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The Dark Side of Online Channels: A Relational Norm Perspective

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Firms are increasingly relying on non-human online interactions to deliver services and manage customer relationships. Understanding the impact of changes in channel dynamics remains critical for service industries because traditionally these firms have relied heavily on the value of face-face interactions to foster customer-firm relationships (Soloman et al. 1985; Yadav and Pavlou, 2014; Steinhoff et al. 2019). This study contributes to the growing body of literature on omni-channel dynamics of customer-firm relationships and examines the role of self-construal (independent vs. interdependent) and digital expertise on channel usage and the affect these channel experiences have on relational norms and pro-firm customer behaviors.

Grounding arguments in social relationship theory and using data of 245 banking customers (65% male; avg. age: 29 years) from Saudi Arabia, a structural path model was estimated using SMARTPLS's (v.3.3.7) consistent bootstrapping algorithm with 5000 sample iterations. Results demonstrate that individuals' self-construal (independent vs interdependent) affects offline channel usage, whereas their digital expertise affect online channel usage. Interestingly, online channel usage negatively affects both communal and exchange relational norms while online channel quality does not foster any relational norm development. It demonstrates that although online channels provide significant operational business benefits, but it has a dark side when considering the socio-relational normative structure that it is fostering. Findings also demonstrate that it is imperative that firms invest in the quality of their offline channels, rather than usage frequency, which remains the strongest predictor of altruistic communal relational norms. Such norms are not only beneficial per se but tend to positively affect pro-firm behaviors such as word of mouth and reduced switching intentions.

The study offers two important implications for managers. Firstly, people and countries differ in their views on social relationships and digital expertise (e.g. western countries: more independent and high digital expertise vs. some eastern countries: more interdependent and low digital expertise), so the attitudes and results of digital migration may not be the same across these countries. Secondly, digital channel migration comes with implications for customer-firm relationships i.e. online channel usage negatively affects both communal and exchange relational norms. It appears that the firms are priming themselves for non-beneficial customer-firm bond via these online channels. To develop higher quality altruistic customer-firm relationships, it is imperative that firms invest in the quality (rather than frequency) of their offline channels which remains the strongest predictor of communal relational norms.

Keywords: Self Construal, Exchange Norms, Communal Norms, Customer-firm relationships

References Available Upon Request