



The unique role of relationship marketing in small businesses' customer experience

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ABSTRACT

The current study explores what defines customer experience in small businesses. Unlike the technology-oriented customer experience characterizing large enterprises, small businesses' distinctive customer experience lies in their human interaction with customers. Two aspects of relationship marketing, namely, social relationship and personal care, have been found to be crucial components of this experience. Combining in-depth interviews with small business owners and customers, as well as customer survey, we identified two parallel relationship strategies: communication and personal care enhances trust in the business, and social relationship foster commitment. Both strategies lead to positive customer outcomes.

1. Introduction

Small businesses are privately-owned enterprises that have a small market share (US Small Business Administration, 2018), are based on local customers' base (Runyan and Droge, 2008), and have an important role in revitalizing local communities (Grimmer et al., 2018). Small businesses typically struggle for their survival and are vulnerable to competition from large enterprises (Litz and Stewart, 2000; Runyan and Droge, 2008). The 2019 annual small business survey of Wells Fargo and Gallup defined recruiting new customers as one of the top challenges facing small businesses (Newport and McMuarry, 2019). This challenge can be met by offering a unique and distinctive customer experience as a competitive strategy. Surprisingly, literature review have revealed that the concept of customer experience has received considerable attention in the domain of large enterprises (e.g., Bolton et al., 2018; Lemon and Verhoef, 2016), but customer experience has only rarely been addressed in small businesses studies (for an exception, see Mostajer Haghighi et al., 2014; Song et al., 2018).

Customer experience has been defined as the internal subjective means in which the customer experiences the multiple touch points and channels of the business (Meyer and Schwager, 2007; Lemon and Verhoef, 2016). The notion of customer experience becomes crucial, given its role as an antecedent of positive customer outcomes (Verhoef et al., 2009). Recent literature regarding customer experience in large enterprises has focused on managing the multiple touch points of interaction between the company's employees, customers, and machines (Bolton et al., 2018; Lemon and Verhoef, 2016). In practice, large firms

manage customer experience by employing advanced technologies based on virtual, non-human interaction with customers.

Small businesses, on the other hand, lack the financial and human resources that are obtainable in large firms for managing customer experience (Litz and Stewart, 2000). However, a small body of literature has suggested that small businesses' central asset relates to their ability to offer human-oriented experiences. Two different aspects of customer relationships drive these experiences. The first relates to establishing long-lasting social and personal customer relationships (e.g., Altinay et al., 2014; Bloemer et al., 2003; Klemz and Boshoff, 2001). The second lies in small businesses' ability to offer their customers special personalized care, based on customized service, flexibility, convenience, and accessibility (Litz and Stewart, 2000; Landry et al., 2005). As interactions with service employees during the service encounter have been found to be critical to the customer experience, (Seger-Guttman and Medler-Liraz, 2016; Grandey and Melloy, 2017), these two aspects of small businesses can grant them a competitive advantage. Both social relationships and special care correspond to components of the relationship marketing (RM) approach, which focuses on the dyadic relationship between sellers and buyers as a means to achieve outcomes such as customer loyalty and word of mouth (WOM) (Morgan and Hunt, 1994). However, the small business literature has yet to link RM or its components to a clear strategy of customer experience.

Furthermore, literature concerning the relationship aspects of small business has lacked coherence due to several shortcomings: First, this body of literature is mostly split between studies focusing on the

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Table 1
Customer experience management in large enterprises vs. small businesses.

| | Large enterprises | Small businesses |
|------------------------------|---|---|
| Customer experience strategy | <ul style="list-style-type: none"> ● Technology oriented (e.g., efficiency, speed, convenience, non-human) | <ul style="list-style-type: none"> ● Human oriented (e.g., social relationship, such as reciprocity, empathy, friendship, personal and customized service) |
| Central operations | <ul style="list-style-type: none"> ● Omnichannel management based on the synchronization of the offline channels with the online channels ● Integration of automated (non-human) interactions with customers (e.g., chats with bots, service robots) ● Implementing machine to machine interactions (IoT) ● Implementation of technology (e.g., virtual reality and augmented reality, automated cash registers) into the physical stores ● Transforming physical stores to showrooms ● Managing customer to customer interactions through social media ● Integration of the operations of information technology, services, logistics, marketing, human resources and external partners to create a whole customer experience | <ul style="list-style-type: none"> ● Offering a long-lasting social relationship to customers ● Offering customized and personal service ● Stressing the centrality of human relationship between owners and customers |

owners' perspective (e.g., [Altinay et al., 2014](#); [Mostajer Haghighi et al., 2014](#)) and those addressing the customers' perspective (e.g., [Landry et al., 2005](#); [Song et al., 2018](#)). However, to date, no single study has yet to address how both groups perceive the drivers of customer experience. Second, small business studies have employed a variety of data collection methods, ranging from qualitative investigations (e.g., [Arnold et al., 2011](#); [Carrigan and Buckley, 2008](#)) to survey-based examinations (e.g., [Klemz and Boshoff, 2001](#); [Litz and Stewart, 2000](#)) and have addressed multiple research questions, with most neglecting the role of customer experience. Finally, despite many of these studies focusing on the owner-customer relationship, a multiplicity of theories has been put forward to explain these relationships, resulting in diverse conclusions and recommendations (for details, see [Table 2](#)). Thus, the field of customer experience in small business lacks coherence and consistency, and consequently, owners are left without clear answers regarding which strategy is best for creating the right customer experience.

To attain a comprehensive understanding of what defines the customer experience in small businesses, we adopted a mixed-methods design, combining in-depth interviews with owners and customers, followed by a survey of customers. This multi-methods mode of data collection allowed us to identify the unique nature of the customer experience in small businesses and characterize the required activities small business owners should implement to retain customer loyalty.

Our contribution to the literature is three-fold: First, we examine how small businesses create their customer experience by incorporating both owners' and customers' perspectives. Second, we focus on both positive and negative aspects of the customer experience in small businesses. To date, most studies dealing with aspects relating to customer experience in the context of small businesses have limited their attention to the positive side of the experience. Third, based on our qualitative findings, we adopted the RM approach to examine how small businesses establish relationships with customers as a manifestation of customer experience strategy. Finally, in light of our findings, we offer practical implications regarding how small businesses can maximize their competitive advantage and provide recommendations for governmental agencies that assist small businesses.

2. Literature review

2.1. Customer experience in large enterprises

The concept of customer experience has received much attention in the last two decades (e.g., [Pine and Gilmore, 1998](#); [Verhoef et al., 2009](#); [Bolton et al., 2018](#); [Lemon and Verhoef, 2016](#)). Customer experience has been defined as the internal subjective means in which the customer experiences the multiple touch points and channels of the firm ([Meyer](#)

and [Schwager, 2007](#); [Lemon and Verhoef, 2016](#)). A variety of constructs, including branding, advertising, assortment, pricing, technology, atmospherics and servicescape, interactions with service employees, and customer-to-customer interactions have been cited as antecedents of customer experience, leading to positive customer-related outcomes, such as loyalty, word of mouth [WOM], and repurchase intentions ([Rageh Ismail et al., 2011](#); [Verhoef et al., 2009](#)).

Aiming to produce a positive customer experience, firms are being required to integrate their operations in the fields of information technology, services, logistics, marketing, human resources, as well as external partners ([Lemon and Verhoef, 2016](#)). This integration is based on technological innovations facilitating large firms' management and monitoring of the multiple touch points of interactions between the customers and the firm ([Lemon and Verhoef, 2016](#)). New technology has been applied in many ways to enhance customer experiences. These include automation and artificial intelligence that offer 24/7 services. Another technological tool relates to the implementation of virtual and augmented reality in both online and physical stores as a means to demonstrate how products can be used. Seeking to gain insights regarding customer preferences, large enterprises have employed big data analytics and CRM systems to customize loyalty programs. Thus, the customer experience in contemporary large enterprises comprises both human and non-human encounters, with the large firms' main focus being on managing the interactions between the company's employees, customers, and machines ([Bolton et al., 2018](#); [Lemon and Verhoef, 2016](#)).

Small businesses' limited financial and human resources preclude them from creating a customer experience similar to that of large firms ([Litz and Stewart, 2000](#)). Thus, while large enterprises have intensively turned to non-human interactions with customers, small businesses continue to stress the human experience, based on social relationships and personal service as the central experience offered to customers ([Altinay et al., 2014](#); [Song et al., 2018](#)). [Table 1](#) summarizes the primary differences in customer experience between large enterprises and small businesses.

2.2. Customer experience in small businesses

Small businesses' central assets lie in their ability to offer a personal human relationship based on two aspects: long-lasting social relationships and customized service. This capacity has become their most prominent customer experience strategy ([Altinay et al., 2014](#); [Tajeddini et al., 2013](#)). The focus on maintaining relationships with customers has been linked to small business performance ([Adjei et al., 2009](#); [Pofo Peña et al., 2016](#)).

Most small business studies have not focused on customer experience, but on other aspects of the customer-owner relationship that lead

Table 2
Summary of key studies regarding customer experience in small businesses.

| Name of the study | Focus (Subject) | Theory/Framework | Study method | Type of respondents | Main findings |
|---|--|---|--|--|--|
| Studies addressing social relationship aspects | | | | | |
| Klemz and Boshoff (2001) | The role of the retail environment and customer-induced emotions on customers' willingness to buy at large vs. small retail outlets | The stimulus-organism-response model | Survey | 256 customers | Responsiveness and empathy leading to willingness to buy |
| Bloemer et al. (2003) | The impact of the need for social affiliation and consumer relationship proneness on behavioral intentions in hairdressers' context | Problem-based | Survey | 185 customers | Customers need for social affiliation and relationship proneness lead to commitment, satisfaction, word of mouth, price sensitivity, and repeat purchasing |
| Landry et al. (2005) | The way community embeddedness helps retailers to foster feelings of community that affect consumer patronage | Relational embeddedness | Survey | 130 customers | Social relationship and convenience contribute to customer patronage |
| Rosenbaum et al. (2007) | The way customers who experience destructive events obtain emotional support from employees and customers in small businesses | Theory of relational loneliness | In-depth interview and a survey | 83 customers | Small businesses operate as third place offered customers social support |
| Ajzei et al. (2009) | The way relationships with specific targets (i.e., customers and suppliers) enhance a retailer's market responsiveness (i.e., the ability to identify and match customer-demand shifts in a speedy manner), affecting retail performance | Resource-based view, relationship marketing | Survey | 172 business owners | Small retailers' relationship quality with customers was able to stimulate greater market responsiveness |
| Arnold et al. (2011) | The way professional relationship is enhanced by pro-bono services | Cognitive consistency theory, equity and relationship marketing | In-depth interviews | 9 service providers and 27 customers | Social relationship between service providers and customers led to benefits for both sides |
| Altinay et al. (2014) | The influence of the different elements of culture on trust judgments in customer relationship development between ethnic minority small businesses and varying customer groups | Relationship marketing, cultural ties | In-depth interviews | 134 business owners | Trust in the business owner leads to relationship development |
| Song et al. (2018) | The effect of social interactions with employees and with other customers in small hospitality businesses on senior customers' loneliness by enhancing their customer experience | Problem-based | Survey | 411 customers | Social interactions with other customers enhance customer experience |
| Studies addressing special treatment aspects | | | | | |
| Litz & Stewart (2000) | The use of opening hours in small businesses for maximum effect | Niche theory | Survey | 307 business owners | Extraordinary opening hours increase small businesses sales |
| Carrigan & Buckley (2008) | Consumers perception of family-owned businesses | Problem-based | In-depth interviews | 19 customers | Customized and personal service lead to loyalty and willingness to pay higher prices |
| Goodman & Renaud (2015) | Reasons driving consumers choice of small retail stores. | Problem-based | Survey | 315 customers | Convenient location effect customers' store choice |
| Studies addressing social relationship and special treatment aspects | | | | | |
| Mostajer Haghighi et al., 2014 | The role of customer loyalty as a managerial tool in the context of hospitality micro-enterprises. | Problem-based | In-depth interviews | 8 owners of hospitality micro enterprises | Owners use both personal relationship, interpersonal communication, and customized service to retain loyalty and enhance WOM |
| The current study | The various aspects of customer experience in small businesses | Relationship marketing | Study 1- In depth interviews, Study 2-Survey | Study 1: 12 Owners and 33 customers Study 2-275 customers | Social benefits lead to customers loyalty and WOM through commitment Special treatment benefits and communication lead to customers loyalty and WOM through trust. Social benefits can harm customer experience. |

to positive outcomes (see Table 2). Exceptions to this trend are Mostajer Haghighi et al. (2014) and Song et al. (2018). Mostajer Haghighi et al., (2014) study focused on customer loyalty and was based on a qualitative study of eight owners of small hospitality enterprises. Consequently, its focus was on guest experience from the owner's perspective. Song et al. (2018) focused on senior citizens and examined how their interactions with other customers and with small business employees can alleviate feelings of loneliness. Thus, the question of whether all small businesses offer a common customer experience and one that is distinct from large enterprises remains unresolved.

Small business studies have identified several social aspects of owner-customer relationship, such as reciprocity, empathy, assurance, social affiliation, family atmosphere, interpersonal communication, and friendship. These factors have been identified as those contributing to various positive customer outcomes, including commitment, loyalty, WOM, patronage, and willingness to buy (Altinay et al., 2014; Bloemer et al., 2003; Klemz and Boshoff, 2001; Landry et al., 2005; Mostajer Haghighi et al., 2014). Some studies have stressed the role of small businesses in providing social support for their customers (Arnold et al., 2011; Rosenbaum, 2006; Rosenbaum et al., 2007; Song et al., 2018).

An additional aspect of the customer experience in small businesses relates to these businesses' ability to offer customers customized service, convenience, and accessibility (Litz and Stewart, 2000; Landry et al., 2005). This strategy was found to be a facilitator of business performance (Ramakrishnan, 2010) and leads to customers' willingness to pay higher prices, loyalty, repurchase intentions, and WOM (Carrigan and Buckley, 2008; Mostajer Haghighi et al., 2014). A small group of studies has shown how aspects such as unconventional working hours and accessible locations have led to positive customer outcomes, such as patronage and store choice (Goodman and Remaud, 2015; Litz and Stewart, 2000; Landry et al., 2005). However, studies regarding the role of customized service in enhancing customer experience in small business are scarce, having multiple foci, thus requiring further examination.

To summarize, the literature concerning aspects contributing to customer experience in small businesses comprises two central aspects: the social relationship—where owners can offer their customers an avenue for social affiliation and belongingness—and personal and customized service, unique to small businesses. These two aspects are related since customized service often evolves from deep-lasting social relationships (Mostajer Haghighi et al., 2014). However, most small business studies have focused only on one of these two aspects, leaving the question of their mutual impact unexplored. Moreover, as noted earlier, this literature lacks coherence and clarity due to their adopting multiple theories and diverse research methods, addressing a variety of different research questions, and being characterized by considering either owner-based or customer-based populations. Table 2 summarizes the primary studies about customer experience in small businesses.

3. Overview of study 1 and study 2

The purpose of the current study was to delineate the main aspects that generate customer experience in the context of small business through identifying both positive aspects (that enhance loyalty and WOM) as well as negative aspects (that might harm the experience and drive customers away). To achieve this goal, we employed a mixed-methods approach by conducting two studies on Israeli small businesses. First, we conducted in-depth interviews with 12 owners and 33 regular customers of small businesses (Study 1). Based on the grounded theory approach (Strauss and Corbin, 1998), with content analysis yielding themes that partially reflected the RM approach, we adopted RM as the theoretical conceptualization for Study 2. The literature review and hypotheses development of Study 2 follows Study 1.

4. Study 1- qualitative in-depth interviews

4.1. Methodology

4.1.1. Participants and procedure

A qualitative study was carried out seeking to portray the customer experience of small businesses from both the owners' and customers' perspective. We employed a phenomenological approach, aimed at describing the experience of a phenomenon (Glaser and Strauss, 1967). Since the study goal was to identify the customer experience of small businesses in general, we recruited participants from a variety of small service and retail businesses. All participants volunteered for the study, recruited through personal contacts (i.e., convenience sample) and by the snowball sampling method (Miles and Huberman, 1984).

Sample 1-Small-business owners. Twelve participants were recruited based on the criterion of having a privately-owned small business with a small market share, having fewer than 50 employees, and personally managing the business (Israel Agency for Small and Medium Businesses, 2017). The participants were from a variety of retail and service business, including hardware, grocery, hairdressing, yoga, acupuncture, and woodwork. Of the 12 participants, 80% were male; ages ranged from 27 to 55.

Sample 2-Small business customers. Small business customers were recruited based on a shopping frequency criterion of visiting a small business at least once a week (Sutton, 2010). Participants were patrons of a variety of retail and service businesses, including fashion stores, groceries, auto repair shops, optic and pharmacies, and insurance agencies. Of the 33 customers, 55% were female; ages ranged from 23 to 73.

4.1.2. Interview protocol and data collection

A semi-structured interview protocol was developed, following Aguinis and Bradley (2014). Both owner and customer interviews were conducted face-to-face and individually by experienced interviewers, with the interviews taking place at various venues and times of day, at the convenience of the interviewees. The interviews lasted an average of 45 min. Data were collected over eight months. The owners' interview protocol comprised 17 open questions and the customers' interview protocol comprised 12 open questions. For both samples, we conducted trial runs with two interviewees from each group to test for relevance and transparency, then modified several questions accordingly.

The interview protocol for both customers and small business owners began with general questions on “the central experience of the customer in small businesses” (customers were requested to relate to their own experience). Then, both participant groups were asked questions relating to customer familiarity with the business and the benefits of being a small business customer. The third part of the protocol included four questions about the customer's relationships with the owner and other employees (owners were asked about their relationships with customers). The final part included four questions regarding large retail enterprises, comparing them with small businesses.

4.1.3. Data analysis

Each interview was audiotaped and transcribed. Field notes and self-transcribed interviews were analyzed to tap and classify meaningful themes. The data were structured thematically around emerging first- and second-order categories and aggregated themes. We drew on the grounded theory approach (Strauss and Corbin, 1998) for data analysis; thus, the next step was to carry out substantive coding by linking the conceptual themes in a conceptual framework. Two research assistants worked separately and independently to read, take notes, and mark words or sentences according to the codes that emerged from the text. The brief presentation of the results below includes interviewee excerpts reflecting the major emerging themes regarding the components of customer experience in small businesses.

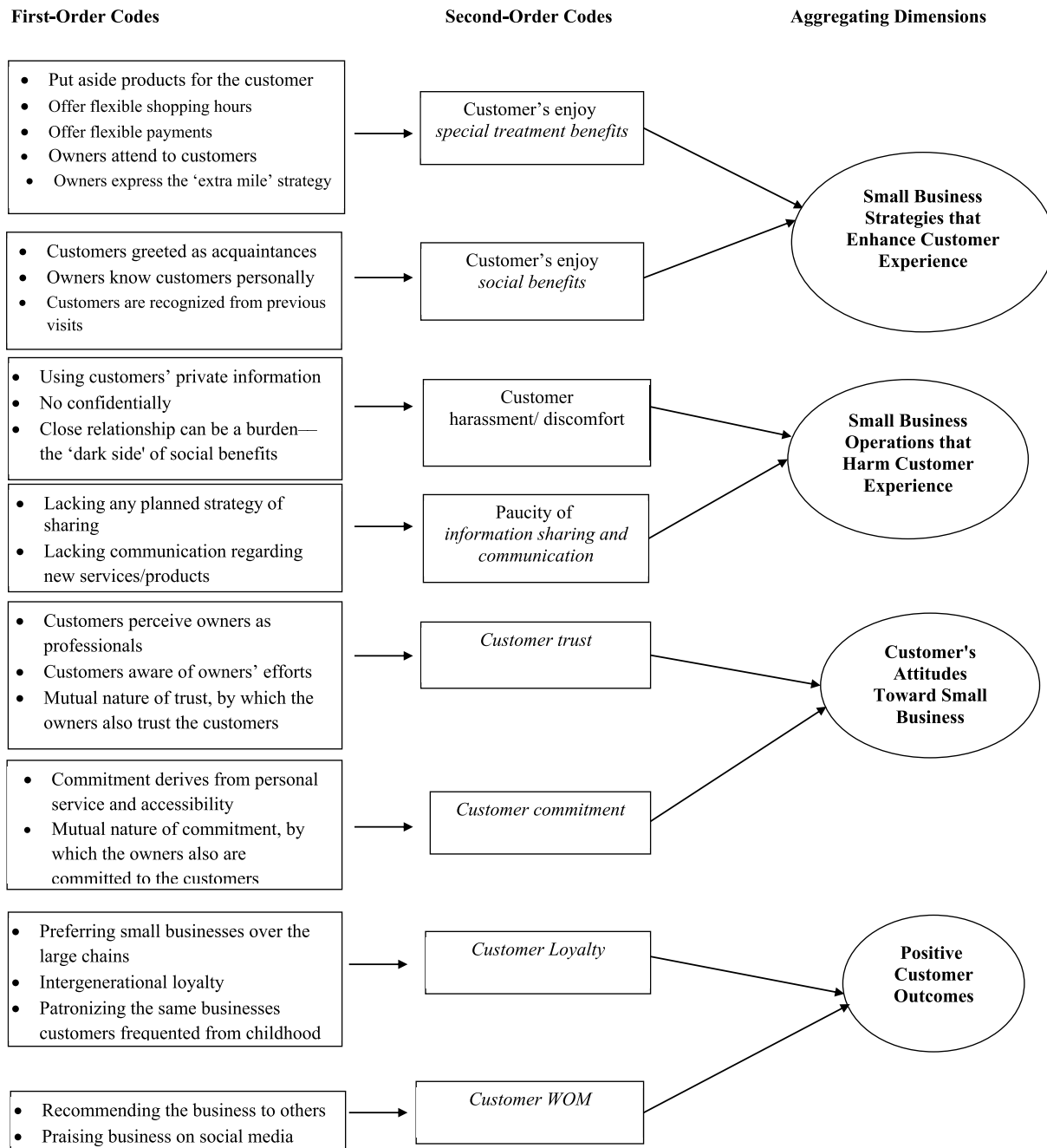


Fig. 1. Data structure- Factors affecting customers' small business experience.

4.2. Results – study 1

Content analysis yielded four central themes: aspects that enhance customer experience in the small business; aspects that harm the customer experience; customer attitudes toward the business; and positive customer outcomes. Customers' positive experience derive from benefits offered by the owners. These benefits were divided into those relating to customized service, flexible opening hours, and flexible payments (special treatment benefits), and to those relating to social relationships between owners and customers (social benefits). However, in some cases, the social benefits were also experienced by the customer as a kind of harassment, due to owners' inappropriate probing into customers' private lives. A further aspect that harms customer experience was related to inconsistency in information sharing with customers regarding new products and services. In addition, it was

found that the positive customer experience in small business leads to customer trust and commitment to the business, evolving into loyalty and WOM. Fig. 1 presents a summary of the qualitative analysis.

4.2.1. Antecedents of positive customer experience

Special treatment benefits. In general, customers enjoy the personal service they receive at the small business. The interviewed customers cited several benefits: the owners attend to them, put aside products for them, and offer flexible shopping hours and flexible payments when needed. For example, one customer commented: *I live far away, but I continue purchasing my glasses at a small private store in the south (a one-and-a-half-hour drive), a distance of about 150 km (!), and this is... due to the personal and professional attention I receive at this optic store.*

Another customer explained how she was able to defer payment

until her payday: *The fact that they know me and count and rely on me as a customer alleviates my financial pressure. For example, if I have a slightly tight month, I can wait a few days for my salary and then pay the store... they will not hound me; they can rely on me.*

From the owners' perspective, one owner expressed the 'going-the-extra-mile' strategy used by many owners to retain customers: *One evening, a regular customer arrived extremely upset. Her husband surprised her and invited 20 guests for a barbecue. When she arrived, I didn't have the amount of meat she needed in stock, so I called another butcher and made sure that the order would arrive at her home directly. An hour and a half later, I received a call from the husband inviting me to join them.*

Social benefits. In general, customers enjoy relationship benefits, especially the feeling that they are greeted as acquaintances, familiar from previous visits, as the owners know them personally, not just as a customer. Owners describe the social efforts they invest in establishing personal relationships with their customers. The following comments are typical: *I know most of my customers by name. I try to remember the number of their children and their ages in order to give them personal attention. That's what they're looking for and what distinguishes me from the large stores or chains. I also try to have lower prices, but I don't believe this is really a consideration; My brother starts with a cigarette and a cup of coffee on the bench in front of the factory, talks to him (the customer) about life, work, livelihood, and only then attends to his needs as a customer. Customers love it.*

4.2.2. The negative side of customer experience

The dark side of social benefits. Though customers extolled the advantages of social benefits, some pointed out their negative side. This undesirable experience occurs when customers do not have the time or are in the mood to chat with the owner, and their intentions are "to buy and run," or even just to pass through with no purchasing intentions. Nonetheless, *the owner has other plans for me.* Being that they know each other, when the owner is not busy, he or she tries to chat up the customers or ply them with prying questions. This (over-) familiarity and excessive commitment can backfire on the customer.

Several customers reflected on this 'dark side' of the personal relationship:

- Since there is a closeness and a sense of familiarity... there are situations when I simply do not feel like being noticed.... If I come home from a party early in the morning with someone and pass the grocery store ... it creates unpleasantness. At times, it can also lead to questions later on, on my next visit to the grocery;
- I live with my partner, and sometimes when we buy there together, he interrogates us and asks all kinds of intimate questions about what the life of homosexuals is like, sometimes even putting us on the defensive; and sometimes, we end up with such a strange feeling;
- There are also some drawbacks in this close acquaintance; I once went to the store and wanted to buy a product that he did not have, and the store was also empty of customers, so he gave me a lecture about the product and alternative products. I was under some time pressure and hadn't expected to be stuck there so long.

Paucity of information sharing and communication. In the case of sharing information, owners tended to lack any planned strategy for sharing information with customers, such as updates regarding new products, services, or special sales.

As one owner explained, *I don't update customers on new products in any way. Only when the customer comes to the factory and wants something that a new product can solve his or her problem, then will I tell him about the product.*

Customers' comments corroborated this lack of information sharing: *When our daughter was born, I spoke with the owner about it, and it came up, so he suggested that I open a savings account for her through an insurance company; in the end it did not work out, but it's not that he will call*

me to offer me any new things or anything else from his own insurance business; we talked, so he recommended something; but on a regular basis, he does not communicate with me as a customer.

4.2.3. Customers attitudes toward small business

Trust. Customers expressed high levels of trust in small businesses. Their trust of the owners derived from perceiving them as professionals in their field and from the efforts they make to give customers the best service (special treatment benefits). For example, one customer commented: *My butcher knows exactly what kind of meat I like. He cleans it the way I like. All I need to do is to turn up, pay, and leave.*

Customers' deep trust in small business owners' contrasts with the distrust some customers hold toward the large companies: *...because I want someone to consider my interests; the big companies just try to sell and push more and more insurance that I do not need. Not long ago, there was news about an older woman who had purchased all types of policies that she didn't really need. With my agent, there's no way this would happen, do you understand?*

Another customer demonstrated the mutual nature of trust, in that the owners also trust their customers: *"... and I know that in case there is a problem, if I would, for example, break a tap after taking it home; I would then return it to him, and he would return it to the company and do whatever needed to be done for a refund; I would not have to provide proof of purchase ... I mean, the person looks me in the eye, gives me a feeling of this personal attention; this is basic, and I know it is reciprocal.*

Commitment. Commitment was also mutually manifested between owners and customers. Both sides expressed how they felt committed to each other. For example, one owner gave an example of his commitment to his customers: *There are those who ask me to put aside some products for them to come and collect, or I will wait for them, and I won't close up because I know they are on their way.*

Customers explained that their commitment to small businesses derived from personal acquaintance and special treatment: *For me, it is more convenient that someone knows me and knows exactly what I need... you have someone available for questions; he can find the most suitable product for me....*

4.2.4. Customer outcomes

Loyalty and WOM. The two outcomes of loyalty and word of mouth were noted by our interviewees. Many customers mentioned they recommended the firm to others: *I personally think that I contribute to the continuity of the business, and I also try to recommend others to buy in this store. I know at least five of my friends who shop at this store besides my father and brother.* As one of the owners noted, *A satisfied customer praised my business on social media, and as a result, several new customers arrived.*

Regarding loyalty, it is apparent that the special treatment and social relationship strategy works, as customers tend to prefer small businesses over the large chains: *If it's someone I know personally, and he gives me good service, I would rather go to his business than support the tycoons.*

One of the interesting aspects of loyalty was its intergenerational aspect. Many customers mentioned that they patronize the same businesses familiar to them from childhood:

- *...going to an optic store, because my father took me to buy glasses there when I was 12, since then...I buy only there;*
- *Of course, he knows me. My parents are very old clients, and my sisters do some of his insurance. You know, what I mean by 'he knows me?' We're not friends, but if I call, then he asks about my parents and so....*

4.2.5. Summary of the findings – study 1

Our findings echo previously reported findings (Landry et al., 2005; Bloemer et al., 2003) concerning the strength of personal and customized service (special treatment benefits) and social relationship (social benefits) in driving customer loyalty and WOM in small businesses. The

findings show that special treatment enhances customers' trust in the business, while both aspects lead to customer commitment. In this respect, our findings correspond to the principles of the relationship marketing (RM) approach, linking the antecedents of special treatment and social benefits (Dagger and O'Brien, 2010) to the positive outcomes of loyalty and WOM through the mediation of trust and commitment (Palmatier et al., 2006).

In addition, we found several unique features of the nature of relationships in the context of small business. First, we found an inter-generational aspect to customer loyalty; it is evident that long-term acquaintance can produce a kind of intergenerational relationship between owners and their customers' families.

Second, customers and small business owners appear to walk a tightrope, a kind of double-edged sword. On the one hand, customers enjoy the social opportunity of being acknowledged and receiving benefits from these close relationships. On the other hand, they are compelled to pay the price of owners' potential abuse of these commercial relationships. It is apparent that some owners expend considerable efforts in establishing long-lasting relationships with customers. In exchange, they expect the customers to pay in the same currency, expressing social reciprocity, irrespective of the ensuing commercial transaction. This finding is consistent with Payne and Frow's (2017) arguments about the dark side of relationship marketing.

Finally, it was revealed that, unlike in large companies that seek to establish commitment and trust through ongoing communication with customers, small business owners appear to disregard the importance of continuous and systematic information sharing. Rather, their sharing of information is haphazard. Communication was also mentioned as an important component of relationship marketing (Palmatier et al., 2006), and it appears that the lack of systematic information sharing among small businesses is detrimental to the customer experience.

In light of the qualitative study's findings (Study 1), Study 2 comprised a quantitative examination of the findings. As the qualitative findings reflected congruence with the RM approach, we adopted its constructs as the theoretical conceptualization of our quantitative investigation, as presented in Fig. 2.

5. Study 2- survey of small business customers

5.1. Relationship marketing (RM) and small service businesses

RM has been defined as “all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges” (Morgan and Hunt, 1994, p. 22). RM was originally developed

in the context of B2B (Geyskens et al., 1998), but shortly thereafter, was also being adapted to the context of B2C (De Wulf et al., 2001). RM has been claimed to be one of the theoretical sources of customer experience (Lemon and Verhoef, 2016), with many RM studies characterizing it as part of the customer experience (Dagger and O'Brien, 2010; de Villiers et al., 2017).

RM is based on the notion that establishing strong reciprocal relationships leads to positive customer outcomes (Anderson and Narus, 1990; Johnson and Selnes, 2004). In other words, sellers are encouraged to invest efforts in building and retaining long-lasting relationships with customers, as this type of relationship is likely to yield loyal customers who are willing to pay more for goods and services and to recommend the firm to other potential customers (Rafiq et al., 2013). Through high-quality RM, retailers can gain a deeper understanding of their customers' needs. Thus, when these relationships are established, customers are likely to disclose quality information, allowing retailers to customize products and services that accommodate their customers' unique needs (Han et al., 1998).

The RM approach is composed of multiple antecedents, mediators, and outcomes. Palmatier et al. (2006) categorized relationship antecedents as customer-, seller-, and dyadic-focals. The customer-focal includes several benefits customers gain from the service, including confidence, social, and special treatment (Dagger and O'Brien, 2010). The seller-focal includes the various resources that are invested by sellers to establish and maintain the relationship. The dyadic-focal includes the active involvement of both sellers and buyers, such as in communication and information sharing (Palmatier et al., 2006). These antecedents' impact on customer outcomes (i.e., loyalty and WOM) have been claimed to be mediated by three relational mediators—trust, commitment, and satisfaction (Hennig-Thurau et al., 2002).

Some small business studies have examined the relationship components from the owners' perspective (Adjei et al., 2009; Altinay et al., 2014; Campbell and Park, 2017), suggesting that maintaining close ties with customers can contribute to business performance. Studies investigating small business customers have found that aspects associated with special treatment benefits (such as customized service and special opening hours), as well as aspects characterized as social benefits (such as opportunities for socialization and reciprocity), lead to outcomes including patronage, repeated purchasing, WOM, and loyalty (Bloemer et al., 2003; Klemz and Boshoff, 2001; Landry et al., 2005). This literature suggests that the way owners manage their relationships with customers plays an important role in retaining loyal customers and attracting new ones. However, while addressing owner-customer relationships, this literature has not adopted RM as its theoretical

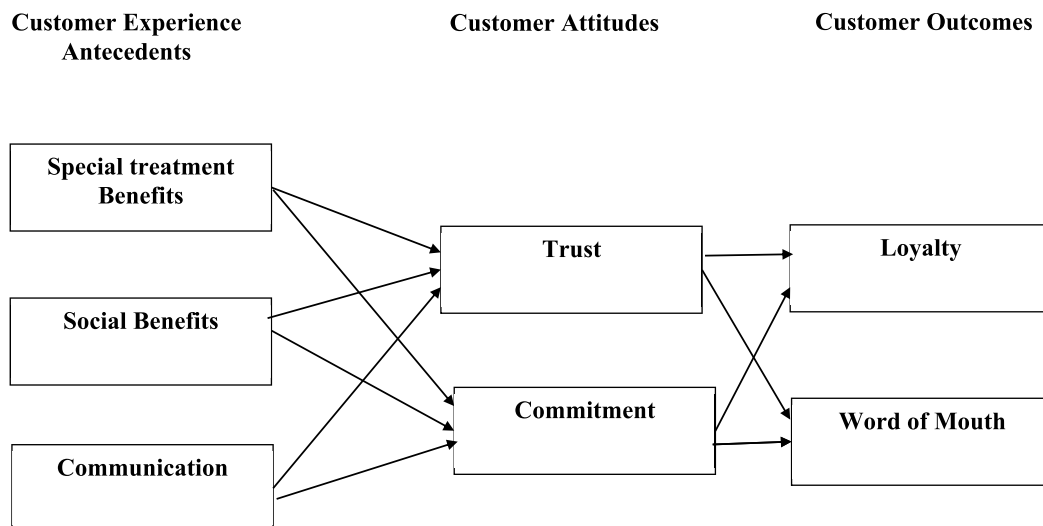


Fig. 2. The study model (Study 2) of the factors affecting small business customer experience (RM approach).

conceptualization; rather, relationship components were examined sporadically along with other unrelated constructs. Thus, the question of delineating which RM components are more crucial to retaining customers' loyalty has remained unresolved. To address this gap, the current study sought to examine a more comprehensive model of RM in the context of small business by incorporating the specific constructs found in the qualitative study. These include the impact of the antecedents of special treatment and social benefits on loyalty and WOM. In addition, the mediation role of trust and commitment was tested.

5.2. Hypotheses development

5.2.1. The impact of relationship benefits

The marketing literature has identified several benefits that customers gain from maintaining a relationship with sellers, particularly, being granted special treatment. These include customized services, unconventional opening hours, prospects of saving time, and faster service. Also included are social benefits that are based on companionship, familiarity, and social support (Dagger and O'Brien, 2010; Hennig-Thurau et al., 2002; Chou and Chen, 2018). Small business studies have shown that both special treatment and social benefits contribute to customer loyalty, WOM, and repurchase intentions (Chou and Chen, 2018; Goodman and Remaud, 2015; Hennig-Thurau et al., 2002; Landry et al., 2005; Vázquez-Carrasco and Foxall, 2006). Hence, we hypothesize the following:

H1a: Special treatment benefits will be positively linked to loyalty.

H1b: Special treatment benefits will be positively linked to WOM.

H2a: Social benefits will be positively linked to loyalty.

H2b: Social benefits will be positively linked to WOM.

5.2.2. The impact of communication

Communication—the amount, frequency, and quality of information shared by sellers—has been found to comprise an important antecedent in RM (Palmatier et al., 2006). Some studies have found that seller-buyer communication has a positive impact on customer loyalty in the hotel (Narteh et al., 2013) and restaurant (Kim et al., 2011) industries. Furthermore, in the context of small businesses, studies have shown that the use of systematic communication contributes to business performance (Grimmer et al., 2018). However, as our qualitative findings revealed (Study 1), the communication practices characterizing small businesses are informal and unsystematic, stressing friendship and companionship over direct marketing (Rosenbaum et al., 2007; Song et al., 2018). While this form of communication may contribute to social and special treatment benefits, it is less clear how small business customers perceive formal and strategic communication from the owners. Therefore, our study incorporated an exploration of the impact of systematic formal communication and information sharing on trust, commitment, loyalty, and WOM without hypothesizing the nature of this impact.

5.2.3. The mediation role of trust and commitment

The RM literature suggests that the dynamic of the RM antecedents in retaining customer loyalty and encouraging WOM is mediated through factors such as trust, commitment, and satisfaction. However, this dynamic has rarely been examined in the unique small business context. Several studies have employed mediated models of RM. For example, Verma et al. (2016) lent support to Palmatier et al., (2006) model in the context of online retailing. Rafiq et al. (2013) found that relationship quality (comprising trust, commitment, and satisfaction) mediated the impact of perceived relationship investment on e-loyalty. In the context of retailing, Huang (2015) found customer gratitude to mediate the impact of customer investment tactics on behavioral loyalty, and Adjei and Clark (2010) found that relationship quality—also delineated as satisfaction, trust, and commitment—mediated the impact of overall satisfaction from retailer and customer behavioral loyalty.

Our qualitative findings (Study 1) revealed the importance of trust and commitment as attitudes customers develop toward small businesses. *Commitment* is defined as “an enduring desire to maintain a valued relationship” (Moorman et al., 1992, p. 316). *Trust* is viewed as a construct indicative of having confidence in an exchange partner's reliability (Palmatier et al., 2006). Trust and commitment have been found to mediate the impact of relational benefits (Chou and Chen, 2018; Dagger and O'Brien, 2010; Hennig-Thurau et al., 2002) and communication (Kim et al., 2011) on customer loyalty and WOM.

Trust and commitment have hardly received attention in studies about small business customers. Regarding trust, a qualitative study indicated that trust is an important aspect of the relationship between small business owners and their customers (Altinay et al., 2014), leading to loyalty through customer satisfaction (Orth and Green, 2009). Hence our third and fourth hypotheses:

H3a: Trust will mediate the impact of special treatment benefits on loyalty.

H3b: Trust will mediate the impact of special treatment benefits on WOM.

H4a: Trust will mediate the impact of social benefits on loyalty.

H4b: Trust will mediate the impact of social benefits on WOM.

Regarding commitment, a qualitative study concerning family businesses indicated that special treatment and social benefits were associated with commitment to the businesses, which in turn, led to repeating purchases (Carrigan and Buckley, 2008). Hence our fifth and sixth hypotheses:

H5a: Commitment will mediate the impact of special treatment benefits on loyalty.

H5b: Commitment will mediate the impact of special treatment benefits on WOM.

H6a: Commitment will mediate the impact of social benefits on loyalty.

H6b: Commitment will mediate the impact of social benefits on WOM.

5.3. Methodology

5.3.1. Sample and procedure

A survey was distributed through an online link to a representative sample of the Israeli population. Two hundred seventy-five respondents completed the survey. Among them, 60% were women, 50% were below age 40, 62% were married, 55% held an academic degree, and 72% reported incomes comparable to or below the national average.

5.3.2. Measures

Questionnaire measures comprised 25 items. For each item, respondents were requested to indicate to what extent they agreed with the statement regarding a particular small business they visit frequently. Items were presented on a 7-point Likert-type scale, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). *Social and special treatment benefits* were measured by three items each, adapted from Hennig-Thurau et al. (2002). *Communication* was measured by five items adapted from Adjei et al. (2009). *Trust* in the business was measured by five items adapted from Adjei et al. (2009). *Commitment* to small businesses was measured by four items adapted from Hennig-Thurau et al. (2002). *Loyalty* to small businesses (including WOM) was measured by five items from Yoo and Donthu (2001). An Appendix presents the survey items, standardized loadings, and sources.

Validity and reliability. In order to ensure the validity of questionnaire translation, we employed a back-translation procedure (Douglas and Craig, 2007). First, we translated the original items from English to Hebrew. At the second stage, a native English expert translated the questionnaire back to English. Following this, we corrected specific items to ensure the translation will retain the original meaning of the items. Convergent validity was tested by calculating the average variance extracted (AVE) for each construct (Fornell and Larcker,

Table 3
Descriptive statistics and correlation matrix.

| | AVE | CR | Cronbach Alpha | M | SD | 1 | 2 | 3 | 4 | 5 | 6 |
|-------------------------------|-----|-----|----------------|-----|-----|--------|--------|--------|--------|--------|--------|
| 1. Communication | .76 | .88 | .86 | 5.7 | 1.2 | .87 | | | | | |
| 2. Special treatment benefits | .77 | .82 | .82 | 5.1 | 1.5 | .27*** | .88 | | | | |
| 3. Social benefits | .77 | .81 | .81 | 4.0 | 1.6 | .17* | .48*** | .88 | | | |
| 4. Trust | .77 | .88 | .86 | 6.1 | 1.0 | .79*** | .38*** | .15 | .88 | | |
| 5. Commitment | .84 | .91 | .90 | 3.8 | 1.6 | .19* | .43*** | .73*** | .20** | .92 | |
| 6. Loyalty | .81 | .89 | .88 | 5.4 | 1.2 | .31*** | .30*** | .33*** | .44*** | .46*** | .90 |
| 7. Word of Mouth | | | | 5.8 | 1.2 | .37*** | .27*** | .27*** | .44*** | .34*** | .79*** |

Note. * $p < .05$; ** $p < .01$; *** $p > .001$; AVE = average variance extracted; CR = composite reliability. Squared AVEs on diagonal.

1981). The lowest AVE was 0.76, suggesting that, on average, the amount of variance explained by the items is higher than the unexplained variance. Discriminant validity was examined by comparing the squared AVE values to the correlations between dimensions. All the squared AVE values exceeded the correlations for each pair. CR values ranged between 0.81 and 0.91, demonstrating good reliabilities of the constructs. Table 3 presents AVEs, CRs, Cronbach alphas, means, and inter-correlations of the study constructs.

Testing for common method variance (CMV). We employed three different tests for CMV (Malhotra et al., 2006). First, we ran the Harman single-factor test through an exploratory factor analysis constraining all items to a single factor. The obtained variance was 33%, suggesting that the items do not load on a single common factor. Second, we used the common latent-factor test and found no common factor surfacing from the data. Third, we used a marker variable to check for differences between the original CFA and the CMV-adjusted CFA. No significant differences were found between the latent-factor and marker variable to the original CFA. The results of these tests are presented in Table 4.

5.4. Results

The relationships between the study's constructs were tested using structural equation modeling (SEM) with AMOS 21 software. To avoid load on the analysis, we calculated the latent constructs and used them as summated constructs in the model (Bollen, 1989). The fit indices for the model were satisfactory ($\chi^2 = 9.0, p > .10, df = 9, \chi^2/df = 0.99, CFI = 1.00, TLI = 1.00, RMSEA = 0.00$). Table 5 presents the analysis results.

Hypotheses 1 and 2 posited that special treatment and social benefits would be linked to loyalty and WOM. As can be seen in Table 5, these two hypotheses were not supported, as the links between both benefits and loyalty and WOM were non-significant. Hypotheses 3 and 4 predicted that trust would mediate the impact of the special treatment and social benefits on loyalty and WOM, and Hypotheses 5 and 6 predicted that commitment would mediate these relationships. As can be seen in Table 5, both trust and commitment were positively linked to loyalty and WOM. In addition, special treatment benefits and communication was positively linked to trust, and social benefits were positively linked to commitment.

To test the mediating role of commitment and trust, we ran a bootstrap analysis following Preacher and Hayes (2004), with results

Table 4
Common method variance tests.

| Fit measures | Uncorrected estimates | Adjusted estimates | |
|------------------|-----------------------|----------------------|-----------------|
| | | Common latent factor | Marker variable |
| Chi-squared test | 573.5 | 573.2 | 590.8 |
| IFI | .92 | .92 | .92 |
| CFI | .92 | .92 | .92 |
| TLI | .90 | .90 | .90 |
| RMSEA | .07 | .07 | .065 |

presented in Table 6. Results show that trust mediated the impact of communication and special treatment benefits on loyalty and WOM, thus supporting H3 but not H4. Commitment mediated the impact of social benefits on loyalty and WOM, thus supporting H6 but not H5.

6. Discussion

The purpose of the present study was to identify the components of customer experience in the context of small businesses. Previous studies have found that customer experience in small businesses is manifested primarily through two aspects: sociability and familiarity on the one hand and customized service (Landry et al., 2005; Carrigan and Buckley, 2008) on the other. However, the combined effect of both aspects on customer outcomes such as loyalty and WOM has yet to be examined. Our findings revealed that both aspects—as well as systematic communication—are crucial components in the small business customer experience. However, their effect on loyalty and WOM, through trust and commitment, is unique.

Our qualitative and quantitative findings revealed that familiarity and close social contact (social benefits) with the owner elicit customer commitment, which in turn, leads to loyalty and WOM. On the other hand, customized and personal service (special treatment benefits) and consistent information sharing (communication) enhance trust in the business, which also leads to loyalty and WOM. These findings contrast with those reported in studies about relationship marketing carried out in large enterprises, where both trust and commitment fully mediate the impact of relational antecedents on customer outcomes (Chou and Chen, 2018; Dagger and O'Brien, 2010; Kim et al., 2011).

An explanation for these findings may derive from the nature of trust and commitment in small businesses. Trust is defined as the confidence we place on a person based on the level of care and concern he or she demonstrates (Johnson and Grayson, 2005; Palmatier et al., 2006). Special treatment benefits in small businesses relate to the owner's efforts to deliver customized service, service that expresses care and concern regarding specific customer needs (Dagger and O'Brien, 2010) and enhances customers' confidence in the businesses. Communication in small businesses relates to systematic, trustworthy, and accurate information sharing (Adjei et al., 2009). Such communication enhances customers' confidence in the business and leads customers to trust in the business. Commitment is the identification and attachment with regard to another person and the desire to maintain a meaningful relationship with him or her (Fullerton, 2003; Moorman et al., 1992). Social benefits in small businesses are about establishing long-lasting relationships (Hennig-Thurau et al., 2002) that are based on reciprocal attachment between the owners and their customers.

Our findings show that small business customers distinguish between aspects that foster confidence in the business (in this case, special treatment and communication) and lead to trust on the one hand and social relationships that yield a sense of commitment on the other. The findings showed that both trust and commitment are positively linked to loyalty and WOM. Therefore, small businesses can gain a competitive advantage by adopting all RM antecedents since each one of them impacts customers in different ways. Thus, customers disposed to

Table 5
The relationship between the study model constructs (standardized estimates and *t* values).

| Constructs | Commitment | Trust | Loyalty | WOM |
|----------------------------|---------------|---------------|--------------|--------------|
| Communication | .06 (1.1) | .60*** (12.2) | -.002 (-.03) | .10 (1.3) |
| Social benefits | .58*** (11.0) | -.07 (-1.4) | .007 (.10) | 0.3 (.44) |
| Special treatment benefits | .11* (2.0) | .19*** (3.7) | -.007 (-.11) | .03 (.52) |
| Commitment | | | .37*** (5.3) | .22** (3.0) |
| Trust | | | .35*** (5.0) | .29*** (4.0) |

Note. **p* < .05; ***p* < .01; ****p* > .001. *t* values in parentheses.

Table 6
Tests for mediations effects.

| Mediators | Point estimate | Bootstrapping 95% | |
|---|----------------|-------------------|----------|
| | | Upper CI | Lower CI |
| Effect of communication on loyalty | | | |
| Trust | .23 | .10 | .37 |
| Commitment | .02 | -.01 | .07 |
| Effect of communication on WOM | | | |
| Trust | .19 | .05 | .35 |
| Commitment | .01 | -.008 | .05 |
| Effect of special treatment benefits on loyalty | | | |
| Trust | .06 | .025 | .11 |
| Commitment | .03 | -.0007 | .09 |
| Effect of special treatment benefits on WOM | | | |
| Trust | .05 | .01 | .11 |
| Commitment | .02 | -.0022 | .05 |
| Effect of social benefits on loyalty | | | |
| Trust | -.02 | -.07 | .05 |
| Commitment | .17 | .10 | .25 |
| Effect of social benefits on WOM | | | |
| Trust | -.02 | -.06 | .05 |
| Commitment | .10 | .04 | .17 |

sociability will develop loyalty through commitment to the business and its owners. In contrast, customers who seek personal care or systematic information sharing will remain loyal, since they have confidence in the business and trust it. Previous study has identified the link between the personal traits of need for affiliation and relationship proneness to commitment, WOM, and repeat purchasing (Bloemer et al., 2003). Thus, future research can examine whether small business customers can be classified into segments of confidence-oriented vs. sociability-oriented customers, given that these customers relate to businesses in different ways.

Some qualitative findings revealed the unique nature of the customer experience in the context of small businesses. For instance, regarding the ‘dark side’ of social benefits, some customers expressed feelings of unease resulting from overly close relationships with the owners. They felt that some owners exploit the social relationship to extract personal information from them. However, when customers were fully committed to the business, they were willing to absorb this ‘cost’ in exchange for receiving the special treatment benefits. This finding is consistent with recent qualitative findings regarding bartenders’ flirting behaviors (Seger-Guttmann and Medler-Liraz, 2018).

Most of the literature concerning social relationships between service providers and customers have focused on their positive aspects of providing social support and alleviating loneliness (e.g., Rosenbaum et al., 2007; Song et al., 2018). Our findings contribute to the growing body of evidence regarding the negative aspects of this relationship, which may not always benefit the businesses, to the extent that it could drive customers away. Future research can examine whether aversion to social relationship or liking may be related to customers’ personality factors and attachment patterns and if business owners should learn to act on their social initiative differentially among customers.

A further qualitative finding suggests that loyalty in small businesses can be intergenerational; namely, loyalty passes from parents to

their children. This finding is consistent with previous work concerning family businesses (Carrigan and Buckley, 2008). This kind of loyalty is unique to small businesses, compared with large enterprises, as it reflects the depth of the interpersonal relationship owners have with their customers. Future research can further explore the intergenerational aspects of customer loyalty among small business customers.

Regarding communication, our qualitative findings showed that owners do not invest specific efforts to share information with customers. Nevertheless, our quantitative findings suggest that customers do expect owners to share information and that this communication is viewed as crucial, as it was found to enhance trust in the business and lead to both loyalty and WOM. This finding is consistent with previous findings concerning large firms (Narteh et al., 2013; Kim et al., 2011). Communication in small businesses has been examined as a driver for success (Grimmer et al., 2018). Nonetheless, it has received much less attention from studies investigating small business customers. Future research should more thoroughly examine the role of communication and its effects on customers in the context of small business.

To summarize, the present findings demonstrate that customer experience in small business is comprised of three RM components, namely, social relationships benefits, special treatment benefits, and communication. These components are crucial for retaining customers and attracting new ones. However, for small businesses, unlike their larger counterparts, special treatment benefits along with systematic communication enhance customers’ trust, while social relationships benefits foster commitment. Both trust and commitment are crucial, as they lead to loyalty and WOM. This study’s mixed-methods approach enabled us to identify unique aspects of the customer experience in small businesses through qualitative findings while confirming the findings quantitatively through a survey in the context of RM.

6.1. Practical implications

Small businesses have been disparaged for using only short-term and non-strategic marketing practices (Zontanos and Anderson, 2004). Given these leanings, the present findings suggest some practical implications that can improve small businesses’ marketing strategy. A key competitive edge of a small business is its ability to offer personal customized service. Therefore, it is suggested to encourage small business owners to use customized service in a systematic manner rather than intuitively. For example, owners can manage a simple database (through Microsoft Office software, such as Word or Excel) with basic details of their customers, such as their names, age, birth date, address, and product preferences. This database can assist them in offering customers their preferred services and products and enhance their trust and loyalty to the business.

Beyond the in-store customized services, owners can use social media to enhance personal service and customer accessibility. Social media becomes crucial to small businesses, as customers use them with growing frequency. A recent survey by a small business trends site found that approximately 75% of the owners use social media to market their products and services (Pickard-Whitehead, 2019). Social media apps are cost-free and can be an inexpensive and easy way to stay in touch with customers. As large enterprises use social media under their brand names, small business owners are encouraged to use their own

names to make the relationship with their customers more personal. In addition, using interactive apps, such as WhatsApp or online messengers that enable customers to make orders, receive technical support, or even reserve a place in line can all enhance the positive effect of personal service. By adopting a social media strategy, owners can increase the visibility of the special treatment benefits they can offer beyond those of the large enterprises. In addition, social shopping intermediaries (such as Groupon) have been suggested as valuable technology for small businesses (Lee et al., 2015), as these platforms enable small businesses to offer customers discounted deals and attract new customers.

Social benefits and familiarity were found to comprise a competitive edge of small businesses over large chains. Therefore, owners are encouraged to expend efforts to establish and maintain personal relationships with their customers by expressing interest in them as persons and not only as customers. An on-site event facilitating socializing with other customers can enhance this aspect. However, owners should be cautious not to abuse the personal relationship with customers by probing them for intimate information, as this can be counter-productive. Moreover, business owners for whom social initiatives may appear contrived should adopt other areas of promoting their business.

Our findings suggest that owners largely fail to acknowledge the importance of communicating with their regular customers. Following Guha et al. (2018), owners are encouraged to launch newsletters distributed by e-mail and use social media for marketing their advantages and uniqueness compared with the large enterprises, such as sharing information about new products and services, sales, events, and other offered functional and social benefits. Due to their limited resources, owners are encouraged to adopt a regular information sharing activity

every month or two through the above-mentioned media channels. Such activity is likely to enhance customers' confidence in the business, resulting in loyalty and WOM.

Beyond the owners, our findings carry some implications for governmental agencies supporting small businesses. These agencies can expand their entrepreneur-training programs to incorporate marketing tools, such as how to manage one's marketing relationship to retain loyal customers, how to engage one's customers with the offered service, and co-creation of products and services. They can also assist small businesses in stressing social and special treatment benefits in their marketing campaigns.

6.2. Limitations

Our study has several noteworthy limitations. First, as in many qualitative studies, our qualitative data collection was based on a snowball sampling technique. While the process generated a wide range of interviewees representing diverse gender and age groups, this could lead to a biased sample. We strove to overcome this limitation by augmenting our qualitative findings with survey-based data. Second, due to the current research design, we incorporated only some of the RM constructs, choosing to highlight the immediate constructs emerging from the qualitative study and the literature. This focus could have left crucial aspects unexamined in the present project. Finally, the study was based on owners and customers of small businesses in Israel. Though the findings are congruent with previous findings from other nations, national and cultural differences may affect the findings and hence, the generalizability of the findings.

Appendix A. Supplementary data

Supplementary data to this article can be found online at <https://doi.org/10.1016/j.jretconser.2019.06.004>.

Appendix

The survey items (Study 2)

| Construct (source) | Item | Standardized loading |
|---|---|----------------------|
| Special treatment benefits (Hennig-Thurau et al., 2002) | It's important to me to receive faster service from this business. | .72 |
| | It's important to me for the business owner to make a special effort for me. | .87 |
| | It's important to me to receive special deals and offers from this business | .74 |
| Social benefits (Hennig-Thurau et al., 2002) | It's important to me for the business owner to know me personally. | .77 |
| | It's important to me to have a social relationship with the business owner. | .78 |
| | It's important to me to have a friendly relationship with the business owner. | .76 |
| Communication (Adjei et al., 2009) | The business owner will provide me with timely information. | .50 |
| | The business owner will provide me with accurate information. | .83 |
| | The business owner will provide me with useful information. | .89 |
| | The business owner will provide me with credible information. | .83 |
| | The business owner will frequently provide me with information. | .78 |
| Trust (Adjei et al., 2009) | That the business owner will stand behind the promises he gives. | .73 |
| | That the business owner will always be frank and truthful with me. | .75 |
| | That I will be able to count on the information the business owner gives me. | .69 |
| | That the business owner considers my welfare in mind. | .85 |
| | This business owner is trustworthy. | .82 |
| Commitment (Hennig-Thurau et al., 2002) | I am committed to my relationship with this business owner. | .87 |
| | My relationship with this business owner is very important to me. | .87 |
| | My relationship with this business owner is something that I really care about. | .91 |
| | I will make a maximum effort to maintain a relationship with this business owner. | .72 |
| Loyalty and WOM (Yoo and Donthu, 2001) | I will continue to make purchases at this business in the future. | .65 |
| | This business will be my first choice in the future. | .88 |
| | I will prefer this business over other competitors. | .89 |
| | I will prefer this business over competing chain branches. | .85 |
| | I will recommend this business to friends and relatives. | |

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