CUSTOMER SATISFACTION AND TRUST – ARE THEY RELATED WITH BUYING FREQUENCY AND THE LENGTH OF THE RELATION?

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Abstract: *The purpose of this research is to investigate the connection between the buying behavior and the level of customer trust and general satisfaction. The buying behavior was measured by two variables: the length of the relation between the customer and the company and the buying frequency. In order to measure trust, we explored two dimensions of this construct: trust in the salesperson and trust in the company brand. Research objectives: (1) To identify the connection between the length of the customer - company relation and clients' general satisfaction; (2) To identify the connection between the length of the customer - company relation and trust; (3) To identify the connection between buying frequency and clients' general satisfaction; (4) To identify the connection between buying frequency and trust. We conducted a quantitative survey on a sample of 807 young buyers of cosmetic products. The respondents were only female students, 19-25 years who brought cosmetic products from direct selling companies. We created two groups of buyers, using as a variable the length of the relation between the clients and the company: first group includes the clients who buy from the company from less than 2 years; the second group includes the clients who buy from the company from more than 2 years. We also created two groups of buyers, using as a variable the frequency of buying cosmetic products from direct selling companies: first group is represented by the clients buy from the company every month or once every 2 months; the second group is represented by the clients buy from the company once every 3 months or less. The questionnaire was build based on a previous exploratory research. The results of the present study indicated that the clients who buy from the company from less than 2 years are more satisfied of the company and have more trust in the brand than the old clients.*

Keywords: *satisfaction; trust in salesperson; brand trust; buying frequency.*

JEL classification: *M31.*

1. Introduction

Satisfaction and trust are two of the most important determinants of customer loyalty ((Li et al., 2015; Veloutsou, 2015; Gretr et al., 2017). In order to increase the profit shares, companies must understand the importance of having satisfied customers who trust the products and the sellers. It is not enough to have satisfied customers for make them loyal; they have to trust the company enough to repeat the purchase (Ranaweera and Prabhu, 2003).

General satisfaction in direct sales is conceptualized as a set formed by satisfaction with seller, product, company and perceived value (Musa, 2005). The perceived value includes the benefits gained through direct purchase, related to perceived sacrifices, both economic and non-economic.

A key factor in the success of relational marketing is the buyer's confidence in the seller (Too, et al., 2001, p. 293). Trust is very important in direct selling and acts as a supplement to satisfaction in consolidating loyalty (Young and Albaum, 2003). Trust is defined as "the belief that the promise of a party is serious and the other party fulfils its obligations in the exchange relationship" (Schurr and Ozanne 1985, p. 940). Morgan and Hunt (1994, p. 22)

believe that trust is generated by sharing common values between seller and buyer through communication and lack of opportunistic behavior. Trust is a positive determinant of loyalty, which has been carefully investigated in recent years, being appreciated by some authors as a better predictor of loyalty than satisfaction (Pirc, 2008, p. 40). It is defined as "customer expectations regarding the validity of the supplier and the certainty that it will fulfil its promises" (Morgan and Hunt, 1994, p. 22). In direct sales studies, trust is investigated as a general construct (Alturas and Santos, 2009) or a distinction is made between trust in the company and trust in the seller (Musa, 2005). It is not very clear though to what extent the purchase decision by direct sale is due to the seller or the company he represents (Young and Albaum, 2003). The interaction of the salesperson with the customer is very important for building trust (Keeling et al., 2010). Another component of trust is brand trust, an aggregate construct (Li et al., 2015) representing "the perceived predictability of the brand's behavior" (Gretry et al, 2017, p. 78). Trusting a specific brand, consumers reduce the level of risk associated with buying and using the products and believe that the brand is reliable and will keep its promises (Srivastava et al., 2015).
The purpose of this research is to investigate the connection between the buying behavior and the level of customer trust and general satisfaction.
The buying behavior was measured by two variables: the length of the relation between the customer and the company and the buying frequency. In order to measure trust, we explored two dimensions of this construct: trust in the salesperson and trust in the company brand.
Research objectives:
1. To identify the connection between the length of the customer - company relation and clients' general satisfaction
2. To identify the connection between the length of the customer - company relation and trust
3. To identify the connection between buying frequency and clients' general satisfaction
4. To identify the connection between buying frequency and trust

2. Research methodology

We conducted a quantitative survey on a sample of 807 young buyers of cosmetic products. The respondents were only female students, 19-25 years who brought cosmetic products from direct selling companies.
The questionnaire was build using the results of other studies and after a qualitative research based on three focus groups with 18 persons.
The scales for the constructs we work with in this paper (customer general satisfaction, trust in the salesperson, brand trust) were validated using common factors analysis with SPSS 17.0 and the detailed results were presented in previous studies (Bobalca, 2011; Bobalca, 2014).
The customer general satisfaction was measured with 4 items and we computed a new variable representing the mean of these items. The first three items were rated using a seven item point scale, from 1 (not at all satisfied) to 7 (very satisfied). The last item was also rated on a seven item point scale, from 1 (very far) to 7 (very closed). The items for customer general satisfaction scale were build based on the research of Gustafsson and Johnson (2004) and Söderlund (2006) but also on the results of previous qualitative research (Bobalca, 2011; Bobalca, 2014):
How satisfied are you with this company?
How satisfied are you with the experience of buying the company's products?
How satisfied are you with the degree to which your expectations have been met?
Imagine a perfect cosmetic firm in all its aspects. How close or far from this ideal is the selected firm?

Having the scale of Young and Albaum (2003) as a starting point, we measured the construct “trust in the sales person” with 6 items and we computed a new variable representing the mean of these items. All items were rated on a seven item point Likert scale, from 1 (strongly agree) to 7 (strongly disagree):
I trust the salesperson to quickly resolve the issues that arise
I trust the correctness of the information received from the salesperson
I trust the honesty of the salesperson
I always rely on the salesperson to inform me of the new products I might be interested in
I trust the salesperson.
The salesperson has the desire and the ability to maintain a good relationship with me
For measuring brand trust, we used a 4 items scale (Chaudhuri and Hoibrook, 2001; Matzler, 2008) and we computed a new variable representing the mean of these items. All items were rated on a seven item point Likert scale, from 1 (strongly agree) to 7 (strongly disagree).
I trust this brand
I rely on this brand
This brand respects its promises
This brand gives me safety
We created two groups of buyers, using as a variable the length of the relation between the clients and the company. The first group is represented by the clients who buy from the company from less than 2 years. The second group includes the other customers, who buy from the company from more than 2 years. We also created two groups of buyers, depending on the variable “the frequency of buying” cosmetic products from direct selling companies. The first category of clients is represented by those who buy from the company every month or once every 2 months. The second category includes the clients buy from the company once every 3 months or less.

3. Research results

Objective 1: To identify the connection between the length of the customer - company relation and clients’ satisfaction.
Table 1 presents the results for Independent Samples Test on the two groups of clients, depending on the length of their relation with the company: less than 2 years and more than 2 years. Young customers are more satisfied (with the mean value of 5.38) than old customers (with the mean value of 5.1).

Table 1: Independent Samples Test – Satisfaction and Length of the relation

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Satisfaction	Equal variances assumed	.007	.931	**3.468**	**803**	**.001**	**.27897**	**.08044**	**.12107**	**.43686**
	Equal variances not assumed			3.435	274.506	.001	.27897	.08122	.11908	.43885

As we notice in Table 1, Sig value for the F test (F= 0.007) is 0.931. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is 3.468 and the Sig value is

0.001 (< 0.05), indicating that we can reject the null hypothesis. There is a significant difference between the levels of general satisfaction of the two groups of customers: the clients who buy from the company from less than 2 years are more satisfied of the company than the old clients.

Objective 2: To identify the connection between the length of the customer - company relation and trust

In order to measure trust, we investigated two of its main dimensions: trust in the salesperson and brand trust. For a client who buys cosmetic products from a direct selling company, the level of trust in that company is influenced by the seller and the brand. The mean values for the construct “trust in the seller”, for the two groups, depending on the length of the relation are 5.29 (for group 1 – clients who buy from the company less than 2 years) and 5.38 (for group 2 - clients who buy from the company from more than 2 years). According to these values, old customers (who buy from the company more than 2 years) trust more the salesperson, comparing with young customers (who buy from the company less than 2 years).

Using the Independent Sample T Test, we investigate the significance of these differences. The results are presented in Table 2.

Sig value for the F test (F= 1.222) is 0.269. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is -0.82 and the Sig value is 0.413 (> 0.05), indicating that we can accept the null hypothesis. There is not a significant difference between the levels of trust in the salesperson of the two groups of customers. The trust in the seller is not influenced by the length of the relation with the company. On the other hand, the customers might have worked with different sellers from the same company over the time.

Table 2: Independent Samples Test – Trust in the salesperson and Length of the relation

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Trust in the salesperson	Equal variances assumed	1.222	.269	**-.820**	**803**	**.413**	**-.08823**	**.10763**	**-.29950**	**.12303**
	Equal variances not assumed			-.796	267.421	.427	-.08823	.11083	-.30644	.12998

The second section of the results investigates the relation between the relation length and brand trust. The mean values for the construct “brand trust”, for the two groups, depending on the length of the relation, are 5.15 (for group 1) and 4.86 (for group 2). According to these values, young customers (who buy from the company less than 2 years) have more trust in the brand, comparing with old customers (who buy from the company more than 2 years). The significance of this result is tested using Independent Sample T test, as Table 3 indicates.

Table 3: Independent Samples Test – Brand trust and Length of the relation

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Brand trust	Equal variances assumed	.397	.529	2.641	803	.008	.28566	.10818	.07332	.49801
	Equal variances not assumed			2.602	272.666	.010	.28566	.10977	.06956	.50176

According to the results presented in Table 3, Sig value for the F test (F= 0.397) is 0.529. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is 2.641 and the Sig value is 0.008 (< 0.05), indicating that we can reject the null hypothesis. There is a significant difference between the levels of brand trust of the two groups of customers. The clients who buy from the company from less than 2 years have more trust in the brand than the old clients.

Objective 3: To identify the connection between buying frequency and clients' satisfaction

The mean values for general satisfaction on the two groups of clients, depending on the variable "buying frequency" are 5.24 (for group 1 - clients who buy monthly or once every 2 months) and 5.00 (for group 2- clients who buy only once every 3 months or less). Clients who buy more often are more satisfied than the others.

In order to see if this difference is a significant one, we run an Independent Samples Test, whose results are presented in Table 4.

Table 4: Independent Samples Test – Satisfaction and buying frequency

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Satisfaction	Equal variances assumed	1.473	.225	**3.417**	**804**	**.001**	**.24412**	**.07145**	**.10388**	**.38437**
	Equal variances not assumed			3.397	481.775	.001	.24412	.07187	.10291	.38533

Sig value for the F test (F= 1.473) is 0.225. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is 3.417 and the Sig value is 0.001 (< 0.05), indicating that we can reject the null hypothesis. There is a significant difference between the level of general satisfaction of the two groups of customers: the clients who buy more often (monthly or once every 2 months) are clearly more satisfied of the company than the clients who buy less (once every 3 months or less). We can conclude that satisfaction influence the buying frequency, which is a logical results and a confirmation of the importance of customer satisfaction.

Objective 4: To identify the connection between buying frequency and trust
In order to see if there are significant differences between the mean values for the level of trust in the seller, computed on the two groups, depending on the buying frequency variable, we run an Independent Samples Test, whose results are presented in Table 5. The mean value for group 1 (buying monthly or once every 2 months) is 5.48 while the mean value for group 2 (buying once every 3 months or less) is 5.11. The results show that clients who buy more often have more trust in the seller person than the other clients. This correlation might be an indicator for the influence of trust in the salesperson on buying frequency. The more a client trusts the person he buys from, the more often he will be encouraged to order cosmetic products.

Table 5: Independent Samples Test – Trust in the salesperson and buying frequency

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Trust in the salesperson	Equal variances assumed	.171	.679	**3.871**	**804**	**.000**	**.36674**	**.09473**	**.18079**	**.55269**
	Equal variances not assumed			3.877	490.342	.000	.36674	.09459	.18088	.55260

According to the results of the Independent Samples Test, Sig value for the F test (F= 0.171) is 0.679. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is 3.871 and the Sig value is 0.000 (< 0.05), indicating that we can reject the null hypothesis. There is a significant difference between the level of trust in the salesperson of the two groups of customers: the clients who buy more often (monthly or once every 2 months) have more trust in the salesperson than the clients who buy less (once every 3 months or less).
Regarding brand trust, the mean value for group 1 (buying monthly or once every 2 months) is 5.06 while the mean value for group 2 (buying once every 3 months or less) is 4.63. In order to see if the difference between two means is a significant one, we run an Independent Samples Test**.**
Table 6 presents the results of the Independent Samples Test. Sig value for the F test (F= 0.337) is 0.562. As this value is bigger than 0.05, the variances are assumed to be equal. The t value is 4.455 and the Sig value is 0.000 (< 0.05), indicating that we can reject the null hypothesis. There is a significant difference between the level of brand trust of the two groups of customers: the clients who buy more often (monthly or once every 2 months) have more trust in the company brand than the clients who buy less (once every 3 months or less).

Table 6: Independent Samples Test – Brand trust and buying frequency

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Brand trust	Equal variances assumed	.337	.562	**4.479**	**804**	**.000**	**.42673**	**.09527**	**.23973**	**.61373**
	Equal variances not assumed			4.455	482.086	.000	.42673	.09580	.23850	.61496

4. Conclusions

The goal of this paper was to investigate the connection between the buying behavior (measured by buying frequency and the duration of the relation between the customer and the company) and the level of customer trust and general satisfaction. The research results indicated that the clients who buy from the company from less than 2 years are more satisfied of the company and have more trust in the brand than the old clients. If the levels of satisfaction and trust tend to decrease in time, the company should focus more on loyal old clients, investigating the determinants affecting satisfaction and trust, in order to improve those factors. There are indicators that satisfaction influences the buying frequency, which is a logical results and a confirmation of the importance of customer satisfaction.

Also, trust in the salesperson influence buying frequency. The more a client trusts the person he buys from, the more often he will be encouraged to order cosmetic products. The clients who buy more often (monthly or once every 2 months) have more trust in the company brand than the clients who buy less (once every 3 months or less). In order to increase the buying frequency in direct selling, companies must be aware of the importance of satisfaction and customer level of trust in the brand and in the seller.

As research limitations, we mention the sample structure, as the respondents are only young women, students at the University of Alexandru Ioan Cuza of Iasi. As a future research direction, we intend to analyse other factors influencing purchase behaviour, besides satisfaction and trust. One example is the habit of buying. The results of this study are important for direct selling companies, in order to build and implement customer relationship management strategies, in order to increase their profits.

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