits costs have a positive influence on loyalty.*

H6: *Lost benefits costs have a positive influence on WOM.*

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

2.2. The effects of commitment on loyalty and WOM

In turn, relational commitment has a direct influence on loyalty and WOM (Ercis, Ünal, Candal & Yildirim, 2012; Alves, Terres & Santos, 2013; Loureiro, Kaufmann & Rabino, 2014; Curras-Perez & Sanchez-Garcia, 2016; Fang, Shao & Wen, 2016; Su, Swanson, Chinchanachokchai, Hsu & Chen, 2016; Wästerlund & Kronholm, 2017). Mukherjee and Nath (2007) suggest that commitment has a positive impact on WOM, purchase intention, and continued interaction. Thus, customer commitment is recognized as a determinant to long-term relationships. Previous studies have found a relationship between commitment and word-of-mouth. Bettencourt's (1997) study found that committed customers are more likely to recommend the firm and say positive things. Liljander and Strandvik (1995) also noted that commitment can lead to behaviours such as positive word-of-mouth. In turn, De Ruyter and Wetzels (1999) found that commitment decreases the likelihood that the client will change. Relationship commitment has a strong positive effect on customer loyalty and the higher the customer commitment, the more willing the customer is to provide word-of-mouth recommendations for the business (Ou, Shih & Chen, 2015). Consequently:

H7: *Relational commitment has a positive influence on loyalty.*

H8: *Relational commitment has a positive influence on WOM.*

2.3. The effect of loyalty on WOM

Finally, the findings of several previous studies support the effect of loyalty on word-of-mouth communication (Li, 2013; Hsu, Wang & Chih, 2013; Choi & Choi, 2014; Mishra, 2014; Roy, Lassar & Butaney, 2014; Ruiz, Esteban & Gutiérrez, 2014; Salehnia, Saki, Eshaghi & Salehnia, 2014; Athavale, Banahan III, Bentley & West-Strum, 2015; Chai, Malhotra & Alpert, 2015; Haryono, Suharyono, AchmadFauzi & Suyadi, 2015; Khan, Ferguson & Pérez, 2015; Sirakaya-Turk, Ekinci & Martin, 2015; Xu, Peak & Prybutok, 2015; Watson, Beck, Henderson & Palmatier, 2015; Akbari, Kazemi & Haddadi, 2016; Casidy & Wymer, 2016; Fang, Shao & Wen, 2016; Eelen, Özturan & Verlegh, 2017; Harris & Kathami, 2017, Rialti, Zollo, Pellegrini & Ciappei, 2017). Thus, the following hypothesis is proposed:

H9: *Loyalty has a positive influence on WOM.*

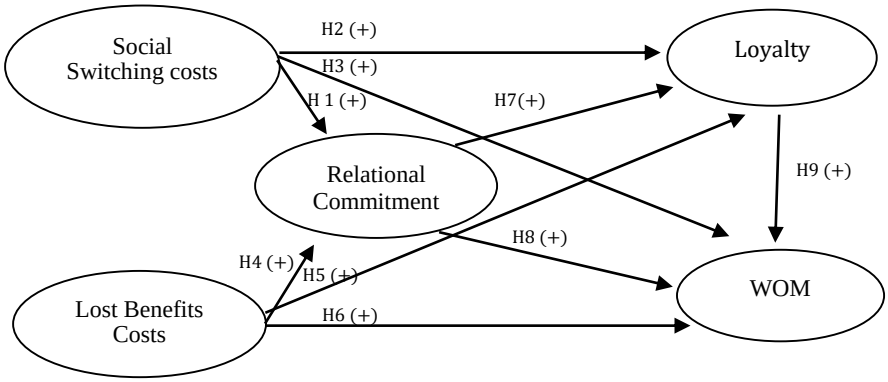
3. Research Methodology

3.1. Sample selection and data collection

The conceptual model proposed in the present study is depicted in Figure 1. This research model investigates the effects of switching costs on relational outcomes in the insurance sector. For this purpose, we will test a model where social switching costs and lost benefits costs are antecedents of commitment, loyalty and WOM. So, it is a model of partial mediation, where relational commitment is the mediating variable between the independent factors and the variables loyalty and WOM. The independent variables are social switching costs and lost benefits costs. In turn, commitment influences loyalty and WOM. Finally, loyalty influences WOM.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Figure 1: Proposed Conceptual Model



Font: Author.

Extensive qualitative interviews were conducted on this topic prior to the to the collection of quantitative data. To achieve the purposes of the study, a total of 744 Portuguese car insurance holders were invited to complete the survey. The demographic characteristics indicate that a diverse group of respondents were recruited. Approximately 51.9% were female, while 48.1% were male. The majority of the respondents of this study were between 25 and 54 years old (86.5%). Moreover, 61.7% were married. Finally, 38.8% had completed high school and 38.0% held a university degree.

3.2. Measures

Established scales were used to measure the variables being studied, based on the review of the most relevant literature on relationship marketing. All the variables were measured by a seven-point Likert scale, ranging from 1- strongly disagree to 7- strongly agree and appear in Table 2.

The scales used to measure social switching costs and lost benefits costs were adapted from the work of Jones, Reynolds, Mothersbaugh and Beatty (2007). The scale items used to measure social switching costs were: "If I switched of insurance company, I might lose the friendships I have developed" (SSC1), "If I switched of insurance company, I might lose an important personal relationship" (SSC2), and "If I switched of insurance company, it might be very uncomfortable to tell the employees that I am leaving" (SSC3). In turn, the scale items to measure lost benefits costs were "Staying in this insurance company allows me to get discounts and special deals" (LBC1), "Staying in this insurance company saves me money" (LBC2), and "Staying in this insurance company allows me to get extra service benefits" (LBC3).

Relational Commitment was measured according to the scale used by Kaufman, Jayachandran and Rose (2006). The scale items used were: "The relationship I have with the insurance company is something I am very committed to" (COM1), "The relationship I have with the insurance company is something I really want to maintain" (COM2), and "The relationship I have with the insurance company deserves my maximum effort to maintain" (COM3).

Loyalty measurement was drawn from the scale of Martín Ruíz, Gremler, Washburn and Cepeda Carrión (2008). The scale items used were: "I intend to continue doing business with this insurance company in the future" (LOY1), "As long as the present service continues, I

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

doubt that I would switch insurance companies" (LOY2), and "I will choose this insurance company the next time I need this service" (LOY3).

WOM measurement was drawn from the scale of Palmatier, Scheer and Steenkamp (2007). The scale items used were: "I say positive things about this company insurance to other persons" (WOM1), "I would recommend this company insurance to someone seeking my advice" (WOM2), and "I encourage friends and relatives to do business with this insurance company" (WOM3).

3.3. Measurement Model

An initial screening of each scale was conducted using item-total correlations and exploratory factor analysis (EFA), using SPSS 25.0. Following Anderson and Gerbing's (1988) two-step approach, a measurement model was estimated before testing the hypotheses using a structural model. The analysis of data was realized through confirmatory factor analysis (CFA) and structural equation modeling (SEM) using the statistical software AMOS (***A****nalysis of* M*oment* ***S****tructures*) version 25.0. Maximum likelihood estimation procedures were used, since these afford more security in samples which might not present multivariate normality.

The measurement model fits the data well. I. The chi-square(X^2) was 308.191 with 80 degrees of freedom at $p<0.001$. Because the chi-square is sensitive to sample size, we also assessed additional fit indices (1) goodness of fit index (GFI), (2) normed fit index (NFI), (3) incremental fit index (IFI), (4) Tucker-Lewis coefficient (TLI), and (5) comparative fit index (CFI). All of these fit indices are higher than 0.9 (GFI=0.95, NFI=0.97, IFI=0.98, TLI=0.97, and CFI=0.98). Because fit indices can be improved by allowing more terms to be freely estimated, we also assessed the root mean square error of approximation (RMSEA), which is 0.062.

CFA enables the performance of tests regarding the convergent validity, discriminant validity and reliability of the study constructs. A commonly used method for estimating convergent validity examines the factor loadings of the measured variables (Anderson and Gerbing, 1988). Following the recommendations by Hair, Anderson, Tatham and Black (2005), factor loadings greater than 0.5 are considered very significant. In addition, we used the Average Variance Extracted (AVE) to contrast convergent validity. Fornell and Larcker (1981) suggested adequately convergent valid measures should contain less than 50% error variance (AVE should be 0.5 or above). Convergent validity was achieved in this study, because all the factor loadings exceeded 0.5 and all variance extracted estimates (AVE) were greater than 0.5.

Next, CFA was used to assess discriminant validity. If the AVE is larger than the squared correlation between any two constructs, the discriminant validity of the constructs is supported (Fornell & Larcker, 1981). Discriminant validity was also assessed for each pair of constructs by constraining the estimated correlation between them to 1.0 and a difference test was performed on the values obtained from the constrained and unconstrained models (Anderson and Gerbing, 1988). Discriminant validity of the scales was also supported as none of the confidence intervals of the phi estimates included 1.0 (Anderson & Gerbing, 1988). Finally, Gaski (1984) suggests the existence of discriminant validity if the correlation between one composite scale and another is not as high as the coefficient alpha of each scale. These tests demonstrated that discriminant validity is present in this study.

To assess reliability, the composite reliability (CR) for each construct was generated from the CFA. The composite reliability (CR) of each scale must exceed the 0.7 threshold (Bagozzi, 1980). As Table 1 shows, the composite reliability coefficients of all the constructs are excellent, being larger than 0.9, except for lost benefits costs (0.88). The Cronbach's alpha indicator was used also to assess the initial reliability of the scales, considering a minimum

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

value of 0.7 (Cronbach, 1970; Nunnaly, 1978). As shown in Table 1, coefficient alpha values are all over 0.9, exhibiting high reliability. Table 1 also shows the AVE for each construct and a correlation matrix of constructs.

Table 1: Factor Correlation Matrix and Measurement Information

Construct	Nº Items	*CR*	*AVE*	1	2	3	4	5
1. Social switching costs	3	0.91	0.78	(α=.91)				
2. Lost benefits costs	3	0.88	0.72	0.38	(α=.88)			
3. Relational commitment	3	0.93	0.82	0.34	0.54	(α=.93)		
4. Loyalty	3	0.95	0.85	0.18	0.61	0.63	(α=.95)	
5. WOM	3	0.95	0.87	0.24	0.61	0.67	0.85	(α=.95)

Note: CR = Composite Reliability; AVE = Average variance extracted; α = Cronbach's alpha.
Font: Author.

The term multicollinearity refers to the correlations among the independent variables, which could make the solutions of regression analysis unstable (Hair, Anderson, Tatham and Black, 2005). To achieve an acceptable level of multicollinearity, each variable in a scale should exhibit a low level of collinearity with other variables. The extent of collinearity could be measured by the variance inflation factor (VIF), which evaluates the degree to which each variable is explained by the other variables. Hair, Anderson, Tatham and Black, (2005) suggest that a VIF value of 10 or less indicates an acceptable level of collinearity for a variable. In this study, the VIF indicating that the effect of multicollinearity among the constructs is negligible.

The measurement information is shown in Table 2.

Table 2: Measurement Information

Construct	Item	Standardized Loading	t-Value
Social Costs	SSC1	0.921	32.060
	SSC2	0.967	34.752
	SSC3	0.747	23.509
Lost Benefit Costs	LBC1	0.869	28.622
	LBC2	0.800	25.304
	LBC3	0.871	28.708
Relational Commitment	COM1	0.855	28.771
	COM2	0.905	31.542
	COM3	0.954	34.532
Loyalty	LOY1	0.915	32.314
	LOY2	0.928	33.147
	LOY3	0.924	32.858
WOM	WOM1	0.943	32.226
	WOM2	0.955	32.490
	WOM3	0.893	33.140

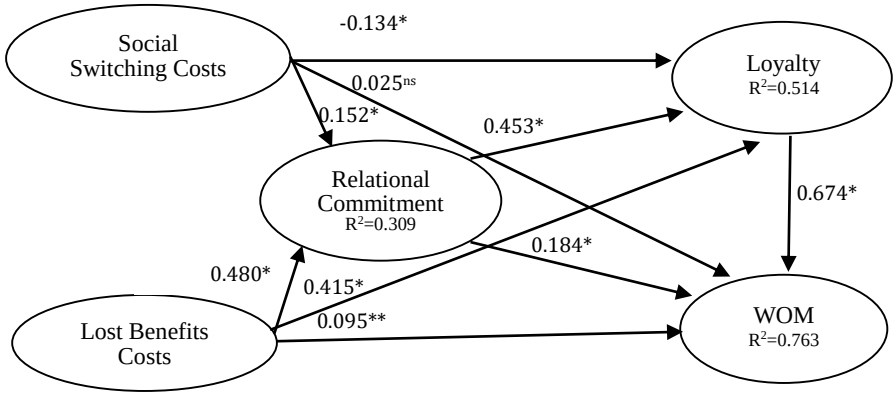
Font: Author.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

4. Structural Model

The structural model fits the data well (X^2=308.191, *df*=80, *p*<0.01; GFI=0.95, NFI=0.97, IFI=0.98, TLI=0.97, CFI=0.98; RMSE=0.062). This model is depicted in Figure 2.

Figure 2: Structural Model



Note: * p<0.001; ** p<0.01; *** p<0.05; ns=not supported; R^2=Squared Multiple Correlations.
Font: Author.

The results in Table 3 show the analyses of the causal paths hypothesized in the structural model. The models support seven hypotheses. Only two, hypotheses 2 and 3, are not supported.

Table 3: Estimation Results of the Structural Model

Path	Standardized Coefficient	t-Value	Hypotheses
Relational Commitment ← Social Switching Costs	0.152	4.164 *	H1 (+): S
Loyalty ← Social Switching Costs	-0.134	-4.193*	H2 (+): NS
WOM ← Social Switching Costs	0.025	1.046	H3 (+): NS
Relational Commitment ← Lost Benefits Costs	0.480	11.904*	H4 (+); S
Loyalty ← Lost Benefits Costs	0.415	10.616*	H5 (+): S
WOM ← Lost Benefits Costs	0.095	3.031**	H6 (+): S
Loyalty ← Relational Commitment	0.453	12.081*	H7 (+): S
WOM ← Relational Commitment	0.184	6.075*	H8 (+): S
WOM ← Loyalty	0.674	19.562*	H9 (+): S

Note 1: * p<0.001; ** p<0.01; *** p<0.05 (one tail tests).
Note 2: S=supported; NS= not supported.
Font: Author.

According to Bollen (1989), analyzing the effects of total effects (direct and indirect effects) becomes very important, since only examining the direct effects could be

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

misleading. The analysis of indirect effects highlights the importance of mediating variables in explaining loyalty and word-of-mouth, as we can observe in Table 4.

We used the technique of Boostrapping with a sample of 2000 random observations generated from the original sample, and a confidence interval of 90% also used in the estimation of the proposed model. This is because the analysis of total and indirect effects is only possible with the use of this method of estimation.

Table 4: Standardized Effects Direct, Indirect and Total

		Social Switching Costs	Lost Benefit Costs	Relational Commitment	Loyalty
Commitment	Direct	0.152**	0.480**		
	Indirect				
	Total	0.152**	0.480**		
Loyalty	Direct	-0.134	0.415**	0.453**	
	Indirect	0.069***	0.217**		
	Total	-0.065	0.632**	0.453**	
WOM	Direct	0.025^{ns}	0.095***	0.184**	0.674**
	Indirect	-0.016^{ns}	0.515**	0.305**	
	Total	0.009^{ns}	0.610**	0.489**	0.674**

Note 1: * p≤0.001; ** p≤0.01; *** p≤0.05; **** p≤0.1.
Note 2: ns means a non-significat effect.
Note 3: The influence of one variable on another should be read vertically.
Font: Author.

5. Findings and Discussion

The latest research distinguish between two types of switching costs based on the nature of the constraints involved. Positive switching costs are related to the value-added and benefits offered to customers that they would lose if they quit the provider. This includes the loss of two kinds of benefits: material benefits (e.g., volume-based discounts, loyalty reward program) and/or (positive and helpful) social relations with the service provider. Negative switching costs are constraints that penalize customers. They can be procedural costs. Procedural costs refer to the time and effort the customer anticipates when switching. However, this study has highlighted the importance of positive switching costs in the insurance industry.

Our findings contribute to the discussion about the impacts of different types of positive switching costs on relational commitment, customer loyalty and WOM. This study provides the empirical evidences of the effects of switching costs in insurance context. This study adopts the view that the interrelationship between switching costs and relational commitment, loyalty and WOM are complex and contribute to the previous research in the field in some new aspects. First, in contrast to most of previous empirical studies in which switching costs are assumed as an overall constructs of some different dimensions for testing the relationship with other constructs, the switching costs in this study are separated into two different positive switching cost (social and lost benefit).

With regard to the relative effect of switching costs on actual purchase behavior, results of the quantitative study show that the two dimensions of financial and relational switching costs affect key relationship marketing outcomes to a different extent. Particularly, we find financial switching costs to be the most important type of switching cost for securing insurance. These findings underscore the need to differentiate between

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

the diverse dimensions of the switching cost construct. Additionally, these findings underline the attractiveness of switching costs as a retention strategy for insurance markets.

With respect to the differential effects of switching costs, this study deepens our understanding of the nature of the two switching cost dimensions. The literature argues that these two types of switching costs represent positive switching costs, expressing the goodwill of the supplier which in turn makes the customer buy from several product and services categories (Jones, Reynolds, Mothersbaugh & Beatty, 2007). Similarly, one can assume that these positive switching costs lead to relationship marketing outcomes such as increased relational commitment, loyalty and positive word of mouth. However, while relational switching costs impact only on relational commitment, financial switching costs impact on relational commitment, loyalty and WOM.

Therefore, this paper adopts the multidimensional view of switching costs, as it is more likely to adequately capture the richness of the construct (Bagozzi & Edwards, 1998; El-Manstrly, 2014). However, in the insurance market, Hellier, Geursen, Carr and Rickard (2003), Antón, Camarero, and Carrero (2007), and Lai, Liu and Lin (2011) only proposed an unidimensional nature of switching costs. They considered that switching costs may be incurred from switching from current insurer to another.

When we analyze the direct effects, lost benefit costs have an important direct effect on relational commitment. Thus, our results support hypothesis 4. Social switching costs have a significant effect on relational commitment, although weaker. Therefore, our results also support hypothesis 1.

We focus only on relational commitment, because relationships characterized by high levels of relational commitment correspond to dedication-based relationships, as described by Bendapudi and Berry (1997). Consequently, insurance company managers must give special attention to the switching costs they create with car insurance holders for the purpose to be committed with them. The direct effects of positive switching costs (social and lost benefits) on relational or affective commitment was supported in several studies. Jones, Reynolds, Mothersbaugh and Beatty (2007), Alves, Terres and Santos (2013) and Baloglu, Zhong and Tanford (2017) support the direct effect of switching costs on affective commitment.

Lost benefit costs have a strong influence on loyalty. Thus, our results support hypothesis 5. Lost benefit costs have a significant influence on WOM, although weaker. Thus, our results support hypothesis 6. Social switching costs did not have a positive effect on loyalty. Thus, our results did not support hypothesis 2. Social switching costs did not have a significant effect on WOM. So, our results do not support hypothesis 3. Blut, Frennea, Mittal and Mothersbaugh (2015), Lopez-Miguens and Vazquez (2017) and Ngo and Pavelková (2017) demonstrated that positive switching costs are an antecedent of loyalty. However, Thuy, Hau and Evangelista (2016) studied two sectors, the banking sector and the health-care sector. They found that relational barriers affect loyalty in the health-care sector only, but, in the banking sector, only economic barriers affect loyalty. As happened in our study of insurance, social switching costs, in the banking sector, did not have impact on loyalty. Perhaps, in financial markets, customers are not interested in establishing relationships. In these markets, economic switching costs seem to be more important.

Lost benefits costs have positive influence on loyalty and WOM, contrary to social switching costs. Thus, in insurance companies, the priority to retain the car insurance

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

holders is to focus on the lost benefits costs, because the social costs are not a priority for the car insurance holders.

As we expected, relational commitment has a strong direct effect on loyalty. Thus, our results support hypothesis 7. Relational commitment has a significant effect on WOM, although weaker. Thus, our results support hypothesis 8. For Fang, Shao and Wen (2016), Su, Swanson, Chinchanachokchai, Hsu and Chen (2016) and Wästerlund and Kronholm, (2017), commitment has a positive influence on loyalty and WOM.

Finally, loyalty has the strongest direct effect on WOM. Thus, our results support hypothesis 9. Akbari, Kazemi and Haddadi (2016), Casidy and Wymer (2016), Fang, Shao and Wen (2016), Harris and Kathami (2017) and Rialti, Zollo, Pellegrini and Ciappei (2017) demonstrated this relationship.

However, we must look at both direct and indirect effects, because the consideration of the total effects will give us a more rigorous assessment about the relationships between the variables under analysis.

The strongest total effects (direct and indirect) on loyalty come from lost benefits costs, followed by relational commitment. Finally, the strongest total effects (direct and indirect) on WOM come from loyalty, followed by lost benefits costs and relational commitment.

In conclusion, in the insurance industry, lost benefits costs have a very significant indirect effect on achieving customer loyalty and WOM. Therefore, the insurance company must not forget to provide discounts to loyal customers, because this is very important to them. They prefer to be distinguished because they are loyal to the insurance company, and not just because they did not have car accidents.

6. Implications and Limitations

Since there was a lack of such research in Portuguese insurance context, this research can provide theoretical contribution and managerial basis for future researches as well as implications for the managers.

6.1. Theoretical Implications

Much of the value of the present work lies in our findings regarding the relational outcomes of positive switching costs in the insurance sector. This study is original in that it is the first to examine the mediating role of relational commitment in the relationship between positive switching costs, loyalty and WOM in the Portugal insurance industry.

The present study proposes and tests a framework for understanding the underlying relationships between the potential costs of consumers switching from one service provider to another, relational commitment, loyalty with a service provider and WOM.

This study supports the view that positive switching costs influence relational commitment. Lost benefits costs also influence loyalty and WOM. However, social switching costs do not positively influence loyalty and do not significantly influence WOM. Therefore, if the lost benefit costs are very important in the insurance context, social switching costs are not the priority for the car insurance holders. Car insurance holders would like to be distinguished for being loyal customers, namely through extra service benefits, discounts and special deals.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Recent researches on the conceptualization of switching costs suggest that switching costs in several markets represent a multi-dimensional construct consisting of dimensions. More specifically, we identified two positive switching costs (financial switching costs) and relational aspects (personal relationships) as important and relevant dimensions of switching costs in insurance settings. According to Jones, Reynolds, Mothersbaugh & Beatty (2007), positive switching costs refer to relational and financial switching costs derived from positive losses that add value to customers (e.g. losing a relational bond or benefits).

With regard to the relative effect of switching costs on actual purchase behavior, results show that the two positive dimensions of financial and relational switching costs affect key relationship marketing outcomes to a different extent. In the insurance industry, the financial switching costs are more significant. Particularly, we find lost benefit costs to be the most important type of switching cost for securing relationships between car insurance holders and insurance companies, since it influence relational commitment, loyalty and WOM. These findings underscore the need to differentiate between the diverse dimensions of the switching cost construct. Additionally, these findings underline the attractiveness of switching costs as a retention strategy for many markets.

With respect to the differential effects of switching costs, this study deepens our understanding of the nature of the two positive switching cost dimensions. In the insurance industry, financial switching costs were found to influence relational commitment, loyalty and WOM. However, social switching costs only influence relational commitment. So, in the insurance sector, social switching costs do not seem important for car insurance holders.

6.2. Managerial Implications

The main goal of this research is to evaluate the principal outcomes of positive switching costs between insurance companies and car insurance holders. This study is one of the first to be conducted in the context of insurance in Portugal. Therefore, the results of the current study have clear implications for insurance companies, because they allow them to perceive the results of a good switching costs policy, which can help managers to anticipate a customer's decision to switch to another insurance company.

The findings of the presente research have some implications for service providers and managers. First, managers should realize the different impacts of each type of switching costs. From the findings in this paper, the two positive switching cost have very different impacts on customer loyalty. Each type of positive switching costs will lead to different way of affecting customer loyalty. Managers should realize the type of customer groups to apply the right type of switching costs. Insurance manager should consider to develop and adopt positive switching costs such as provided value-added financial benefits as prioritized treatments. Offering more value-added financial benefits might increase cost but if insurance managers consider the benefits of keeping loyalty customers, it will be worthy in the long-term. In this case, the actions of service providers to build specific positive switching costs, such as financial benefits, might dramatically increase customer loyalty. The car insurance holders do not only want lower insurance premiums because they did not have accidents. They want lower insurance premiums because they are loyal to the insurance company. However, interpersonal relationships do not seem relevant for car insurance holders.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

For managers, our findings provide important guidance whether and how, to make use of switching costs in the insurance industry. Our study indicates that insurance managers being responsible for customer management should consider lost benefit costs as major drivers of purchase behavior.

6.3. Limitations and Future Research

The findings from the current research should be interpreted with certain limitations. Future studies could examine other outcomes of positive switching costs. It would also be very useful to investigate the impact of switching costs on satisfaction, since this variable is identified by many authors as the main determinant of loyalty.

In the current study, the focus was on customers in the context of the insurance industry, more precisely car insurance. Although this method enhances the generalizability of the findings, future research aimed at replication should examine the model when used with different types of service firms (*e.g.* banks) or in different insurance contexts (*e.g.* life insurance).

Given that the current study used cross-sectional data, it would also be useful for future research to investigate a set of customers longitudinally. This longitudinal research could investigate the nature of the communication over time.

References

Agustin, C. & Singh, J. (2005), "Curvilinear effects of consumer loyalty determinants in relational exchanges", *Journal of Marketing Research,* 42 (1), 96-108.

Akbari, M., Kazemi, R. & Haddadi, M. (2016), "Relationship marketing and word-of-mouth communications: Examining the mediating role of customer loyalty", *Marketing and Branding Research,* 3, 63-74.

Alves, D.A., Terres, M.S. & Santos, C.P. (2013)," Custos de mudanca e seus efeitos no comprometimento, na intenção de recompra e no boca-a-boca em servicos educacionais", *Revista de Administração e Contabilidade da Unisinos*, 10 (4), 355-372.

Anderson, J.C. & Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommend two-step approach", *Psychological Bulletin*, 103 (3), 411-423.

Antón, C., Camarero, C. & Carrero, M. (2007), "Analysing firms' failures as determinants of consumer switching intentions. The effect of moderating factos*", European Journal of Marketing,* 41 (1/2), 135-158.

Athavale, A.M., Banahan III, B.F., Bentley, J.P. & West-Strum, D.S. (2015), "Antecedents and consequences of pharmacy loyalty behavior", *International Journal of Pharmaceutical and Healthcare Marketing,* 9 (1), 36-55.

Bagozzi, R.P. (1980), *Causal models in marketing*. New York: John Wiley.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Bagozzi, R.P. & Edwards, E.A. (1998), "Goal setting and goal pursuit in the regulation of body weight", *Psychology and Health*, 13 (4), 593-621.

Baloglu, S., Zhong, Y.Y. & Tanford, S. (2017), "Casino loyalty: the influence of loyalty program, switching costs, and trust", *Journal of Hospitality & Tourism Research,* 41 (7), 846–868.

Barroso, C. e Picón, A. (2012), "Multi-dimensional analysis of perceived switching costs", *Industrial Marketing Management*, 41 (3), 531–543.

Bendapudi, N. & Berry, L.L. (1997), "Customers' motivations for maintaining relationships with service providers", *Journal of Retailing*, 73 (1), 16-37.

Bettencourt, L.A. (1997), "Customer voluntary performance: Customers as partners in service delivery", *Journal of Retailing*, 73 (3), 383–406.

Bitner, M.J. (1990), "Evaluating service encounters: the effects of physical surroundings and employee responses", *Journal of Marketing*, 56 (2), 57-71.

Blut, M., Frennea, C.M., Mittal, V. & Mothersbaugh, D.L. (2015), "How procedural, financial and relational switching costs affect customer satisfaction, repurchase intentions, and repurchase behavior: A meta-analysis", *International Journal of Research in Marketing*, 32 (2), 226-229.

Blut, M., Evanschitky, H., Backhaus, C., Rudd, J. & Marck, M. (2016), "Securing business-to-business relationships: The impact of switching costs", *Industrial Marketing Management,* 52, 82-90.

Bollen, K.A. (1989), *Structural equations with latent variables*, John Wiley and Sons, USA.

Burnham, T.A., Frels, J.K. & Mahajan, V. (2003), "Consumer Switching Costs: A Tipology, Antecedents, and Consequences", *Journal of the Academy of Marketing Science*, 31 (2), 109-126.

Casidy, R. & Wymer, W. (2016), "A risk worth taking: Perceived risk as moderator of satisfaction, loyalty, and willingness-to-pay premium price", *Journal of Retailing and Consumer Services*, 32, 189–197.

Chai, J.C.Y., Malhotra, N.K. & Alpert, F. (2015), "A two-dimensionalmodeloftrust–value–loyaltyinservice relationships", *Journal of Retailing and Consumer Services*, 26, 23–31.

Choi, B. & Choi, B-J. (2014), "The effects of perceived service recovery justice on customer affection, loyalty, and word-of-mouth", *European Journal of Marketing*, 48(1/2), 108-131.

Cronbach, L.J. (1970), *Essentials of psychological testing*, New York: Harper and Row.

Curras-Perez, R. & Sanchez-Garcia, I. (2016), "Antecedents and consequences of consumer commitment in traditional and low-cost airlines", *Journal of Travel & Tourism Marketing*, 33, pp. 899-911.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

De Ruyter, K., & Wetzels, M. (1999), "Commitment in auditor–client relationships: Antecedents and consequences", *Accounting, Organizations and Society*, 24, 57-75.

Eelen, J., Özturan, P. & Verlegh, P.W.J. (2017), "The differential impact of brand loyalty on traditional and online word of mouth: The moderating roles of self-brand connection and the desire to help the brand", *International Journal of Research in Marketing*, 34, 872–891.

El-Manstrly, D.A. (2014), "Cross-cultural validation of switching costs: a four-country assessment", *International Marketing Review*, 31 (4), 413-437.

El-Manstrly, D. (2016), "Enhancing customer loyalty: critical switching cost factors", *Journal of Service Management*, 27 (2), 144-169.

El-Manstrly, D., Paton, R., Veloutsou, C. & Moutinho, L. (2011), "An empirical investigation of the relative effect of trust and switching costs on service loyalty in the UK retail banking industry", *Journal of Financial Services Marketing*, 16 (2), 101-110.

Ercis, A., Ünal, S., Candal, F.B. & Yildirim, H. (2012), "The effect of brand satisfaction, trust and brand commitment on loyalty and repurchase intentions", *Procedia - Social and Behavioral Sciences*, 58, 1395 – 1404.

Fang, J., Shao, Y. & Wen, C. (2016), "Transactional quality, relational quality, and consumer e-loyalty: Evidence from SEM and fsQCA", *International Journal of Information Management*, 36, 1205–1217.

Fornell, C. & Larcker, D.F. (1981), "Evaluating Structural Equation Models with Unobserved Variables and Measurement Error", *Journal of Marketing Research*, 18 (1), 39-50.

Gaski, J.F. (1984), "The theory of power and conflict in channels of distribution", *Journal of Marketing*, 48, 9-29.

Ha, Y.W. & Park, M.C. (2013), ""Antecedents of customer satisfaction and customer loyalty for emerging devices in the initial market of Korea: an equity framework", *Psychology and Marketing*, 30 (8), 676-689.

Haj-Salem, N. & Chebat, J-C. (2014), "The double-edged sword: The positive and negative effects of switching costs on customer exit and revenge", *Journal of Business Research*, 67 (6), 1106-1113.

Han, H. & Hyun, S.S. (2012), "An extension of the four-stage loyalty model: the critical role of positive switching barriers", *Journal of Travel & Tourism Marketing*, 29, 40-56.

Haryono, S., Suharyono, AchmadFauzi, D.H. & Suyadi, I. (2015), "The effects of service quality on customer satisfaction, customer delight, trust, repurchase intention, and word of mouth", *European Journal of Business and Management*, 7 (12), 36-48.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Harris, P. & Khatami, N.A. (2017), "Antecedents of word of mouth behaviour among female grocery shoppers in Iran", *Journal of Islamic Marketing*, 8 (1), 2-15.

Heide, J.B. & Weiss, A.M. (1995), "Vendor consideration and switching behavior for buyers in high-technology markets", *Journal of Marketing*, 59 (3), 30. doi:10.2307/1252117.

Hellier, P.K., Geursen, G.M., Carr, R.A. & Rickard, J.A. (2003), "Customer repurchase intention. A general structural equation model", *European Journal of Marketing*, 37 (11/12), 1762-1800.

Hirschman, A.O. (1970), *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, Cambridge, MA: Harvard University Press.

Hsu, L-C., Wang, K-Y. & Chih, W-H. (2013), "Effects of web site characteristics on customer loyalty in B2B e-commerce: evidence from Taiwan", *The Service Industries Journal*, 33 (11), 1026–1050.

Huang, L-Y. & Hsieh, Y-J. (2012), "Consumer electronics acceptance based on innovation attributes and switching costs: The case of e-book readers", *Electronic Commerce Research and Applications*, 11, 218-228.

Human, G. & Naudé, P. (2014), "Heterogeneity in the quality–satisfaction–loyalty framework", *Industrial Marketing Management*, 43, 920–928.

Jones, M.A., Mothersbaug, D., & Beatty, S. (2000), "Switching barriers and repurchase intentions in services", *Journal of Retailing*, 76 (2), 259–274.

Jones, M.A., Mothersbaugh, D.L. & Beatty, S.E. (2002), "Why customers stay: measuring the underlying dimensions of services switching costs and managing their differential strategic outcomes", *Journal of Business Research*, 55 (6), 441-450.

Jones, M.A., Reynolds, K.E., Mothersbaugh, D.L. & Beatty, S.E. (2007), "The Positive and Negative Effects of Switching Costs on Relational Outcomes", *Journal of Service Research*, 9 (4), 335-355.

Julander, C-R. & Söderlund, M. (2003), "Effects of switching barriers on satisfaction, repurchase intentions and attitudinal loyalty", *SSE/EFI Working Paper Series in Business Administration*.

Khan, Z., Ferguson, D. & Pérez, A. (2015), "Customer responses to CSR in the Pakistani banking industry", *International Journal of Bank Marketing*, 33 (4), 471-493.

Kaufman, P., Jayachandran, S. & Rose, R.L. (2006), "The Role of Relational Embeddedness in Retail Buyers' Selection of New Products", *Journal of Marketing Research*, 43 (4), 580-587.

Lai, L-H., Chun-Ting Liu, C-T. & Lin, J-T. (2011), "The moderating effects of switching costs and inertia on the customer satisfaction-retention link: auto liability insurance service in Taiwan", *Insurance Markets and Companies: Analyses and Actuarial Computations*, 2 (1), 69-78.

ISSN 2183-5594

Leaniz, P.M.G. & Rodríguez, R.B. (2015), "Exploring the Antecedents of Hotel Customer Loyalty: A Social Identity Perspective", *Journal of Hospitality Marketing & Management*, 24, 1–23.

Lee, C-L. & Huang, M-K. (2014), "A nonlinear relationship between the consumer satisfaction and the continued intention to use sns services: the moderating role of switching cost", *International Journal of Electronic Business Management, 12 (2), 90-101.*

Li, S-C. (2013), "Exploring the Relationships among Service Quality, Customer Loyalty and Word-Of-Mouth for Private Higher Education in Taiwan", *Asia Pacific Management Review*, 18(4), 375-389.

Liljander, V. & Strandvik, T. (1995), "The nature of customer relationships in services", In: Swartz, Teresa A, David E. Bowen and Stephen W. Brown (eds.), Advances in Services Marketing and Management, Volume 4, London: JAI Press Inc.

Lopez-Miguens, M.J. & Vazquez, E.G. (2017), "An integral model of e-loyalty from the consumer's perspective", *Computers in Human Behavior,* 72, 397-411.

Loureiro, S.M.C., Kaufmann, H.R. & Rabino, S. (2014), "Intentions to use and recommend to others. An empirical study of online banking practices in Portugal and Austria", *Online Information Review*, 38 (2), 186-208.

Maícas Lopez, J.P., Polo Redondo, Y. & Sesé Oliván, F.J. (2007), "El papel de los costes de cambio en las relaciones con los clientes a largo plazo", *Universia Business Review-Actualidad Económica*, 2º Trimestre, 42-55.

Martín Ruiz, D., Gremler, D.D., J.H. Washburn & Carrión, G.C. (2008), "Service value revisited: Specifying a higher-order, formative measure", *Journal of Business Research*, 61 (12), 1278-1291.

Meng, J. & Elliott, K.M. (2009), "Investigating structural relationships between service quality, switching costs, and customer satisfaction", J*ournal of Applied Business and Economics*, 9 (2), 54-66.

Mishra, A.A. (2014), "Shopping value, satisfaction, and behavioral intentions: a sociodemographic and interproduct category study on private label brands", *Journal of Global Marketing*, 27, 226–246.

Moorman, C., Zaltman, G. & Deshpandé, R. (1992), "Relationships Between Providers and Users of Market Research: The Dynamics of Trust Within and Between Organizations", *Journal of Marketing Research*, 29 (4), 314-328.

Morgan, R.M. & Hunt, S.D. (1994), "The Commitment-Trust Theory of Relationship Marketing", *Journal of Marketing*, 58 (3), 20-38.

Mukherjee, A. & Nath, P. (2007), "Role of electronic trust in online retailing: A reexamination of the commitment-trust theory", *European Journal of Marketing*, 41 (9/10), 1173–1202.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Ngo, V. & Pavelková, D. (2017), "Moderating and mediating effects of switching costs on the relationship between service value, customer satisfaction and customer loyalty: investigation of retail banking in Vietnam. *Journal of International Studies,* 10 (1), 9-33.

Nunnaly, J.C. (1978), *Psychometric theory* (2nd ed.). New York: McGraw-Hill.

Ou, W-M., Shih, C-M., & Chen, C-Y. (2015), "Effects of ethical sales behaviour on satisfaction, trust, commitment, retention and words-of-mouth", *International Journal of Commerce and Management*, 25 (4), 673-686.

Palmatier, R.W., Scheer, L.K. & Steenkamp, J-B. E.M. (2007), "Customer Loyalty to Whom? Managing the Benefits and Risks of Salesperson-Owned Loyalty", *Journal of Marketing Research*, 44 (2), 185-199.

Picón, A., Castro, I. & Roldán, J.L. (2014), "The relationship between satisfaction and loyalty: A mediator analysis", *Journal of Business Research*, 67, 746–751.

Picón-Berjoyo, A., Ruiz-Moreno, C. & Castro, I. (2016)," A mediating and multigroup analysis of customer loyalty", *European Management Journal*, 34,701-713.

Reynolds, K.E. & Beatty, S.E. (1999), "Customer Benefits and Company Consequences of Customer Salesperson Relationships in Retailing", *Journal of Retailing*, 75 (1), 11-32.

Rialti, R., Zollo, L., Pellegrini, M.L. & Ciappei, C. (2017), "Exploring the antecedents of brand loyalty and electronic word of mouth in social-media-based brand communities: Do gender diferences matter?", *Journal of Global Marketing*, 30 (3), 147-160.

Roy, S.K., Lassar, W.M. & Butaney, G.T. (2014), "The mediating impact of stickiness and loyalty on word-of-mouth promotion of retail websites. A consumer perspective*", European Journal of Marketing*, 48 (9/10), 1828-1849.

Ruiz, B., Esteban, A. & Gutiérrez, S. (2014), "Determinants of reputation of leading Spanish financial institutions among their customers in a context of economic crisis", *BRQ Business Research Quarterly*, 17, 259-278.

Salehnia, M., Saki, M., Eshaghi, A. & Salehnia, N. (2014), "A Model of E-Loyalty and Word-Of-Mouth based on trust in E-banking", *New Marketing Research Journal*, Special Issue, 101-114.

Sharma, N. (2003), "The role of pure and quasi-moderators in services: an empirical investigation of ongoing customer-service provider relationships", *Journal of Retailing and Consumer Services*, 10 (4), 253-262.

Sharma, N. & Patterson, P.G. (2000), "Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional, consumer services", *International Journal of Service Industry Management*, 11 (5), 470-490.

EJABM European Journal of Applied Business and Management
ISSN 2183-5594

Sirakaya-Turk, E., Ekinci, Y. & Martin, D. (2015), "The efficacy of shopping value in predicting destination loyalty", *Journal of Business Research*, 68, 1878–1885.

Su, L., Wanson, S.R., Chinchanachokchai, S., Maxwell K.H. & Chen, X. (2016), "Reputation and intentions: The role of satisfaction, identification, and commitment", *Journal of Business Research*, 69, 3261–3269.

Thuy, P.N., Le Nguyen Hau, Le N. & Evangelista, F. (2016), "Service value and switching barriers: a personal values perspective", *The Service Industries Journal*, 36 (3–4), 142–162.

Ting, S-C. (2014), "The relationship between customers' switching cost and repurchase intention: The moderating role of satisfaction", *Journal of Service Science and Management*, 7, 313-322.

Vázquez-Carrasco, R. & Foxall, G.R. (2006), "Positive vs. negative switching barriers: the influence of service consumers' need for variety", *Journal of Consumer Behaviour*, 5, 367-379.

Xu, C., Peak, D. & Prybutok, V. (2015), "A customer value, satisfaction, and loyalty perspective of mobile application recommendations", *Decision Support Systems*, 79, 171–183.

Wang, H-L., Huang, J-Y. & Howng, S-L. (2011), "The effect on patient loyalty of service quality, patient visit experience and perceived switching costs: lessons from one Taiwan university hospital", *Health Services Management Research*, 24. 29–36.

Wästerlund, D.S. & Kronholm, T. (2017), "Family Forest Owners' Commitment to Service Providers and the Effect of Association Membership on Loyalty", *Small-scale Forestry*, 16 (2), 275–293.

Watson, G.F., Beck, J.T., Henderson, C.M. & Palmatier, R.W. (2015), "Building, measuring, and profiting from customer loyalty", *Journal of the Academy of Marketing Science*, 43, 790–825.

Whitten, D. and Wakefiled, R.L. (2006), "Measuring switching costs in IT outsourcing services", *Strategic Information Systems*, 15 (3), 219-248.

Wong, C-B. (2011), "The Influences of Satisfaction and Relationship Commitment on Student Loyalty in Self-Financed Tertiary Education Institutions", *World Journal of Management*, 3 (1), 1-14.

Zeithaml, V., Berry, L. & Parasuraman, A. (1996), "The Behavioral Consequences of Service Quality", *Journal of Marketing*, 60 (2), 31-46.

Zhang, Y., Chen, X., Zhao, Y. & Yao, Q. (2014), "Exploring the impact of switching costs on customer retention in the technology standard competition market", *Journal of Service Science and Management*, 7, 267-276.

Zhang, Y., Hou, M., Li, H. & Yao, Q. (2016), **"**The influence of relationship characters on switching cost: the moderating role of customer characters", *American Journal of Industrial and Business Management*, 6, 347-356.