

Standardized vs. customized firm-initiated interactions: Their effect on customer gratitude and performance in a B2B context

Abstract

This study examines preferential treatment and its effect on customer gratitude and customer outcomes in the B2B context. Drawing on social exchange theory, the paper investigates to what extent different categories of firm-initiated interactions (standardized and customized) have an impact on customer gratitude and relationship strength, and on other transactional and non-transactional customer outcomes (profitability and word-of-mouth). A dynamic panel data estimation was developed based on a random sample of 2,175 customers from 2013 to 2017 provided by a multinational B2B insurance company. The results indicate that standardized interactions, as opposed to customized interactions, have no influence on customer gratitude, profitability, or word-of-mouth. Moreover, customer gratitude affects relationship strength, which in turn affects profitability and word-of-mouth. These findings emphasize the importance of determining the effect of different types of firm–customer interactions on transactional and non-transactional behaviors. This is crucial for practitioners because it enables them to adjust commercial resources more efficiently.

Keywords:

firm-initiated interactions, preferential treatment, customer gratitude, relationship strength, profitability, word-of-mouth

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1. Introduction

In markets as globalized and competitive as current ones, consumers acquire ever-growing power of decision and an increasing desire to receive products that are adapted to their tastes and needs, as well as treatment that is much more personalized (Homburg et al., 2008; Madhavaram & Hunt, 2017; Viswanathan et al., 2017). Technology has favored the introduction of sophisticated commercial tools that allow detailed follow-up of every action with the aim of establishing, developing, maintaining, and profiting commercial efforts with each customer that makes up a portfolio (Agnihotri et al., 2017; Chang et al., 2010; Hunter, 2019).

In this context, companies aim to assign these resources more efficiently, leading to preferential treatment and prioritization of specific customers that have the potential to generate higher profitability (Homburg et al., 2008; Mathur & Kumar, 2013). A firm may offer additional services, customized products, flexibility in payment terms, or lower prices to selected customers (Newman et al., 2019). The idea of prioritizing specific customers has received significant attention under the label of “preferential treatment”, understood as “the practice of giving selective customers’ elevated social status recognition and/or additional or enhanced products and services above and beyond standard firm value propositions and customer service practices” (Lacey et al., 2007, p. 242). Thus, the literature emphasizes that each customer is different and that they ought to be treated in accordance with the opportunity they present for a company.

When companies decide to implement preferential treatment strategies, the most common mechanism is to develop firm-initiated interactions (FIIs). FIIs refer to interactions initiated by a company in order to introduce its customers to its products and services and to encourage customer responses (e.g., future purchases, customer loyalty); this type of interaction can materialize in email campaigns, catalogs, flyers, and so on (Cambra-Fierro et al., 2018b; Wiesel et al., 2011). Most research assumes that FIIs are primarily relationship marketing efforts that contribute to building stronger customer relationships and improving customer profitability (Bolton et al., 2004; Palmatier et al., 2006). Business practice is characterized by a proliferation of communication actions in order to establish and maintain contact with current and potential customers. However, the nature of these interactions may generate different perceptions in different customers, and relatively little is known about these impacts.

Although FIIs are initially designed with the positive intention to stimulate customer responses (e.g., future purchases, customer loyalty), some authors have argued that FIIs have a dark side and are an ineffective marketing mechanism (de Haan et al., 2016). Other authors have noted that FIIs may be perceived as intrusive, especially if they occur too frequently, have a suboptimal message, or do not meet the customer's expectations as regards the information needed (Wiesel et al., 2011). Although previous studies have analyzed the consequences of FIIs, they have not distinguished between the different types of FIIs (Cambra-Fierro et al., 2018b; de Haan et al., 2016; Wiesel et al., 2011). Given that these interactions can be perceived by the customers as informative and useful (Cambra-Fierro et al., 2018b), on the one hand, or as invasive and disturbing (de Haan et al., 2016), on the other, they may be perceived by customers in different ways, and the prior literature has not distinguished between different types of effects.

In this study, therefore, we aim to build on the current literature by providing more information about the real effectiveness of FIIs when firms segment their interactions with customers. First, we believe that not all FIIs should have the same goal, as not all customers are equally valuable, and that firms should be precise in initiating different types of communications with their customers. Hence, we analyze customized versus standardized FIIs and their consequences for firms. In particular, we propose classifying FIIs into two groups: (1) relatively standardized messages sent through various channels giving customers generic information about the company's products and services; and (2) interactions personalized to the needs of the customer, sent through the customer's preferred channels and at the right time. In this context, preferential treatment is given through customized FIIs, as they represent the only interactions adapted to each customer. This analysis has enabled us to identify an important gap in the literature, because treating all FIIs as if they were the same is likely to lead to inaccurate results, revealing a need for further research on the implications of standardization and customization, as well as a need to distinguish between types of effects.

In addition to addressing this important research gap, we have identified other relevant gaps by conducting a comprehensive literature review (Table 1) of relevant prior studies that have analyzed the implications of FIIs, standardization, customization, or gratitude.

<Insert Table 1 about here>

This review shows that although previous studies have analyzed strategies of standardization and customization from the perspective of the product/service offered (e.g., Ding & Keh, 2016; Franke et al., 2009), they have not done so from an FII perspective. Moreover, the importance of including more interaction perspectives has been included as a top priority in the most recent publication on the research priorities of the Marketing Science

Institute (MSI, 2020). Thus, we identify another research gap, since far too little attention has been paid to the effects of standardization and customization from an interactions standpoint.

We also explore and analyze in detail the customer response to FIIs. Our study is novel in including the concept of gratitude as a measure of whether customers feel appreciation and indebtedness to the company and may want to reward it in future. To better understand the meaning of gratitude, a concept little studied in the literature on standardization and customization (Palmatier et al., 2009), we draw on social exchange theory, as it pays particular attention to the reciprocity principle, which is very relevant from a psychological point of view, to understand patterns of customer responses. From an empirical perspective, there have so far been no comprehensive studies of the real impact of different types of interactions initiated by companies on customer perceptions and on transactional and non-transactional customer behaviors. To the best of our knowledge, no research has compared two different types of commercial interactions—customized and standardized FIIs—to establish empirically which type is more effective in triggering transactional outcomes (e.g., customer profitability) and non-transactional outcomes (e.g., word-of-mouth behaviors) (Beckers et al., 2018; Kumar et al., 2010; van Doorn et al., 2010). Our analysis of the consequences of customized versus standardized FIIs is, therefore, extremely useful for managers, as it will allow them to allocate their resources more efficiently to achieve performance outcomes.

From these considerations, three research questions arise. (1) Given the lack of studies on different types of FIIs, what are the different effects of standardized versus customized FIIs? (2) How can managers benefit from adapting current knowledge of standardization and customization strategies to the development of FIIs? (3) Since far too little attention has been paid to customer reciprocity from an interactions perspective, what are the implications of standardized and customized interactions for customer gratitude and customer outcomes, both transactional and non-transactional?

The objective of this study is to address these research questions by filling the gaps identified in the literature for the B2B context. To date, most studies on interactions, standardization, customization, and customer gratitude have focused on B2C customers and relationships, to the neglect of B2B markets. This is especially significant given the specific characteristics of B2B markets, including lower numbers of potential customers and suppliers, higher purchase volumes, more specific needs, and more rational decision processes (Polo-Redondo & Cambra-Fierro, 2008)—characteristics which explain the tendency of B2B companies to be more relational in their approach to business (Coviello et al., 2002). The customization of products and services is a challenge that leads to the development of solutions that provide customer value. It is therefore of fundamental importance to understand successful positioning both in general and in the B2B context (Ingram et al., 2002; Payne et al., 2017).

To fulfill these objectives, Section 2 presents the theoretical background and the conceptual framework, and Section 3 sets out the hypotheses that will be tested empirically. Section 4 explains the methods used, based on a dynamic panel data estimation applied to a random sample of 2,175 companies from 2013 to 2017 provided by a world leader in the B2B insurance sector, and the results are given in Section 5. The paper ends with a discussion of the theoretical contributions of the study and its implications for business practice.

2. Conceptual framework

Standardization and customization strategies have been widely studied in the marketing literature, with a particular focus being directed to the degree of standardization or customization of the product/service offered (e.g., Ding & Keh, 2016; Franke et al., 2009). In this sense, standardization refers to providing a product/service with uniform characteristics for all customers, while customization refers to adapting the company's offering to each customer's individual needs (Kasiri et al., 2017).

However, existing literature also indicates that these strategies should be employed depending on the commercial context. Various authors argue that customization is necessary when demand is characterized by heterogeneity, since only in this way can the firm satisfy customer needs completely (Huang & Rust, 2017; Peters & Saidin, 2000). Both strategies have their own benefits, as standardization leads to productivity and reliability (Kasiri et al., 2017; Wang et al., 2010), while customization increases the company's ability to meet customer needs and face the high competitiveness of other companies (Peters & Saidin, 2000). Nonetheless, the tendency of service providers is to focus increasingly on customization (Kasiri et al., 2017). Rust and Huang (2014) argued that advances in the use and implementation of technology is leading to a service revolution and a shift toward more personalization of companies' offerings. Huang and Rust (2017) further proposed that the use of either standardization or customization might vary based on heterogeneity of demand, but that it also depends on the customer lifetime value across customers, suggesting that the relationship with each customer may also influence the service's standardization or customization.

Nonetheless, most of the existing literature focuses on the standardization or customization of the product or service itself, overlooking other aspects that might prove relevant to the overall relationship with the customer. However, there is little research on the effects of FIIs in general, and studies that investigate standardization versus customization are virtually nonexistent. Cambra-Fierro et al. (2018b) focused on FIIs, defined as generic or standardized interactions initiated by the company, but they did not consider customized FIIs. In other studies that focus on standardized interactions, other types of FIIs are also overlooked (e.g., Wiesel et al., 2011).

In the present study, we ground our model in social exchange theory as a way of describing the relational interdependence that develops over time through customer-firm interactions (Schiele et al., 2012; Venkatesan et al., 2007). According to social exchange

theory, every interaction generates a social exchange that builds a customer opinion. This theory explains the reciprocity principle (Bagozzi, 1995; Bowman & Narayandas, 2001; De Wulf et al., 2001; Tangpong et al., 2016) and identifies the conditions under which people feel obliged to reciprocate behaviors when they receive benefits from others.

The reciprocity principle refers to the recognition of the provider's efforts during a commercial relationship that will lead to customer gratitude as a compensation for those efforts (Gouldner, 1960). Previous studies have shown that customers feel intrinsic psychological pressure to reciprocate after receiving a benefit, and that failing to give back can lead to discomfort or even guilt (Dahl et al., 2005; Palmatier et al., 2009). The logic behind the reciprocity approach relies on generating a sense of tradeoff for the provider's efforts (Palmatier et al., 2009). Consequently, the customer's purchasing behaviors can be motivated by a commitment to reciprocate the provider's efforts.

Prior studies that have employed this theory to justify customer gratitude have looked at different determinants of gratitude, but they have failed to take into consideration the specific type of interaction (i.e., standardized versus customized) from a FIIs perspective. Huang (2015) analyzed the effect of some kinds of customized interactions and preferential treatment, without including standardized interactions. Likewise, the work of Mishra (2016) used the reciprocity approach to study gratitude formation as a result of relationship marketing investment, and the study by Palmatier et al. (2009) did likewise. Additionally, Wetzel et al. (2014) revealed the implications of customer gratitude; however, they analyzed only prioritization tactics, excluding any other types of interactions. We present a table that summarizes the key elements of social exchange theory and allows us to evidence the theoretical basis of our research (Table 2).

<Insert Table 2 about here>

The current study builds on prior work that has concentrated on the social exchange approach, focusing on and distinguishing two distinct types of FIIs that can generate different responses in terms of reciprocity and customer gratitude formation. Specifically, our conceptual framework (Figure 1) establishes that FIIs influence customer gratitude, and it distinguishes between two different types of FIIs (i.e., standardized and customized interactions) in order to differentiate the effect of each type of interaction. Customer gratitude has been included in the model given its potential to trigger reciprocity in the overall buyer–supplier interaction. For this reason, we propose that customer gratitude leads to relationship strength, which reveals the bonds created between partners and captures the stability of the relationship in time. This is of particular interest in B2B contexts, where long-term relationships lead to further desirable outcomes in terms of transactional and non-transactional behaviors (e.g., customer profitability, future referrals). For this reason, we propose that relationship strength determines both profitability and word-of-mouth. Additionally, we establish direct relationships between FIIs (i.e., standardized and customized interactions) toward the studied customer outcomes (i.e., profitability and word-of-mouth). As these interactions can affect customer outcomes, we include these effects in order to establish the extent to which there is a direct influence of standardized and customized interactions on these outcomes.

<Insert Figure 1 about here>

As regards the distinction between FIIs, for the purpose of this study we have used the term “standardized FIIs” to refer to generic newsletters, direct mail campaigns, and general offers, and the term “customized FIIs” to refer to interactions tailored to the specific needs of the customer, initiated through the customer’s preferred channels and at the right time. In this regard, preferential treatment is granted through customized FIIs, since standardized FIIs are

the same for all customers. However, as Lacey et al. (2007) noted, what might be considered by a company as preferential treatment of a specific customer may be perceived by the customer as normal behavior, or vice versa. For this reason, we rely here on customer perception of preferential treatment to capture the potential customization from the customer's perspective. We argue that these two variables have different influences on the way in which customers perceive and respond to customer–firm exchanges. The analysis of the consequences of different types of B2B interaction is a topic of current interest, with a focus on better understanding how managers should design their marketing investments in order to shape customers' reactions to them (Gonçalves et al., 2019; Kaski et al., 2018).

Although FIIs appear to be unidirectional, interactions require bidirectional exchange: something has to be given, and something has to be returned. Investments made by one party in a relationship generate the desire to reciprocate (Bagozzi, 1995). Therefore, customers who positively value the investment made by the company may reciprocate by having positive relational perceptions toward the firm (customer gratitude and relationship strength), or through transactional and non-transactional behaviors. In particular, we propose that different types of FIIs will affect the level of customer gratitude and the strength of the relationship in different ways.

Customer gratitude reveals the fundamental consequence of reciprocity toward a provider and remains vital in building and maintaining long-term relationships between the two parties (Huang, 2015). Morales (2005) defined gratitude in this sense as a purchase behavior driven by an obligation to reward the supplier. This reflects the desirable behaviors intended by the company when stimulating gratitude (Wetzel et al., 2014). Research suggests that there may be a link between the efforts made by the company through interactions and the perception of prioritization, on the one hand, and customer gratitude, on the other. When the customer

feels grateful, their reciprocal behavior determines an increase in the strength of the relationship (Fazal e Hasan et al., 2014).

Relationship strength refers to the existence of solid ties between partners and captures its long-term nature, especially in the B2B context (Barry et al., 2008). Donaldson and O'Toole (2000) revealed that relationship strength for B2B partners is also a "belief in a spirit of cooperation and trust as opposed to a maintenance of distance and minimum interaction" (p. 494). Dagger et al. (2009) likewise highlighted that building a strong relationship takes time and frequent interactions. Hausman (2001) further conceptualized relationship strength as the ability to overcome challenges thanks to the strong ties between partners. As it is understood by the literature, this concept is behavioral and fundamentally based on customers' perceptions of the strength of the relationship with a provider (Dagger et al., 2009). A large body of research has revealed that relationship strength drives transactional and non-transactional behaviors such as customer profitability and referrals (Bove & Johnson, 2001; Cambra-Fierro et al., 2015; Shan & King, 2015; Storbacka et al., 1994). As such, the greater the relationship strength, the more likely it is that customers will purchase another service from the same provider and will continue to do business with the company (Leverin & Liljander, 2006). All this evidence highlights the time component of the concept and how relationships develop in time, as buyer-supplier interactions evolve and determine customer outcomes that will lead to mutual benefits and an ever-growing relationship.

Customer profitability, according to Pfeifer et al. (2005, p. 14), "is the difference between the revenues earned from and the costs associated with the customer relationship during a specified period." Introducing customer profitability into the model enables us to connect the entire conceptual framework with a performance measure, thereby establishing links between interactions, perceptions, and profitability. These connections will be highly

relevant to marketing managers, who are eager to identify a return on their marketing investments (Kumar & Shah, 2009).

On the other hand, the marketing literature suggests that non-transactional behaviors have become ever more important in recent years (Bijmolt et al., 2010; Hoyer et al., 2010; van Doorn et al., 2010), since it is increasingly easy and convenient for customers to communicate with other customers and other companies (Verhoef et al., 2010). Non-financial performance (e.g., generating customer value) is another attractive contribution (van Doorn et al., 2010). Specifically, the number of transactions will increase through non-transactional behaviors in the long term, and simultaneously customers' purchase habits will change, leading to higher switching costs. As such, non-transactional behaviors will ultimately boost the profits of firms (Hoyer et al., 2010). More attention has accordingly been paid by firms to these behaviors, which include word-of-mouth (Kumar et al., 2010), since ignoring these customer non-transactional behaviors could put a company at a disadvantage.

3. Hypotheses development

3.1 Firm-initiated interactions and customer gratitude

A significant body of work has suggested that customer gratitude is determined by relationship marketing investments (Fazal e Hasan et al., 2014; Mishra, 2016; Palmatier et al., 2009), preferential treatment (Huang, 2015; Wetzel et al., 2014; Xia & Kukar-Kinney, 2014), or features such as tangible rewards and interpersonal communication (Huang, 2015). The antecedents of customer gratitude have been less widely studied in the B2B context than in the B2C context (Palmatier et al., 2009). Moreover, there are no studies that analyze the effects of FIIs on customer gratitude.

On the one hand, standardized interactions are impersonal; often they do not add value and do not contribute to making the customer feel unique or subject to preferential treatment.

In this respect, we expect that these standardized interactions will not affect customer gratitude. As customers will not feel that they are special to the company, they will not feel indebted to the company, as from their perspective there is no reason to be grateful. On the other hand, interactions that have been customized to the customer's preferences show the provider's effort and determination in maintaining the commercial relationship, making the customer feel important and prioritized (Cambra-Fierro et al., 2018b; Wetzel et al., 2014). According to social exchange theory, this investment will create strong and positive bonds between the customer and the provider, and it will establish an expectation of correspondence in the form of gratitude (Palmatier et al., 2009). Based on this discussion, we propose the following hypotheses:

H1a: Standardized interactions have no impact on customer gratitude.

H1b: Customized interactions have a positive impact on customer gratitude.

3.2 Customer gratitude and relationship strength

Relationship strength reflects the bonds between partners and captures the fundamental drive that guides their relationship and the interactions between them (Donaldson & O'Toole, 2000; Ward & Dagger, 2007).

From a psychological point of view, when gratitude arises it generates an enrichment of the social and psychological ties between the parties, giving rise to reciprocity; thus, gratitude and the actions that determine it encourage the strengthening of relationships (Emmons & McCullough, 2003). Similarly, in a commercial context, Fazal e Hasan et al. (2014) have demonstrated that gratitude positively affects the perception of the value of the relationship with the company. Based on this evidence and following the reasoning of the reciprocity principle, preferential treatment encourages a feeling of gratitude, so the expression

of said gratitude from the customer's perspective will tend to deepen the relationship between the two parties and increase the perceived strength of the relationship. Hence, we propose:

H2: Customer gratitude has a positive impact on relationship strength.

3.3 Customer outcomes

The customer outcomes considered in this study are a transactional outcome, in the form of customer profitability, and a non-transactional one, in the form of word-of-mouth. For companies, it is important to determine the factors that could directly improve objective outcomes, such as sales or profits (Jahromi et al., 2014). However, a growing body of work has shown that other types of results are equally significant (Itani et al., 2020; Verhagen et al., 2015)—specifically, non-transactional behaviors whose effects are difficult to measure objectively, but which generate a level of customer engagement that may have very significant repercussions (Beckers et al., 2018; van Doorn et al., 2010). One of those desirable outcomes is word-of-mouth, which is regarded as a decisive factor both for B2C transactions (Agag & El-Masry, 2016; Grott et al., 2019) and for industrial relations (Kim, 2014; Roy et al., 2019). Therefore, it is critical to determine the effects of preferential treatment (customized FIIs) both on transactional outcomes and on non-transactional behaviors.

As standardized interactions are impersonal and do not foster a sense of preferential treatment, customers subject to these interactions will not perceive added value or a feeling of uniqueness. Wiesel et al. (2011) argued that these types of interactions are increasingly uncalled-for and, owing to the Internet and the use of new technologies, that customers feel empowered to control how they interact with companies. Additionally, various studies on the effects of standardization have found no significant effects on profit-related measures. For instance, Shoham (1999) revealed that product standardization has no impact on profit. Furthermore, the same study discovered that standardization of after-sales services also has no

effect on profit performance. Along the same lines, Fraser and Hite (1990) reported no significant effect of standardization on performance. Given this evidence, we also expect that standardized interactions will not affect customer profitability. However, where a customer perceives the company as making a greater effort to personalize the interactions and to provide preferential treatment, the customer will reward this effort with more purchases, which leads to an increase in profitability (Wetzel et al., 2014). Hence, we propose the following hypotheses:

H3a: Standardized interactions have no impact on profitability.

H3b: Customized interactions have a positive impact on profitability.

Although the importance of word-of-mouth, especially on social media, has been studied more in the context of B2C transactions (de Matos & Rossi, 2008), there is a growing body of research that has highlighted the significance of this non-transactional behavior in B2B relations (Roy et al., 2019). Technological advances have created different channels that customers can use to obtain more information about the provider (Filieri, 2015; Zhang et al., 2020). A lack of personalization of interactions will encourage customers to feel that such interactions do not add value and do not provide a sense of uniqueness or preferential treatment. In this context, we anticipate that standardized interactions will not affect word-of-mouth. Conversely, customization of interactions will demonstrate the effort that the company is making to provide value (Roy et al., 2019). This effort will be rewarded with recommendations, which will have a positive effect on word-of-mouth. Thus, we hypothesize:

H4a: Standardized interactions have no impact on word-of-mouth.

H4b: Customized interactions have a positive impact on word-of-mouth.

Relationship strength reflects the ties between the customer and the provider and their importance in building long-term bonds (Chi & Chen, 2019). Previous studies have recognized

that a strong relationship can lead to an increase in performance and profitability (De Cannière et al., 2010; Hausman, 2001; Richard et al., 2007; Storbacka et al., 1994). Additionally, a crucial outcome of relationship strength is a decrease in the number of perceived alternatives (Barry et al., 2008); at the same time, strong bonds between a customer and a provider act as a barrier to switching (Storbacka et al., 1994). Accordingly, when a customer feels a strong relationship with a specific provider, with increasingly few alternatives and more barriers to switching, the provider's sales will be higher, leading to an increase in profitability. Similarly, when a customer perceives fewer alternatives because of their strong bonds with the provider, they will praise the provider through recommendations, which will increase word-of-mouth. Grégoire et al. (2009) have confirmed that there are links between relationship strength and word-of-mouth. Van Doorn et al. (2010) have also suggested the existence of a positive association between relationship strength and word-of-mouth, proposing that customers are more likely to engage in recommendations and word-of-mouth when they feel more connected to the company. As such, we propose our final hypotheses:

H5a: Relationship strength has a positive impact on profitability.

H5b: Relationship strength has a positive impact on word-of-mouth.

4. Research method

In this section, we present our approach to empirically testing the proposed conceptual model. We obtained data from a multinational leader in the B2B insurance sector, which provided a random sample of 2,175 B2B customers from different sectors (telecommunications, energy, pharmaceuticals, finance, construction, real estate, and healthcare; see Appendix A). The supplier operates in 120 countries, has more than 50,000 employees around the world, and specializes in B2B markets. The supplier's offerings include insurance products and services, which present different levels of involvement from the

customer's side that are determined by the coverage of the risks. Given the variety of companies included in the sample, the nature of the risks can differ depending on the customer's characteristics. In light of this, the company develops customization through an adapted offering, tailored to the customers' need and based on a prior study of each customer's specific characteristics. As the customers are very diverse, the supplier provides personalized interactions through their preferred channels that involve modifying the offerings according to each customer's expectations.

The data were collected over five years from 2013 to 2017. The five-year panel dataset contains objective measures of profitability, the total number of standardized interactions initiated by the provider, and the results from a yearly survey administered by the firm to its customers to evaluate customer perceptions of customized interactions, customer gratitude, relationship strength, and word-of-mouth. The appendix sets out the operationalization of the variables and their descriptive statistics. The data analysis that follows uses the measurement of each variable as provided by the company. In addition, the following equations specify the model to be tested:

$$\text{GRAT}_{it} = \alpha_0 + \beta_1 \text{STAND}_{it} + \beta_2 \text{CUST}_{it} + \varepsilon_{it}$$

$$\text{RS}_{it} = \alpha_0 + \beta_1 \text{GRAT}_{it} + \varepsilon_{it}$$

$$\text{PROFIT}_{it} = \alpha_0 + \beta_1 \text{RS}_{it} + \beta_2 \text{STAND}_{it} + \beta_3 \text{CUST}_{it} + \varepsilon_{it}$$

$$\text{WOM}_{it} = \alpha_0 + \beta_1 \text{RS}_{it} + \beta_2 \text{STAND}_{it} + \beta_3 \text{CUST}_{it} + \varepsilon_{it}$$

where α_0 is the intercept; GRAT_{it} stands for customer gratitude, measured as the perception of gratitude of customer i toward the provider on a scale of 0 to 10 in period t ; STAND_{it} represents standardized FIIs, measured as the total number of FIIs with customer i in period t ; CUST_{it} describes the customized FIIs, measured as the perception of customer i of the customized interactions on a scale of 0 to 10 in period t ; RS_{it} denotes relationship strength, measured as the

perception of customer i of the relationship strength on a scale of 0 to 10 in period t ; $PROFIT_{it}$ stands for profitability and denotes the profitability of customer i in period t ; WOM_{it} indicates the perception of customer i of word-of-mouth on a scale of 0 to 10 in period t ; and ε_{it} is the error term.

The use of a panel dataset controls the possible measurement error (Wansbeek, 2001). Among the most commonly used methods for analyzing panel data are fixed-effects estimations, random-effects estimations, and generalized method of moments (GMM) estimations (Antweiler, 2001; Blundell & Bond, 2000; Lee & Yu, 2010). The fixed-effects and random-effects estimations represent static panel data models, where the dependent variable is not allowed to be influenced by its own past values (Egger & Pfaffermayr, 2005; Schunck, 2013). The nature of the variables from our model indicates that the cause-and-effect relationships are dynamic over time and that they do not belong to a static panel data model. Fixed-effects models have further limitations, such as unobserved heterogeneity as a source of potential bias and a greater variance leading to a less efficient estimation (Allison, 2009; Stock & Watson, 2008). Given these considerations, we opted for a dynamic panel data estimation using the GMM model proposed by Arellano and Bond (1991) and Blundell and Bond (1998), which is suitable for dynamic panel data. In our estimation, carried out using STATA 14.0 software, the internal instruments that control for endogeneity are the lagged values of the dependent variables (Ullah et al., 2018).

5. Results

Our data validate the existence of strong relationships linking both firm–customer interactions and customer perceptions of gratitude and relationship strength with transactional and non-transactional behaviors. Table 3 presents the results of our estimation.

<Insert Table 3 about here>

Concerning hypotheses H1a and H1b on the effects of standardized and customized interactions on customer gratitude, our data indicate that both hypotheses can be confirmed. No statistically significant evidence exists for a relationship between standardized interactions and gratitude; hence, there is support for H1a. However, there is a positive significant relationship between customized interactions and gratitude ($\beta = .7231, p < .01$), which reflects the positive impact of prioritizing specific customers on customer perceptions of gratitude and supports H1b. Specifically, the results demonstrate that the two types of interactions generate different effects and consequences.

Regarding the relationship between gratitude and relationship strength, there is a positive significant effect, supporting H2 ($\beta = .7351, p < .01$). This corroborates the claim that customer gratitude has a strong positive effect on relationship strength, indicating that the consequence of reciprocity is strong. When customers feel valued and treated as a priority, they respond with gratitude toward the provider, and this positively affects the perception of relationship strength.

In terms of the direct effect of FIIs on profitability, our results show a statistically significant positive impact of customized interactions on profitability ($\beta = .0052, p < .10$) and no significant effect of standardized interactions on profitability. Hence, there is support for both H3a and H3b. The results for the direct effect of FIIs on word-of-mouth are similar to those for the effects on profitability. Standardized interactions do not have a significant effect on word-of-mouth, while customized interactions have a significant and positive effect ($\beta = .4454, p < .01$), which supports hypotheses H4a and H4b. The evidence confirms the existence of a strong positive impact of customized interactions on profitability and word-of-mouth. Thus, our findings reveal the fundamental impact that preferential treatment has on the generation of gratitude, as well as on the concrete outcomes of profitability and word-of-mouth.

However, the evidence suggests that standardized interactions have no effect on profitability or on word-of-mouth.

Regarding hypotheses H5a and H5b on the impact of relationship strength on profitability and word-of-mouth, our findings confirm the existence of a positive significant effect of relationship strength on both profitability ($\beta = .0448, p < .10$) and word-of-mouth ($\beta = .3605, p < .01$). These results support the hypotheses and reflect the importance of building a strong relationship with customers, as that relationship will trigger desirable transactional and non-transactional behaviors. Table 4 summarizes the results of the hypotheses tests.

<Insert Table 4 about here>

6. Discussion and conclusions

6.1 Theoretical implications

The economic context and the competitiveness of current markets require companies to allocate marketing efforts and resources carefully. The purpose of this study was to address three research questions related to critical gaps identified in the literature. Thus, this study set out to examine the effectiveness of FIIs, distinguishing between standardized and customized interactions, on customer gratitude and relationship strength, leading to transactional and non-transactional customer outcomes.

With regard to the first research question, our results shed light on the current literature on customer–firm interactions. Some studies have indicated that customer-initiated interactions are much more effective than FIIs, with FIIs being a less effective marketing mechanism than either content-integrated or content-separated customer-initiated interactions (de Haan et al., 2016). De Haan et al. (2016) measured FIIs without distinguishing between standardized and customized interactions. However, when we distinguish between different types of FIIs, it

becomes clear that although standardized FIIs are not of interest to customers and do not drive transactional or non-transactional behaviors, other types of FIIs, such as customized and personalized interactions with firms, lead customers to increase the value they provide to the firm through higher profitability and useful word-of-mouth messages. Other studies, overlooking possible differences between various types of FIIs, have suggested that interactions initiated by the provider demonstrate the provider's interest in maintaining a relationship with its customers, as they reveal a high level of relationship investment (Cambra-Fierro, 2018b; De Wulf et al., 2001). It seems, however, that only customized FIIs provide real value to the customer and lead to gratitude and a stronger relationship with the provider while generating transactional and non-transactional customer outcomes.

Our results also suggest a dark side of FIIs and their potential to be perceived as intrusive or annoying, particularly if they occur too frequently, have a suboptimal message, or do not match the customer's information needs (de Haan et al., 2016; Wiesel et al., 2011). When advising against their potential negative impact, previous studies have considered FIIs without differentiating among categories of interactions, whereas our research distinguishes between different types of FIIs (standardized vs. customized) to show that generalizations about FIIs are inadequate. That is, whereas customized FIIs are relevant for customers and profitable for firms, standardized FIIs are not valued by customers. Our findings confirm that customers feel increasingly empowered in their interactions with firms, which indicates that they value the supplier's efforts to adapt interactions to their particular needs. Thus, we contribute to the marketing literature on B2B customer–firm interactions by identifying which specific types of FIIs generate desirable transactional and non-transactional outcomes in terms of profitability and word-of-mouth.

In relation to the second research question, our findings provide insights that enrich the literature on standardization and customization. Until now, most studies have focused on the

product or service delivered (e.g., Ding & Keh, 2016; Franke et al., 2009). The findings of this study are pioneering because of its focus on the implications of standardization and customization from the perspective of interactions initiated by the company in the B2B context. In the marketing literature, proponents of standardization from a product/service perspective advocate for the use of this strategy, as it can be a valuable and cost-effective tool for achieving customer satisfaction while diminishing the customer's perceived risk and achieving greater control over the offering (Ding & Keh, 2016; Wang et al., 2010). However, this study has shown that standardization is not effective in the context of interactions initiated by the provider. Customization, although it involves more resources, makes customers more valuable to the company, since, as we have demonstrated, adaptation and personalization of interactions are crucial for achieving higher profitability and word-of-mouth.

As our findings show, the consequences of customization also include customer gratitude and a stronger perception of the relationship with the provider. Therefore, interactions that have been carefully customized are vital for the overall customer–firm relationship and its evolution in time. In this context, it is useful to highlight that recent literature has studied customer–firm relationships from the perspective of interaction and service touchpoints, as acknowledged by new frameworks that analyze the concept of the customer journey (Kuehnl et al., 2019). When the customer journey is understood as a series of encounters between a customer and a provider while using a service (Folstad & Kvale, 2018), interactions are considered the building blocks of customer journeys (Zomerdijk & Voss, 2010). Thus, from a theoretical standpoint, the present study, thanks to its focus on standardized and customized FIIs, is able to link the standardization and customization literature stream with the novel touchpoints and customer journey frameworks.

Concerning the third research question, although previous research has examined the importance of preferential treatment and acknowledged that it leads to desirable customer

outcomes (Homburg et al., 2008; Lacey et al., 2007; Mathur & Kumar, 2013), the present study is the first to differentiate between standardized and customized interactions from the perspective of customer prioritization and reciprocity. Given that preferential treatment is an instrument that companies employ to prioritize certain clients, this study pioneers the distinction between preferential treatment and standardized interactions, shedding light on the effectiveness of customer prioritization for both transactional and non-transactional customer outcomes. We have demonstrated that standardized FIIs are ineffective and potentially intrusive, and that preferential treatment through customized interactions is effective.

Building on social exchange theory, this study complements the marketing literature by taking account of gratitude in the form of customer reciprocity of B2B standardized and customized interactions and its effect on transactional and non-transactional behaviors. Thus, our findings yield further insight into B2B relationships, corroborating the claim that customer gratitude is an important effect of reciprocity for preferential treatment received, as well as a strong driver of profitability and word-of-mouth. We have built on prior work on the social exchange approach by focusing on and distinguishing between two distinct types of FIIs that can generate different responses in terms of reciprocity and customer gratitude formation. This differentiation of FIIs is extremely valuable from a social exchange perspective, because it reveals what concrete actions of companies trigger the desired reciprocity and future positive customer outcomes. The marketing literature has also emphasized the relevance of how preferential treatment is carried out and the reciprocity that it generates from customers (Jiang et al., 2013; Xia & Kukar-Kinney, 2014). These anticipated desirable customer outcomes reveal the reward expectation from the provider's perspective as an appreciation for their effort. However, previous studies have not included customer gratitude as a consequence of FIIs in their conceptual frameworks (Raggio et al., 2014; Wetzel et al., 2014). Gratitude represents a manifestation of reciprocity, and, from a social exchange perspective, receiving preferential

treatment encourages a sense of appreciation (Cropanzano & Mitchell, 2005; Gouldner, 1960). This study has demonstrated that FIIs lead to gratitude and relationship strength that further reinforce the relational bonds and interdependence of the customer–provider relationship.

We believe that the findings of this study will improve understanding of preferential treatment in the B2B context and contribute to social exchange theory by acknowledging the outcomes of reciprocity through customer gratitude generated by different types of interactions initiated by the provider. Standardized interactions, unlike customized interactions, do not have a positive influence on either profitability or word-of-mouth, and customers who receive standardized interactions do not feel prioritized by or unique for the company. Thus, our study clarifies how the absence of preferential treatment is perceived by B2B customers.

Finally, this study has empirically demonstrated the importance of reinforcing relationships with customers, since strength of relationship determines not only profitability but also word-of-mouth, as Grégoire et al. (2009) suggested. More specifically, Cambra-Fierro et al. (2018a) confirmed the positive link between relationship strength and non-transactional behaviors; corroborating this relationship is extremely important for academic research into marketing, since the connection between these two very important variables has, to the best of our knowledge, received no specific attention until now. Van Doorn et al. (2010) suggested the existence of a positive association between relationship strength and word-of-mouth but did not provide empirical support for this effect. The present study sheds light on the relationship between these variables, providing concrete empirical evidence for the existence of the effect.

6.2 Managerial implications

Prioritizing customers through preferential treatment is of the utmost relevance for practitioners in adjusting their marketing efforts to become more effective and efficient, leading to increased profits (Mathur & Kumar, 2013). The findings of this study provide the first

comprehensive assessment of the interactions that lead to desirable customer outcomes. As a result, this research is critical for resource allocation, because we identify the most important FIIs. This new understanding can be used to improve predictions of the impact of FIIs on customer gratitude, profitability, and word-of-mouth. Consequently, our findings suggest several courses of action for best practice.

First, this study has gone some way toward enhancing practitioners' understanding of preferential treatment. Our results prove that giving customers preferential treatment has a significant influence on customer gratitude, relationship strength, and the outcomes that we have investigated. However, standardized interactions influence none of the variables under study. Given the positive effect that preferential treatment has on key outcomes for a company, we recommend that practitioners reduce their budgets for standardized interactions and focus their efforts instead on increasing the perception of customer prioritization. As customers dispose of increasing decision power and have higher expectations of the treatment they receive, a sense of uniqueness and prioritization is increasingly important. Companies should provide preferential treatment through customized interactions, since this gives rise to customer gratitude and to other positive financial and non-financial outcomes, such as profitability and word-of-mouth. Companies can use new technologies (such as machine learning) to adapt their customer relationship management tools and to customize interactions on the basis of each customer's communication preferences (Harrison & Ajjan, 2019).

Moreover, our findings provide practitioners with further insight into the effects of standardization and customization strategies from the perspective of the interactions they initiate with customers. Managing the balance between standardization and customization is an important undertaking, particularly with regard to the product strategy. From a customer–firm interactions perspective, advances in technology pose new challenges to the firm's relationships with its customers. There are increasing numbers of buyer–supplier interactions,

making it all the more important to know the impact of the interactions that the company itself initiates and the extent to which standardization and customization strategies should be implemented in relation to these interactions. In view of our corroboration of the impact of customization as regards interactions initiated by the firm, a key recommendation to practitioners is that they should monitor customer satisfaction with each type of interaction, especially with customized interactions, as these can trigger critical customer perceptions and desirable transactional and non-transactional outcomes.

In a similar vein, this research demonstrates that it is vital for providers to concentrate on giving preferential treatment, since this will encourage reciprocity and customer response includes gratitude toward the provider. However, it should be borne in mind that what some customers consider to be preferential treatment is perceived by other customers as normal treatment, and vice versa. For that reason, and given the positive effects of customer gratitude, we recommend that practitioners monitor their customers' perceptions of gratitude. By conducting surveys, companies can collect subjective customer data regularly to measure the effect of the treatment they give their customers. It is important to follow up on customer gratitude and to encourage customers to answer these surveys, as appropriate use of the results can lead to positive transactional and non-transactional outcomes.

Last but not least, relationship strength has also been shown to be affected by customer gratitude triggered by preferential treatment. Building a strong relationship is one of the most important aspects of maintaining a long-term B2B relationship. The resulting gratitude will strengthen relationships, which in turn will improve customer profitability and word-of-mouth. These findings will help practitioners to focus their efforts on the customers with whom they have the strongest relationships, as these customers can lead to greater profitability and are more likely to recommend the company to other customers. We suggest that managers and marketers cautiously implement prioritization and customer segmentation strategies in order to

identify customers who would benefit from preferential treatment and who would develop a more profitable relationship with the company as a result. Again, technology offers sophisticated tools that facilitate efficient differentiation in customer treatment and help to identify customers with the potential to generate higher profitability (Chen et al., 2019; Jaziri, 2019).

In summary, our study provides practitioners with useful insights into how firms should implement preferential treatment strategies that give rise to reciprocity, customer gratitude, and, ultimately, long-term desirable outcomes. Table 5 summarizes the implications and recommendations of this study for the marketing literature and for best practice.

<Insert Table 5 about here>

6.3 Limitations and future research

This study validates the importance of customized (as opposed to standardized) interactions between customers and providers, identifying relevant implications for both research and business practice. Nonetheless, a number of limitations point to opportunities for further research.

First, the database for the present study was obtained from an insurance company, and the type of service the company offers may influence the relationship between customer and supplier, thus limiting the generalizability of our findings. Future research could use the same model with data from other service providers and other industries. It is important to highlight that, in theory, standardization generates efficiency (Wang et al., 2010). However, the efficiency that can be achieved by the standardization may not be applicable in this specific sector, since it may depend on the peculiarities of each type of product/service (Ding & Keh, 2016). Thus, further work is needed on other sectors to capture fully the implications of

different types of products/services that may affect standardization and customization differently.

Second, the panel dataset only includes data from 2013 to 2017, thus limiting knowledge about the past as regards the buyer–supplier relationship. Without information prior to 2013, it is impossible to know for how long a company has been a customer of the provider. Future research could include customer tenure as a relevant moderator, as prior literature suggests that long-term commercial relationships influence customer tolerance (Dawes, 2009), which may counterbalance the potential negative effect of an overuse of standardized interactions. In this connection, future research could focus on datasets that include more years or more customer tenure data, and thus provide a broader understanding of the effects of standardized and customized interactions.

Third, this study has focused on one transactional outcome (profitability) and one non-transactional outcome (word-of-mouth). While it would be very valuable to corroborate the effectiveness of preferential treatment on these outcomes, future research could also include other desirable customer outcomes (such as share of wallet, cross-buy, or customer engagement) in order to provide a more comprehensive picture of how preferential treatment affects customer outcomes.

Finally, the findings of this study open up more lines of research that could contribute to the customer interactions literature by analyzing other types of interactions, including those initiated by customers, and by examining their effects on customer gratitude and on transactional and non-transactional outcomes. Given that customers feel increasingly empowered in their interaction with firms (Acar & Puntoni, 2016; Auh et al., 2019), future research could analyze how different types of customer-initiated interactions determine reciprocity; the results would contribute to the academic understanding of social exchange theory. Similarly, it could be interesting to examine how these interactions, compared to FIIs,

lead to customer perceptions of gratitude and relationship strength and generate transactional and non-transactional outcomes. Other types of interactions could also be taken into consideration. Authors such as Lemon and Verhoef (2016) and Witell et al. (2020) have suggested that, from a customer journey perspective, interactions could be classified in terms of brand-owned, customer-owned, partner-owned, and social or external touchpoints. By adopting this framework, future research could focus on how these categories of interactions influence reciprocity toward the focal firm, thereby contributing to both social exchange theory and the customer journey framework.

We hope that the proposed framework and the findings of this study will open up new lines of research into preferential treatment in B2B relationships. We encourage researchers to continue pursuing this topic, which is important both for academics and for practitioners.

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Figure 1
Conceptual model

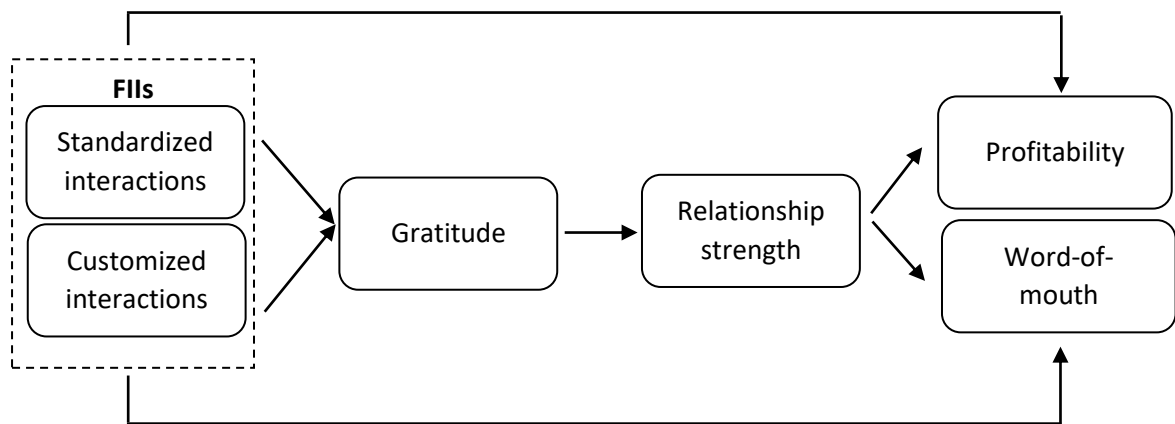


Table 1

Literature review table

| Study | Context | Firm-initiated interactions | Standardization | Customization | Preferential treatment | Gratitude | Relationship strength | Dependent variables |
|------------------------------|--|-----------------------------|-----------------|---------------|------------------------|-----------|---|--|
| Cambra-Fierro et al. (2018b) | B2C banking | ✓ | ✓ | ✗ | ✗ | ✗ | Relationship quality | Customer profitability |
| Coelho & Henseler (2012) | B2C banking, cable TV | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | Customer satisfaction; customer trust; customer loyalty Perceived risk; |
| Ding & Keh (2016) | B2C restaurant, hotel, fitness club | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | consumer satisfaction; perceived control |
| Fazal e Hasan et al. (2014) | B2C retailing | ✗ | ✗ | ✗ | ✓ | ✓ | Customer-perceived relationship marketing | Customer-perceived value of relationship with the seller |
| Franke et al. (2009) | B2C newspaper, fountain pen, kitchen, skis, cereal | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | Benefit from customization for customer |
| Homburg et al. (2008) | B2B and B2C markets | ✗ | ✗ | ✓ | ✓ | ✗ | ✗ | Return on sales |
| Huang (2015) | B2C retailing | ✓ | ✗ | ✗ | ✓ | ✓ | ✗ | Behavioral loyalty |

| | | | | | | | | |
|-------------------------|---|---|---|---|---|---|------------------------------------|--|
| Jiang et al. (2013) | B2C retailing experiments | ✗ | ✗ | ✗ | ✓ | ✗ | ✗ | Satisfaction with a shopping experience |
| Kasiri et al. (2017) | B2C healthcare, hospitality and education | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | Customer satisfaction; customer loyalty |
| Mathur & Kumar (2013) | B2C telecommunications | ✗ | ✗ | ✗ | ✓ | ✗ | Relationship investment | Customer retention |
| Mishra (2016) | B2C experiment | ✗ | ✗ | ✗ | ✗ | ✓ | Relationship marketing investments | Purchase intentions |
| Palmatier et al. (2009) | B2B and B2C experiments | ✗ | ✗ | ✗ | ✗ | ✓ | Relationship marketing investments | Customer purchase intentions; share of wallet; sales revenue; sales growth |
| Schreiner et al. (2019) | B2C experiment e-commerce | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | Advertising preferences Perceived competence; |
| Wang et al. (2010) | B2C automobile after-sales service | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | perceived value; service satisfaction |
| Wetzel et al. (2014) | B2B chemicals, industrial goods | ✗ | ✗ | ✗ | ✓ | ✓ | ✗ | Profit growth |
| Wiesel et al. (2011) | B2B retailing | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | Profits |
| Current study | B2B insurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Profitability; word-of-mouth |

Table 2

Aspects of social exchange theory

| Main aspects | Studies | Definition | Contribution |
|-----------------------------------|--|--|---|
| Relational interdependence | Blau, 1964; Bowman & Narayandas, 2001; Cambra-Fierro et al., 2018b; Cropanzano & Mitchell, 2005; Homans, 1961; Schiele et al., 2012; Venkatesan et al., 2007; Wieseke et al., 2014 | Relational interdependence refers to mutual and complementary arrangements where outcomes are based on a combination of parties' efforts. It is considered a defining characteristic of a social exchange (Cropanzano & Mitchell, 2005). | Over time, interactions lead to gratitude and relationship strength that may reinforce the reciprocal dependence. |
| Reciprocity norm | Bagozzi, 1995; Cambra-Fierro et al., 2018b; Cropanzano & Mitchell, 2005; Gouldner, 1960; Groth, 2005; Tangpong et al., 2016; Wieseke et al., 2014 | Reciprocity represents a sense of obligation felt by individuals responding to the benefits received from others (Bagozzi, 1995). | Receiving customized firm-initiated interactions generates a need to reciprocate the preferential treatment leading to gratitude, relationship strength and transactional and non-transactional outcomes in the form of, for instance, profitability and word-of-mouth. |
| Gratitude | Blau, 1964; Cambra-Fierro et al., 2017; Cropanzano & Mitchell, 2005; Gouldner, 1960 | Gratitude refers to the appreciation perceived after a social exchange occurs (Gouldner, 1960). | Gratitude involves customer response and compensation for the provider's efforts when developing customized interactions. |
| Social interactions | Bagozzi, 1995; Becker, 1990; De Wulf et al., 2001 | Social interactions refer to how a social exchange leads parties to be involved in interpersonal contact (De Wulf et al., 2001). | Interactions create social exchanges that may lead to gratitude and relationship strength. |
| Negotiated agreements | Cook & Emerson, 1978; Cook et al., 1983; Cropanzano & Mitchell, 2005; Wieseke et al., 2014 | Negotiated agreements refer to how parties in a social exchange negotiate rules in the hope of reaching beneficial arrangements (Cropanzano & Mitchell, 2005). | Through customer–firm interactions, parties may arrive at negotiated agreements that lead to desirable transactional and non-transactional outcomes, such as profitability and word-of-mouth. |
| Reward expectation | Emerson, 1976; Emerson, 1981; Wieseke et al., 2014 | Reward expectation represents a consequence of reciprocity during a social exchange that implies the anticipation of a repayment for one party if the other party profits from the mutual relationship (Wieseke et al., 2014). | Gratitude is a reciprocal response which determines the firm to expect a reward in the form of, for instance, profitability or word-of-mouth. |

Table 3

Estimation results

| Independent variables | Dependent variables | | | |
|---------------------------|---------------------|-----------------------|---------------|---------------|
| | Gratitude | Relationship strength | Profitability | Word-of-mouth |
| Intercept | 0.0627 | -0.0170 | 0.0338 | 0.1090*** |
| Standardized interactions | -0.0518 | — | 0.1467 | -0.0087 |
| Customized interactions | 0.7231*** | — | 0.0052* | 0.4454*** |
| Gratitude | — | 0.7351*** | — | — |
| Relationship strength | — | — | 0.0448* | 0.3605*** |

Note: *** $p < .01$, ** $p < .05$, * $p < .10$.

Table 4

Results of hypotheses tests

| Hypothesis | Relationship | Result |
|-------------------|---|---------------|
| H1a | Standardized interactions – NO EFFECT → Gratitude | Supported |
| H1b | Customized interactions → Gratitude | Supported |
| H2 | Gratitude → Relationship strength | Supported |
| H3a | Standardized interactions – NO EFFECT → Profitability | Supported |
| H3b | Customized interactions → Profitability | Supported |
| H4a | Standardized interactions – NO EFFECT → Word-of-mouth | Supported |
| H4b | Customized interactions → Word-of-mouth | Supported |
| H5a | Relationship strength → Profitability | Supported |
| H5b | Relationship strength → Word-of-mouth | Supported |

Table 5

Implications and recommendations for theory and practice

Main theoretical implications

- This pioneering empirical research distinguishes between standardized and customized interactions as different forms of firm-initiated interactions (FIIs), a distinction not taken into account by previous studies.
 - This research contributes to the standardization vs. customization literature from an FII perspective by linking it with the literature on customer–firm interactions; most prior literature has focused instead on the firms’ products/services.
 - This is the first empirical study to link and analyze different FIIs simultaneously with customer gratitude in order to determine their impacts on both transactional and non-transactional customer outcomes from a reciprocity and social exchange perspective.
-

Main managerial implications

- This study is critical for resource allocation, as it identifies the relevant interactions that trigger customer gratitude and further desirable customer outcomes; as standardized interactions do not influence profitability or word-of-mouth, companies should not continue to invest effort in this type of interaction and should shift their marketing efforts toward customized FIIs through customer relationship management tools and technologies.
 - Given the proliferation of customer–firm interactions, providers should monitor their customers’ perceptions of each interaction with the focal firm, especially for customized FIIs, as they can trigger noteworthy customer perceptions and desirable customer outcomes.
 - In view of the reciprocity generated by preferential treatment received, firms are encouraged to monitor customers’ perceptions of gratitude regularly, as gratitude leads to key transactional and non-transactional outcomes.
 - Given the influence of relationship strength, we recommend that managers implement prioritization and customer segmentation strategies in order to identify customers who would benefit from preferential treatment and, thus, develop a more profitable relationship.
-

Appendix A

Industries and sectors in the B2B sample

| Industry/Sector | % of the sample |
|------------------------------|------------------------|
| Automotive | 4.00 |
| Aviation | 0.79 |
| Chemicals | 4.78 |
| Construction | 8.00 |
| Distribution | 15.21 |
| Energy | 1.98 |
| Finance | 7.17 |
| Food | 8.37 |
| Healthcare | 2.07 |
| IT | 5.19 |
| Mass media | 1.19 |
| Metals | 2.81 |
| Pharmaceuticals | 1.65 |
| Professional services | 14.40 |
| Public sector | 1.61 |
| Pulp and paper | 2.39 |
| Telecommunications | 1.56 |
| Textiles | 1.65 |
| Tourism | 4.78 |
| Transportation and logistics | 6.80 |
| Real estate | 3.60 |
| TOTAL | 100.00 |

Appendix B

Operationalization of variables

| Variable | Conceptualization | Measurement | Mean | Min. | Max. | Standard deviation |
|---------------------------|---|--|-----------|-------------|------------|--------------------|
| Standardized interactions | Interactions initiated by the company toward a customer, including generic newsletters, direct mail campaigns, and general offers | Aggregated numbers of provider-initiated informative interactions over the course of a year | 25.56 | 1 | 458 | 29.48 |
| Customized interactions | The degree to which interactions initiated by the company are personalized to a particular customer | Customer perception of the degree to which interactions are customized on a scale of 0 to 10, measured at the end of each year of contract | 8.50 | 2 | 10 | 1.28 |
| Gratitude | Customer behaviors motivated by a need to reciprocate the provider's treatment toward the customer | Customer perception of gratitude on a scale of 0 to 10, measured at the end of each year of contract | 8.59 | 4 | 10 | 1.22 |
| Relationship strength | The extent of the association and solidity of ties between the parties throughout a partnership | Customer perception of relationship strength on a scale of 0 to 10, measured at the end of each year of contract | 8.67 | 2 | 10 | 1.14 |
| Profitability | Profitability of the customer to the firm | As calculated and provided by the company, profitability is computed according to the following formula: Profitability = Revenues – (Direct cost + Indirect cost + Business development) | 16,110.33 | -169,012.60 | 993,878.80 | 62,673.44 |
| Word-of-mouth | Customer's recommendations of the firm to other customers | Likelihood of the customer recommending the firm to other customers on a scale of 0 to 10, measured at the end of each year of contract | 8.67 | 2 | 10 | 1.17 |