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New service bonds and customer value in customer relationship management: The case of museum visitors

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HIGHLIGHTS

► This paper examines new services offered by museums for their visitors.
► The measures used include visitors' perceptions of novelty and interactive communication and interpretation.
► These techniques are found to enhance the visitor experience and intention to make repeat visits.

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ABSTRACT

The ability to manage customer relationships successfully provides tourism organizations with an opportunity to increase their value proposition and obtain competitive advantage. However, no study has attempted to investigate the role of new service bonds (i.e., the newness and meaningfulness of new services provided by organizations) as a relationship tactic for customer value for long-term sustainability, particularly in the context of the museum industry, which is relatively under-researched in the tourism management field. This study addresses this research gap by exploring the effects of new service bonds on customer commitment through the creation of knowledge and relational values, particularly in the museum industry. Two hundred ninety-six customers of six major museums in Hong Kong were surveyed. Findings show that both traditional relationship tactics and new service bonds affect customers' perceived relationship investment of a museum, on which new service bonds have a stronger effect. Both knowledge and relational value mechanisms are the underlying mechanisms that partially mediate the relationship between relationship investment and customer commitment.

1. Introduction

Conventional wisdom suggests that museums are mainly for cultural preservation and exhibition. Nowadays, museums are defined as "non-profit-making institutions that serve to acquire, conserve, research, communicate and exhibit, for purposes of study, education and enjoyment, material evidence of people and their environment" (International Council of Museums [ICOM], 2007). However, a growing number of museums are moving toward self-financing status. The contribution of museums' cultural property to the gross domestic product is becoming more significant. Generally, museums belong to the heritage tourism sector (e.g., historic buildings). The museum industry makes a greater contribution to the United Kingdom's economy than do the car manufacturing or advertising and film industries and directly supports an estimated 195,000 full-time equivalent jobs (Heritage Lottery Fund & VisitBritain, 2010). In Hong Kong, 4,844,000 people visited the major museums in 2011, a 20.08% increase in total attendance in 2010 (Leisure and Cultural Services Department of HKSAR [LCSD], 2012).

Given the significant influence of museums on society, researchers have given great attention to heritage tourism management. For instance, de Rojas and Camarero (2008) examined the dynamic interaction between perceived quality and emotion as determinants of satisfaction through a survey of visitors to an interpretation center, which is recognized as a new type of museum. Sheng and Chen (2011) analyzed the experience expectations of museum visitors, showing that museum customers have five types

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of experience expectations, namely, fun and leisure, cultural entertainment, personal identification, historical reminiscence, and escapism. Other studies (Caldwell, 2000; Hollenbeck, Peters, & Zinkhan, 2008) show that branded museums can attract more visitors not only to the museums but also to other heritage places and related hospitality service establishments (e.g., restaurants and hotels). Museums, together with other heritage spots and tourism industries such as amusement parks, are closely related to consumer welfare, especially to consumers' need for high-quality tourist services. Therefore, research into customer relationship management in museums is timely and critical.

Although museum marketing is emerging as a pivotal topic of central debate among academics, practitioners, and governments in the international context (Goulding, 2000; Mckercher, Ho, & du Cros, 2004), research into marketing, particularly in relationship marketing, in the museum industry is somewhat limited. For example, previous studies have examined the way visitors examine, experience, and make sense of museum exhibits (Lehn, 2006) and the role of new technologies in cultural consumption (Addis, 2005). However, extant studies over-focus on the tactical aspect of marketing (e.g., promotional role) in this context (Conway & Whitelock, 2007, p. 200) and further argue that the understanding of marketing tends to be narrow, with little involvement in wider marketing strategy issues. Therefore, the application of a relationship marketing perspective to this setting provides interesting and valuable insights for both the academia and practitioners. However, scant empirical research has been conducted on customer relationship marketing in the museum context.

Previous studies have overlooked the role of new service development in relationship building with customers (see Verhoef, 2003, for an exception). To the best of our knowledge, no study has examined the role of new service bonds as a part of relationship investment and the values created by these bonds for visitor commitment. Researchers have stressed the importance of creating a tie or bond, such as an economic, social, or legal bond (Lovelock & Wirtz, 2011), between the buyer and seller in relationship investments to nurture customer commitment in industries such as the food and apparel (De Wulf, Odekerken-Schroder, & Iacobucci, 2001). In recent decades, commercial businesses and non-profit entities (e.g., museums and art galleries) have often developed new products or services and promoted them to potential visitors; these products or services serve as relational bonds connecting visitors to the products or services. As the world is becoming more service oriented, new product or service offerings are recognized by firms as a battleground in which to compete for customers (Bitner, Brown, & Meuter, 2000). For instance, many museums have begun to provide virtual docents, often in the form of wands, tape recorders, or computer kiosks, so that customers can access additional information about the objects they view and thus increase their motivation to interact with the objects (Paris, 2006).

The current study intends to fill the research gaps by empirically comparing the relative effectiveness of traditional relational tactics (i.e., communication, information, and reward) and that of new relational tactics (i.e., new service bonds) in museum visitor management. We propose that offering innovative and meaningful new services can serve as an additional and more effective bond-building tactic that enhances visitors' perceived relationship investment of the museum. Moreover, our study explores the potential mediating role of certain value mechanisms (i.e., knowledge and relational values) in the effect of relational tactics on commitment.

2. Literature review and hypotheses development

In this research, we intend to explore the relationships between various relational tactics (including both traditional tactics and new service bonds) and their underlying mechanisms as well as visitors' commitment to a particular heritage tourism section (i.e., the museum industry). Thus, this research aims to contribute to the literature on both customer relationship management (CRM) and tourist behavior research. On the one hand, this research adds to the current CRM literature by investigating the influence of new service bond on commitment. We also uncovered the underlying process by proposing two value mechanisms that potentially mediate the effects. On the other hand, this study enriches tourist behavior research because this study is conducted using a sample of museum visitors. Therefore, the data enable us to better understand museum tourists' behavior; the results especially provide great value for the relationship management of museum visitors.

In this section, we review the relevant literature on perceived relationship investment in general and on traditional relationship tactics and new service bonds in particular. We also elucidate the effects of perceived relationship investment and the two proposed value mechanisms (i.e., knowledge and relational value).

2.1. Perceived relationship investment

Lovelock and Wirtz (2007) define CRM as "the overall process of building and maintaining positive and profitable customer relationships through creating values and satisfaction for customers" (p. 619). Perceived relationship investment is customers' perception of the degree to which a service provider (a museum in this paper) devotes resources, effort, and attention to developing, maintaining, and strengthening relationships with customers (De Wulf et al., 2001; Smith, 1998). Perceived relationship investment is affected by relationship-marketing tactics that promote commitment (De Wulf et al., 2001). According to the reciprocity principle in channel management, exchange partners feel obligated to return good for good because each party anticipates feelings of guilt if it violates the norm of reciprocity (Li & Dant, 1997). Such a theory has been observed and applied in consumer research (e.g., De Wulf et al., 2001). Therefore, customers are likely to give their commitment to a museum if they perceive the museum's relationship building intentions and efforts.

2.2. Traditional relationship tactics

Previous studies have discussed and investigated the significant effects of various relationship tactics. In the present study, these tactics are regarded as traditional relationship bonds. Building bonds is a common strategy that can be used in effective CRM. Bonds are psychological, emotional, economic, and physical attachments fostered by the interaction between exchange parties. Lovelock and Wirtz (2011, pp. 353–358) present four different levels of bonds: (1) reward-based, (2) social, (3) customization, and (4) structural bonds. In the present study, levels three and four are not adopted as true relationship-marketing tactics or skills are not involved in customization bonds (De Wulf et al., 2001), according to the argument of Berry (1995) that businesses can integrate customization bonds into the design of a service delivery system rather than depend on relationship-building tactics. Structural bonds are found mostly in the business-to-business environment (Lovelock & Wirtz, 2007). The network approach, which assumes that international business takes place in a network setting where business actors are linked to each other through business relationships, considers both economic and relational bonds critical to relations between cooperating parties (Chan, Yim, & Lam, 2010). This approach, as opposed to the traditional transaction cost approach, has become a widely accepted assumption for establishing relationships with business partners (Brodie, Coviello, Brookes, & Little, 1997).