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Relational capital quality and client loyalty: firm-level evidence from pharmaceuticals, Pakistan

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Abstract
Purpose – This study aims to examine the influence of relational capital quality on client loyalty, comprising both behavioral and attitudinal, in the pharmaceutical industry of Pakistan.

Design/methodology/approach – The partial least squares technique is used to test the relationship using a sample of 111 pharmaceutical firms. We applied a non-parametric procedure, the bootstrapping method, to estimate the coefficient path of the relationships. Appropriate construct measures were used based on past studies to measure the dimensions of relational capital quality and client loyalty.

Findings – The findings suggest that relational capital quality significantly affects client loyalty. All three dimensions of relational capital quality, commitment, satisfaction and trust, have a significant and positive influence on both attitudinal and behavioral loyalty. However, client satisfaction is found to exert the strongest impact on behavioral and attitudinal loyalty.

Practical implications – It is important for the pharmaceutical firms in Pakistan to improve client satisfaction to establish behavioral loyalty and sustain their clientele base. Trust and commitment should be managed independently, depending on the focus of firms, either attitudinal loyalty or behavioral loyalty.

Originality/value – This study is among the few that was able to empirically examine the role of various dimensions of relational capital quality in influencing clients’ attitudinal and behavioral loyalty. In addition, the study uses a new firm-level data set, compiled from a survey of the pharmaceutical industry in Pakistan, which is currently facing challenges in terms of customer–supplier sensitivity.

Keywords Behavioral loyalty, Trust, Commitment, Attitudinal loyalty, Client loyalty, Relational capital quality

Paper type Research paper

Introduction
Intellectual capital has gained the attention of scholars and the business community, given its importance for firms’ competitiveness (Nahapiet and Ghoshal, 1998; Sarkar et al., 2001; Castro et al., 2004). Broadly speaking, intellectual capital is categorized into