

THE MODERATING ROLE OF COLLECTIVISTIC ORIENTATION IN RELATIONAL BONDING PRACTICE AND BANK CUSTOMER LONG-TERM ORIENTATION

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Abstract

This paper examines the influence of customer relational bonding, customer citizenship behavior foci, long-term orientation, and the moderating role of customer collectivistic orientation in service interactions. The research is focused on Indonesian customers and is situated in the banking sector. Data analysis was conducted following data collection via cross-sectional and quantitative survey methods. The model's proposed relationships were tested using partial least squares based on structural equation modeling.

Empirical studies prove that structural bonding positively affects organization-directed citizenship behavior (O-CCB), while social bonding positively influences customer-directed citizenship behavior (C-CCB). Additionally, customer citizenship behavior also has a significant impact on long-term customer orientation (LTO). The research also confirmed that collectivistic orientation strengthens the influence of relational bonding toward customer citizenship behavior foci. This study benefits the financial services sector by demonstrating the importance of relational bonding and citizenship behavior foci as critical components in achieving long-term relationship goals.

This research is an initial research paper in the Indonesian banking sector that empirically verifies the linkage of a proposed variable in determining long-term relationship maintenance and explaining collectivism orientation as a moderating mechanism in strengthening customer citizenship behavior.

Keywords: Relationship Marketing, Structural Bonding, Social Bonding, Long-term Orientation, Customer Citizenship Behavior.

JEL Classification: M30, M31.

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INTRODUCTION

Prior study indicates that culture influences decision-making and consumer consumption behavior (Karkhanis, 2019). In a marketing context, culture is a macro aspect that influences individual consumer decision-making. Furthermore, Hofstede (2009) conceptualized culture as “a collective programming of the mind which distinguishes the members of one group or category of people from those of another”. Initial empirical evidence showed that cultural factors may promote exchanges between market participants across various regions and nations. Despite an intense upsurge in the empirical examination of cultural influences on relationship bonding in the marketing literature, relatively few cultural effects on its adoption process have been noted in the banking industry. Due to the transient, immaterial, and interpersonal aspects of service industry processes, developing good customer relationships in the context of cultural differences is prominent in the banking industry. Hence, when associated with long-term customer maintenance, research in the banking industry is challenging (Singh and Malik, 2019). However, enduring partnerships necessitate a detailed comprehension of the fundamental motives or stimuli that promote consumers’ long-term relationship orientation.

Today’s marketing practices are increasingly incorporating consumer culture and relationship marketing concepts. Therefore, research suggests that a more significant analysis of how consumer culture influences consumer-related behavior is required. This study investigates the effect of individual cultural values on the relational bonding of Indonesian consumers in the banking industry. Bonding orientation plays a prominent role in maintaining long-term relationships. Regrettably, a large portion of scientific research on customer bonding has been conducted in western society, which generates an inaccurate interpretation when adopted in different cultures (Shaalán, 2013).

Previous studies have shown the predictive value of relational bonds on various outcomes, such as customer satisfaction and loyalty (Balci et al., 2019), green innovation performance (Li and Huang, 2017), and franchisees’ perceptions of benefits (Lee et al., 2015). However, insufficient research has explicitly explored the substantive role of relational bonding and customer citizenship behavior in South East Asian culture. As a result, studying relational bonding in Indonesia has important cultural, functional, and theoretical implications for management. Contemporary literature in marketing recommends examining the possible impacts of relational bonds provided by the banking industry to sustain customer citizenship behavior (Balaji, 2014). As such, banking service providers must consider the opportunities to create customer citizenship behavior through relational bonding strategies. Customer management must understand the highly valuable relational bonds inside customers’ minds. Establishing a long-term relationship between relational bonding and customer citizenship behavior is crucial in delivering customer-banking service value. Further, this study partially fills a gap regarding the relational behavior of ethnic consumers in the banking sector, with research needing to be undertaken in various cultural settings. To our knowledge, no previous study has examined this relationship via empirical research.

1. THEORETICAL BACKGROUND

1.1. Relationship Marketing in Specific Socio-cultural Context

Marketing research shows that cultural orientation particularly impacts marketing activity (Fan et al., 2020). Therefore, success in implementation of marketing functions cannot be separated from how the company considers the socio-cultural aspects of consumer decision making. Companies can obtain road maps that form a more effective marketing campaign by understanding the

cultural aspects of consumers. Understanding consumers' cultural values indicates whether the products offered to consumers are accepted or not (Li et al., 2015). Hence, marketers should plan an appropriate marketing program to strengthen perceptions and confirm consumer attitudes towards the product or service.

The Guanxi philosophy is an example of applying cultural-based aspects of relationship marketing in Chinese society. According to Smart (2020), personal trust and a strong relationship are the basis of the Guanxi philosophy. Guanxi also involves moral responsibilities and the exchange of favors. Guanxi is a phenomenon that involves a network of contacts to obtain support in private relations with less formal and more trust-based relationships (So and Walker, 2013). These values oppose Western culture, emphasizing autonomy and mutual exchange between sellers and buyers. Japanese salespeople have a similar characteristic to the Chinese community in the tradition of having relationships with customers. They strive to develop and retain partnerships that help retain targeted customers. An example of a unique relationship approach in Japanese society is called *Honne-Tatemaie*. *Honne* is an attitude related to the actual situation or the "true voice of hearts," whereas *tatemaie* is an attitude or actions performed (Yamamoto and Lloyd, 2019). Hence, Japanese salespeople often hide and sacrifice their feelings to maintain harmony with customers.

Hofstede & Hofstede (2005) describe Indonesia as a collectivist country with the smallest individualist index value. However, despite Indonesia being heavily collectivist, prior studies revealed significant intra-country cultural variation in individualism/collectivism affiliation (Lam and Ryan, 2020). Hence, this study examines the idea of collectivistic orientation at the individual level.

Individualistic cultures emphasize individual goals over group interests, with each person being responsible for their own well-being. However, collectivistic culture prioritizes the needs and feelings of others. Like the

Guanxi network of the Chinese community, Indonesian culture emphasizes harmony and a network of social interactions. On the contrary, the underlying concept of relationship marketing is a mutually beneficial relationship between the sellers and buyers due to ongoing business relationships (Roy et al., 2018).

Individual cohesion and the prioritization of in-group norms are essential to collectivists. Hence, marketing norms that are prevalent within their marketing in-group are the preference. In collectivistic cultures, social cohesion and oneness are central to each person's identity. Consequently, collectivists have placed tremendous respect for all parties involved (i.e., consumers, business partners, and owners) as they want to achieve harmony with the associated groups (Han, 2017).

1.2. The Concept of Relational Bonds

The ability to minimize the uncertainties and costs involved with buying and delivery scenarios may only describe a small portion of long-term partnerships. Relationship bonding must also be taken into consideration. According to Rodríguez (2002), relationship bonding is a strategy for attracting and retaining clients by exploiting collateral properties that customers cannot easily abandon. Long-term sustainability requires customer-driven quality management. Therefore, involving consumers during the product lifecycle is essential, as is evolving goods or services to satisfy changing consumer demands and preferences. However, before spending time and resources on a personal relationship with a company, a consumer must be conscious of the possible personal advantages of the company's goods and services.

Sigala (2018) noted that mutually beneficial interactions and a shared sense of purpose are the heart of relational bonding. Relational bonds are believed to create consumer satisfaction and trust because relational bonds can reduce consumer perceptions about the risk consumers will

receive when a transaction occurs (Balci et al., 2019). Consumers who have confidence in an organization can encourage consumer commitment to continue having deeper relationships, thereby creating quality buyer-seller relationships. Creating an impression of personal identification with the company's goods or services is the art of acquiring customer share-of-mind.

According to Arantola (2002), bonding is systematically grouped into structural and social bonding. Structural bonds are a relational approach that emphasizes giving added value in the context of economic benefits. These bonds are related to control, relationship structure, and institutionalization of norms (Turnbull and Wilson, 1989).

Furthermore, according to Dash et al. (2009), social bonding is an interactive process, with individualization and interpersonal relationships continuously providing added value to the customer. Chai (2012) states that social bonding is characterized by deep affective and relational foundations. Hence, social bonding is essential in the Asian socio-cultural setting as it recognizes personal or emotional factors in business relationships. These transactions aim to establish a mutually beneficial relationship with a greater emphasis on long-term benefits.

Eastern societies are highly collectivist, with individuals belonging to large cohesive communities. Due to its particularistic nature, collectivist culture prioritizes group relationships and partnerships formed on the family's social network. Relational bonding is characterized by maintaining and developing buyer-seller relationships through strengthening personal attachments and shifting the interactions from goods and companies to individuals and organizations as units of analysis. For the Indonesian community, valuing harmony and experiencing greater emotional attachment are the norms in doing business. Hence, strongly cohesive groups will strengthen the relational bonding between the buyer and seller in a mutual relationship.

1.3. Customer Citizenship Behavior

Customer Citizenship Behavior refers to extra-role behaviors expressed by customers that are beneficial to enhancing organizational performance. Previous literature on customer citizenship behavior has consistently used a multi-foci approach. The multi-foci paradigm directly examines the effect of the CCB on the various subjects that CCB targets and benefits independently, such as the organization and fellow consumers. Hence, in some scenarios, customer citizenship behavior can be aimed at the organization directly (O-CCB) (Bartikowski and Walsh, 2011). On the other hand, customer-directed citizenship behavior (C-CCB) focuses on activities that impact fellow consumers. As a result, the supported organization is only affected indirectly.

These positive habits of discretionary behavior consist of making recommendations, helping other consumers, and providing feedback. Feedback to the firm explains that customers actively provide service inputs to continue improving. "Helping other customers" denotes a customer who knowingly assists customers with shopping needs. Recommendation refers to a customer's willingness to promote the service or firm to friends or relatives (Groth, 2005).

Customers who have high citizenship behavior at retail are considered to make a critical contribution to the organization. Prior study has shown that CCB helps organizations to grow and succeed, benefiting the service organization. CCB will encourage voluntary action in helping the company improve its sales, provide feedback to the company, and help other consumers to make actual purchases (He, 2019). Hence, this customer behavior also helps the company increase its long-term growth potential.

1.4. Long-Term Orientation (LTO)

Long-term orientation (LTO) is a preference for a realistic future-oriented outlook over a traditional short-term perspective (Kelley and Thibaut, 1978).

Ganesan (1994) stated that LTO is at the organizational level rather than the national culture level. Moreover, studies show that Asian society understands social interactions in the longer term. Asian people are accustomed to building their business and social relations culture by emphasizing aspects of mutually dependent relationships to produce a continuous long-term partnership. They believed that a long-term-oriented company would also satisfy consumer needs in a sustainable period. Hence, long-term consumer partnerships focused on recognizing customer desires and preferences, are critical for achieving the expected profitability.

Building customers' LTO is crucial for organizational growth in an increasingly competitive market. The LTO literature has concentrated on finding the LTO elements that influence a firm's sustainability and development. Additionally, when consumers recognize that the company supports a relational bond between the buyer and seller in a mutualistic relationship, they are more likely to make repeat transactions, participate in citizenship activities, and sustain a long-term relationship.

1.5. Structural Bonds and Organization Directed Citizenship Behavior (O-CCB)

Company strategy focuses on strengthening client relationships by providing solutions to customer issues in service-delivery structures rather than on the relationship-building expertise of individual service suppliers, which is practically known as structural bonding (Arantola, 2002). According to Rodriguez and Wilson (2002), structural bonding is a market practice that stresses the importance of forming consumer value and allowing consumers to spend money that cannot be retrieved if the arrangement fails or is costly if they want to change resources.

Structural bonding is an attachment in business processes, operating processes, and information technology, which are integrated

or which interface with customer business relationships in the context of service delivery. Structural bonding is prominent in enhancing customer experiences and generating value-added services. Banking technology adoption, such as automated account opening and peer-to-peer transfers, ensure a higher level of customer quality and the presence of industry experts. These competitive technological advantages will isolate organizations and create a structural bond for customers as they are difficult to imitate. Furthermore, organizations can offer policies and programs to design customized jobs that create added value for a customer (i.e., deliver personalized services, information, advice, and carefully evaluated customer needs). This structural bonding approach induces reciprocal behaviors and an internal sense of obligation that benefits the firm and encourages customers to exhibit extra-role behavior.

Furthermore, structural relationships serve as a symbol of conveying corporate beliefs and objectives to customers. Thus, corporate objective development and ownership of corporate values increases and enhances organizational customer citizenship behavior. Given the significance of structural bonds on firm-consumer relationships. The following hypothesis is proposed accordingly:

Hypothesis 1: Structural bonding has a positive effect on Organization Directed Customer Citizenship Behavior (O-CCB)

1.6. Social Bonding and Customer Directed Customer Citizenship Behavior (C-CCB)

Rodriguez and Wilson (2002) argued that social bonds are personal relationships that occur in service dimensions by maintaining friendly relationships and identifications. Social bonds encourage exchange partners to be closer together and create a reciprocal gift-giving ecosystem, resulting in high social support. Social bonds are typically seen as informal institutions. The familiarity represents the supplier-customer interaction; the

emotional exchange builds trust, reinforcing the intimate relationship and leading to a close personal tie.

Prior research has recognized the need for mutual personal friendship (Fatima, 2018). Strengthened business relationships with personal interactions between buyers and sellers will facilitate communication and exchange of information that can enhance company value. Customers lookout for subjective relationship satisfaction which occurs when customers develop solid personal bonds with the organization.

According to Balaji (2014), service dimensions that include meaningful and deeper relationships are critical in shaping C-CCB. Hence, customers are more likely to give constructive feedback because banking services facilitate customized experiences by nurturing active relationships. A high degree of these values induces a sense of responsibility and reciprocity among consumers, who grow strong affection for the company, promote it, and engage in an extra-role activity. It is proposed that social bonding is positively related to customer citizenship behavior in the banking industry. In consideration of the above discussion, the following hypothesis is given:

Hypothesis 2: Social bonding positively affects Customer Directed Citizenship Behavior (C-CCB).

1.7. The Moderating Role of Collectivistic Orientation

According to existing research, cultural variations influence business relationships (Marcus et al., 2019). Furthermore, it is believed that cultural impacts can differ based on the collectivistic nature of the buyer-supplier relationship. According to Evanschitzky et al. (2014), customers with low collectivistic value have a lesser interpersonal orientation, while collectivistic customers have a higher interpersonal orientation. In the relationship between customer and service provider, structural bonding encompasses mutually beneficial economic results and involves the decision

logic of the calculative business benefit (Wang, 2014). Additionally, consumers with a low collectivistic orientation are likely to select a seller based strictly on business-oriented or deal-focused considerations. Hence, they are concerned with structural bonding. On the contrary, friendship, intimate relationships, and interpersonal interactions are typical in highly collectivist-oriented customers. Lee (2019) associates social bonding with collectivistic customers, arguing that consumers with strong collectivism place a higher value on social contact and are relationship-focused.

According to relationship marketing literature, interpersonal relationships are essential for forming social bonds. After perceiving relational activities as crucial, a customer with strong collectivism focuses more on group-oriented relationships and responds cooperatively to the service provider (service personnel level). As a result, customers from societies or groups where relationships are valued are more likely to perceive higher levels of citizenship behavior (customer-directed CCB) on the provision of social orientation. In contrast, customers with a low collectivistic-orientation are more likely to exhibit structural bonding in an economic-based role. When the bank provides more economic benefits or proprietary services, these customers are motivated to keep the partnership and form a robust structural bond (service organization level). Thus, clients may recognize that the service provider delivers the platforms for economic exchange-based relationships and is more predisposed to engage in positive voluntary behavior (organization-directed CCB). Consequently, it is proposed that:

Hypothesis 3a: Low levels of collectivism in Indonesian customers moderates the effects of structural bonding on organization-directed customer citizenship behavior in calculative norms (O-CCB).

Hypotheses3b: High levels of collectivism in Indonesian customers moderates the effects of social bonding on customer-directed citizenship behavior in terms of interpersonal interactions (C-CCB).

1.8. Customer Citizenship Behavior and Long-Term Orientation

Long-term orientation is “the proclivity to prioritize the long-term consequences and influence of decisions and activities that take time to manifest” (Barry and Downey, 2011). Anshari et al. (2019) stated that the significance of forming long-term connections between firms and consumers is emphasized in a highly competitive economy. Additionally, maintaining clients is more vital than acquiring new ones.

The factors in LTO that determine a firm’s longevity and growth have been the subject of LTO studies (Kim et al., 2020; Deb, 2016). The customer’s point of view explains that CCB can enhance long-term relationship orientation. When customers are satisfied with post-purchase positive experiences (i.e., friendliness, compassion, and kindness), they tend to communicate to others expressively and have a greater propensity to recommend. The process of positive affectivity can enhance customers’ tendency to continue to use the service or product. Subsequently, customers with a strong sense of discretionary behavior will remain loyal to their service providers and eventually form long-term relationships. The literature also reveals that CCB heightens customers’ willingness to assist fellow customers, as well as their concern and care for other customers’ service problems.

The main factor that encourages a consumer to take extra-role initiatives is the affirmative support provided by the company.

According to Chi and Chen (2019), a customer’s long-term orientation is based on the assumption that the company offers an excellent social or economic exchange relationship. Hence, this condition will reinforce customer CCB and, consequently, influence consumers’ response to support the company’s growth and development. This discretionary effort can drive a company’s long-term profitability and potential value. Thus, the following hypothesis is proposed accordingly:

Hypothesis 4a: Organization-directed CCB (O-CCB) positively affects long-term orientation.

Hypothesis 4b: Customer-directed CCB (C-CCB) positively affects long-term orientation.

3. METHODOLOGY

3.1 Data Collection Methods and the Topic of the Study

Nonprobability sampling was used for the sampling technique in this study, employing a purposive sampling method. Purposive sampling techniques are used to choose respondents based on predetermined criteria (Liang, 2005). Having made multiple transactions was chosen as the eligibility criteria for the final analysis as these customers would have felt the presence or absence of relational benefits and therefore should be able to determine relationship commitment.

This research focused on the banking sector because customer value creation is

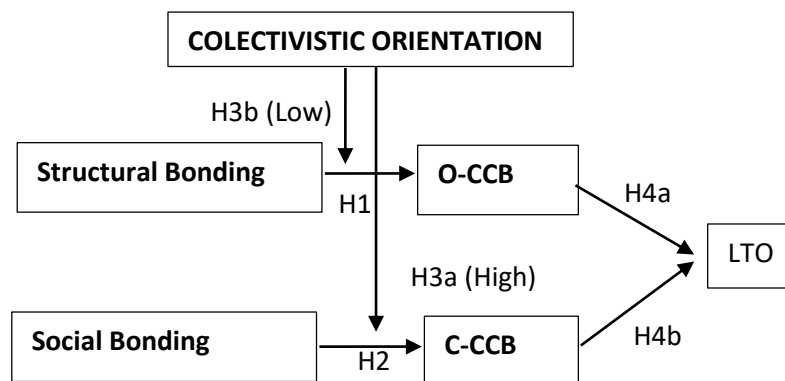


Figure 1. Theoretical Framework and Hypothesis Paths

rarely discussed in the context of Indonesia’s banking industry. Consequently, this research is necessary to build a comprehensive empirical framework to understand the relationship between relational bonding, O-CCB, and C-CCB, to ensure long-term corporate profitability in the banking industry. Five hundred mail surveys were sent to banking customers of Banyumas Regency, Indonesia. Seven locally owned banks were selected from the Banyumas Regency: Bank Mandiri, Bank Rakyat Indonesia, Bank Nasional Indonesia, Bank Bukopin, Bank Panin, Bank Jateng, and Bank Tabungan Negara. The banks were carefully picked based on good feedback from management, who assumed responsibility for providing the data from their respondents and setting the deadline for reporting the data. Respondents were asked to rate statements on structural bonding, social bonding, organization-directed citizenship behavior, customer-directed citizenship behavior, and long-term orientation. The survey resulted in a total credible sample of data from 259 respondents. The survey included 163 males (62.9 percent) and 96 females (31.7 percent). Regarding age,

the majority of respondents were aged between 26 and 30 (54.8 percent). Regarding the level of education of the respondents, most had a bachelor’s degree (44.0%). In terms of net annual income the most common range was \$5,001 to \$10,000 (33.2%), followed by \$5,000 or less (22.7%), and \$10,001 to \$15,000 (20.4%). The demographic characteristics of the sample, including the categories of gender, age, education level, and annual income, are provided in Table 1.

3.2 Measurement of Variables

A seven-point Likert scale was used in this study, with measuring elements adapted from previously validated scales. The scale ranged from 1 to 5, with 1 indicating strongly disagree and 5 indicating strongly agree.

Structural and social bonding was assessed with a 3-item scale adapted from the study of Dash et al. (2009). Organization-directed CCB (O-CCB) and customer-directed CCB (C-CCB) were measured with three items from Curth et al. (2014). Three items were taken from the study of

Table 1. Sample Demographics Characteristic.

Category	Distribution	n	Frequency (%)
Gender	Male	163	62.9%
	Female	96	37.1%
Age	18-25	117	45.2%
	26-30	142	54.8%
Education Level	Senior High School or below	101	40.0%
	Bachelor’s Degree	114	44.0%
	Master’s degree	44	16.0%
Annual Income	\$5.000 or less	74	28.5%
	\$5.001 - \$10.000	86	33.2%
	\$10.001-\$ 15.000	53	20.4%
	\$15.001-\$20.000	37	14.2%
	\$20.000 or More	9	3.47%

Cannon (2010) to measure long-term orientation. Three questions designed by Yoo and Donthu (2005) were used to measure personal level collectivism orientation. For example, "Individuals should sacrifice self-interests for the group they belong to." The two-step method of partial least squares structural equation modeling (PLS-SEM) (outer model analysis and inner model analysis) (Anderson and Gerbing, 1988) was used to analyze the collected data and evaluate the items' validity and reliability.

3.3 Common Method Bias

This analysis has a chance of common method bias due to the aggregation of perceptual data collected concurrently from a single source. Hence, as Podsakoff et al. (2003) suggested, we conducted procedural and statistical approaches to detect variance inflation on factors generated.

First, common method variance was reduced in the procedural methods by eliminating ambiguity in the scale items, ensuring that respondents' replies were anonymous, and informing respondents that there was no right or wrong answer. Second, common method variance exists by comparing the maximum collinearity for all latent variables to the threshold of a 3.3 or rule of thumb 5.0 (factor-based algorithm). This research revealed that the maximum VIFs were below the threshold value of < 10 (1.26). Therefore, common method variance was determined to not be a concern.

4 RESULT

4.1 Measurement Model (Outer Model Evaluation)

The measurement model was the first strategy applied in this investigation. Smart-PLS 3.2.5 was employed to investigate the proposed model. Based on the three parameters of factor loadings, composite reliability (CR), and average variance extracted (AVE). Cronbach's alpha was used to determine the constructs' reliability. The

Cronbach's alpha values in this study were greater than 0.7 (varying from 0.878 to 0.925) for all latent constructs, reaching an acceptable value as suggested by Hair et al. (2006). For all constructs, the composite reliability as an indicator of internal consistency was greater than or equal to 0.7 (ranging from 0.855 to 0.931) (Bagozzi and Yi, 1988). According to these findings, all constructs demonstrated acceptable reliability.

Convergent and discriminant validity are used to assess instrument validity. If the average variance value (AVE) is greater than 0.5 or the loading factor is at least 0.60 and ideally 0.70 or more, the construct is regarded to have convergent validity (Chin, 1998). Table 2 displays the statistical significance of all standardized factor loadings. This result exemplifies the constructs' convergent validity. Discriminant validity is justified if the loading factor of the indicator of a latent variable is higher than the other latent variable indicator. To examine discriminant validity in PLS, analysis can be performed by comparing the correlation value of the indicator of a construct with a higher value than the correlation of the indicator with other constructs (cross-loading) (Hair et al., 2011; Rigdon, 1998). Table 3 shows evidence that discriminant validity exists within the constructs.

5 Structural Model (Inner Model Evaluation)

The overall structural model was validated using the goodness of fit (GoF) metric. The GoF index validates measurement and structural model performance. Inner model analysis, as shown in Table 4, can also be referred to as model structure analysis, which ensures that the model is accurate or robust. The Q2 (predictive relevance) or Stone-Geisser's values were calculated to assess the Inner model. This test was conducted to determine the predictive capability of the blindfolding procedure. If the values obtained are 0.02, 0.15 and 0.35 they will be interpreted as small, medium, and

Table 2. Results of Measurement Model.

Items	Outer Loading	Composite Reliability	Average Variance Extract
Structural Bonding		0.817	0.599
A high deposit interest rate is very important to my relationship with my bank	0.782		
Low transaction and service fees are very important to my relationship with my bank	0.831		
Electronic links (such as email and online mobile banking) are very important to my relationship with my bank	0.704		
Social Bonding		0.842	0.641
Establishing a personal relationship between my banking representative and myself is very important to me	0.803		
Sharing personal advice or support with my banking representative is very important to me	0.850		
Developing a friendship with my banking representative is very important to me	0.747		
O-CCB		0.819	0.602
I would say positive things about this bank to others	0.744		
I would give constructive suggestions to this bank on how to improve its services	0.795		
I would inform the business about the excellent service received from an individual employee	0.788		
C-CCB		0.885	0.721
I assist other customers in getting along in the service establishment	0.777		
If needed, I offer my help to other customers	0.909		
I explain to other customers regarding banking services	0.856		
Long Term Orientation		0.852	0.659
We believe that over the long run, our relationship with this bank will be profitable	0.851		
Maintaining a long-term relationship with this bank is important to us	0.824		
We focus on long-term goals in this relationship	0.757		

Table 3. Variable correlation, standard deviation, and mean values.

Variable	M	SD	1	2	3	4	5
Structural Bonding	3.758	0.647	0.774				
Social Bonding	3.705	0.669	0.319	0.801			
O-CCB	3.603	0.692	0.496	0.354	0.776		
C-CCB	3.768	0.605	0.625	0.308	0.524	0.849	
LTO	3.609	0.554	0.171	0.255	0.303	0.277	0.812

Note: The diagonal values (bold and italicized) represent the square root of the AVEs of the respective constructs. The values beneath the diagonal indicate the relationships between the structures.

Table 4. The Goodness of Fit Models Evaluation

Variable	R Square
C-CCB	0.111
Long Term Orientation	0.117
O-CCB	0.249
Average	0.159

large respectively (Gozali, 2006).

$$Q^2 = 1 - ((1 - R^2)(1 - R^2)(1 - R^2))$$

$$Q^2 = 1 - ((1 - 0.111)(1 - 0.117)(1 - 0.249))$$

$$Q^2 = 1 - ((0.889)(0.883)(0.751))$$

$$Q^2 = 1 - ((0.590))$$

$$Q^2 = 0.410$$

The results of the predictive relevance analysis show that all the values are 0.410 (above 0.35), which indicates a highly predictive model. For determining the global validity of complicated models based on PLS, Tenenhaus et al. (2005) created a diagnostic tool to scrutinize the Goodness of Fit (GoF) index in measuring model fit. The geometric mean of average communality and average R^2 are used in the GoF measure (for endogenous constructs). GoF values range from 0 to 1 with the interpretation of the values being: 0.1 (small GoF), 0.25 (moderate GoF), and 0.36 (large GoF) (Tenenhaus et al., 2005).

$$GoF = \sqrt{AVE \times R^2}$$

$$GoF = \sqrt{0.644 \times 0.159}$$

$$GoF = 0.320$$

The statistical output shows satisfactory results for the goodness of fit value (GoF: 0.320), revealing that the factors have greater

predictive power than the baseline values and proving that the PLS model is well validated. Another indicator proposed by Hu and Bentler (1999) is the SRMR value, which is usually considered a good fit for less than 0.08. The output of the SRMR value for this research verified the structural model with a value of 0.051. Thus, it can be concluded from the several indicators shown, that the proposed model is considered sufficient.

6 FINDINGS

The results for the empirical model are displayed in Table 5. The results support all of the hypothesized effects. Hypothesis 1 examined the relationship between structural bonding and organization-directed customer citizenship behavior (O-CCB). The result showed that structural bonding influences O-CCB ($\beta = 0.499$; t-value = 9.707; $p < .000$). The empirical data results show that the higher the structural bonding, the higher the level of O-CCB; the associated hypothesis in this study can be accepted accordingly and is proven empirically. It is therefore concluded that the structural bonding approach creates added value for the customer. Hence, it induces an internal sense of obligation that benefits the firm and encourages customers to

exhibit extra-role behavior (e.g., recommendations and providing feedback to the firm).

Similarly, the influences of social bonding on customer directed customer citizenship behavior (C-CCB) ($\beta = 0.334$; t -value = 5.718; $p < .000$) were statistically significant. The social bond forms through personal social interaction, so a consumer may form strong personal ties that tend to keep the relationship intact. Hence, when customers develop personal bonds with the company, they seek personal relationship satisfaction. Consequently, customers who experience a high level of these values develop strong feelings for the business, promote it, and take on extra responsibilities. It supports the findings of Balaji (2014) that consumer citizenship behavior is affected by relationship value.

Furthermore, the proposed hypothesis between O-CCB and LTO ($\beta = 0.212$; t -value = 2.618; $p < .009$) was statistically supported. Likewise, the positive effect of C-CCB on LTO was confirmed ($\beta = 0.179$; t -value = 2.277; $p < .023$). This shows how important customer-directed CCB is for maintaining long-term relationship orientation. A committed business relationship with a bank will result from a high quality of economic exchange between the customer and the bank. Similarly, the process of positive affectivity can enhance customers to continue to use the service or product. Subsequently, customers experience an economic exchange and psychological force (e.g. interpersonal relationships), which causes them to form a strong sense of discretionary behavior. They will remain loyal to their service providers and eventually form long-term relationships. This research is consistent with Choi and Lotz (2018) findings that employee relationships

or economic exchange directly influence customer citizenship behaviors in services. The moderating influence of collectivist orientation was studied using a multi-group analytic method. Further, before conducting the analysis, we created two separate samples: relatively ‘high’ ($N = 150$) and ‘low’ collectivist ($N = 109$) collectivists based on the median split of the data. The result displays that low collectivist orientation moderates the relationship between structural bonding and O-CCB ($\beta = 0.350$; $p < .001$). The moderating effect of the collectivistic orientation on the relationship between structural bonding and O-CCB is depicted in Table 6. Accordingly, customers with a low collectivistic orientation moderate the relationship between structural bonding and O-CCB. The results show that Indonesian consumers’ structural bonds to the bank are influenced by a higher level of low collectivistic orientation.

The key to structural bonding is that it establishes an exchange relationship between a buyer and a seller based on an economically and organizationally advantageous goal, which explains how each consumer views the exchange relationship. This circumstance suggests that consumers with a low collectivistic orientation are more loyal to a bank when economic benefits are appealing. This finding is consistent with earlier studies (Chai, 2015) showing that mutually beneficial economics are significant among low collectivistic banking consumers in New Zealand.

Likewise, hypothesis 3b confirmed the moderating role of high collectivist orientation in social bonding and C-CCB ($\beta = 0.294$; $p < .001$). Hence, increased levels of collectivist orientation will strengthen the relationship between social bonding and C-CCB.

Table 5. Results of the direct relationship and moderation variable’s hypothesis testing

Path	Hypothesis	Outer Weight	T-Statistic	p-values	Status
Direct Effect					
STRB->O-CCB	H1	0.49	9.70	.000	Accepted
SOCB->C-CCB	H2	0.33	5.71	.000	Accepted
O-CCB->LTO	H3	0.21	5.71	.009	Accepted
C-CCB->LTO	H4	0.17	2.27	.023	Accepted

Table 6. The estimated coefficient of multi-group analysis for collectivistic orientation

Path	Original Sample (O)		P Values		Chi-square difference/ p value	Moderating
	High	Low	High	Low		
C-CCB -> Long Term Orientation	0.108	0.285	0.516	0.016	6.490/ <u>.010</u>	Yes
O-CCB -> Long Term Orientation	0.202	0.112	0.101	0.415		
Social Bonding -> C-CCB	0.294	0.097	0.000	0.500		
Structural bonding -> O-CCB	0.350	0.547	0.000	0.000		

The current study reveals that individuals with a high collectivistic orientation emphasize interpersonal commitment with their banking representatives. This result shows the importance of building personal relationships among Indonesian banking consumers, especially individuals with a high collectivistic orientation. Therefore, building a personal connection or business friendship is essential for creating lasting bonds in the banking industry.

7 THEORETICAL IMPLICATIONS

The recent study examines which types of relational bonding influence customer citizenship behavior and long-term orientation. This research highlighted an empirical framework for analyzing how structural and social bonding in the banking industry determine consumer discretionary behavior and consumers' desire to form a long-term partnership. The banking industry will exploit this framework to better explain consumer actions based on their interpretations of relational bonding, customer citizenship behavior, and the organization's long-term orientation. The current research contributes to the relationship marketing literature by proposing a moderated paradigm.

In particular, this study contributes to the literature in several ways. First, prior research revealed that only a few studies had explored the relationship between relational bonding and CCB. Therefore, the study contributes to

the field of relationship marketing by exploring O-CCB and C-CCB as a consequence and studying the possible interaction between multi-foci Customer Citizenship Behavior and long-term customer orientation. Second, earlier research in relationship marketing has yielded a sufficient connection between relational bonding (structural and social) and customers' attitudinal and behavioral outcomes. However, the primary mechanism and details explaining how relational bonding influence buyer-seller long-term orientation remained unclear. Based on the social exchange theory, organization-directed customer citizenship behavior (O-CCB) was employed to bridge structural bonds and buyer-seller long-term orientation. Task-orientation unites a consumer and a provider in an exchange relationship based on a calculative consequence and organizational objective, which is the secret to structural bonding.

This study also utilized social network theory as a theoretical mechanism to explain the relationship between social, customer-directed customer citizenship behavior and bonding buyer-seller long-term orientation. Social network theory posits that interactions and relationships occur between fellow customers in a service environment (Hansen et al., 2003). This underlying theory supports the premise that if customers consider that long-term partnerships are precious, thus, stimulate individuals to involve in a specific behavior (i.e., helping behavior or positive word-of-mouth).

Finally, the moderating variable of collectivistic orientation was proposed, while it was also proven that this construct moderated the relationship between structural and social bonding with CCB. The research shows unequivocally that low collectivistic customers play a prominent role in strengthening the relationship between structural bonding and organization-directed CCB (O-CCB). Conversely, highly collectivistic customers remarkably increase the relationship magnitude between social bonding and customer-directed CCB (C-CCB) in the provision of friendship.

8 MANAGERIAL IMPLICATIONS

As the previous literature only investigated collectivistic customer orientation in a western consumer setting, this research enriches the relationship marketing literature in the South East Asia consumer setting. This research contributes to the cross-cultural literature in service management and relationship marketing. The empirical model developed, is expected to help financial marketers in the banking industry to understand specific consumer characteristics for the development of geographically appropriate marketing strategies.

From a management standpoint, it is proven that structural bonding and social bonding are variables that affect customer citizenship behavior. Management must design marketing activities based on customer relationships and improve the interactions between customers and the firm. This condition will encourage customers to maintain a long-term positive attitude towards the organization.

Given that structural bonding ultimately contributes to O-CCB, bank managers should consider the structural bonding strategy when deciding which clients to target and choose for the company's long-term loyalty program. Similarly, this research also reports that social bonding is related to C-CCB. Hence, management should provide customers with opportunities to establish emotional attachment through social interaction.

Therefore, considering social relations among involved parties potentially induces reciprocal behaviors and an internal sense of obligation that encourages customers to exhibit extra-role behavior for fellow customers (C-CCB).

Moreover, the findings have substantial inferences for banks regarding distinguishing their market segment in long-term marketing campaigns. When targeting low-collectivist Indonesian customers, marketers may utilize marketing methods comparable to those used for the conventional approach (service delivery process). They would not need to customize their marketing campaigns to attract this demographic. In contrast, marketers should attempt to engage more social interaction and emotional engagement when targeting high-collectivistic Indonesian customers.

9 LIMITATION

There are several limitations in this research study, as well as areas for further investigation. First, the research focuses on individual Indonesian bank customer's evaluations of their bank and banking representatives; nevertheless, in a dyadic relationship, observations from both parties are required to draw relevant findings. Second, this research explicitly examines the relational bonding model in the banking industry. The empirical model can be tested in various industry segments for a cross-validation mechanism. Third, future studies might look at nations with varied cultural settings to generalize the conceptual model. Fourth, this research employed a cross-sectional survey method, which is weak in determining the time or outcome exposure. Future research can use a longitudinal approach to effectively determine variable patterns that change over time. Finally, there was only one moderating variable used. Several other moderating variables have the potential to be tested in an empirical model, such as the duration of the relationship (Lee, 2015) and value creation behavior (Sanz-Blas et al., 2019).

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