

1 Antecedents of client loyalty in the construction 2 professional services sector: A qualitative study.

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7 **Abstract.** While a limited amount of research has focused on client loyalty in
8 wider professional services, none has been carried out specifically in respect to
9 construction professional services (CPS). A review of the wider professional
10 service literature identified a number of key candidate loyalty antecedents.
11 Thematic analysis was undertaken on semi-structured interview data obtained
12 from twenty client and CPS supplier participants operating in the West Midlands
13 (UK). The results were used to refine a literature-derived model of CPS client
14 loyalty. Several modifications were made to themes and sub-themes in light of
15 empirical data. The results obtained will form the basis for a future quantitative
16 phase of research which will determine the extent to which the findings of this
17 qualitative research generalise to the wider population.

18 **Keywords** Construction professional service firm; CPS; loyalty.

19 1 Introduction.

20 Construction professional services (CPS) comprise occupations such as “architects,
21 quantity surveyors, surveyors (other), building services engineers, civil and structural
22 engineers, planners (town planners), project managers and multidisciplinary practices”
23 [1]. CPS firms make a substantial contribution to the construction industry and wider
24 economy. In the financial year 2005/2006 they generated £13.9 billion worth of
25 revenue. The market for specialist architectural and quantity surveying services alone
26 was worth £4.1 billion in 2011 [2]. The importance of client-loyalty to the CPS sector
27 cannot be overstated. Retaining clients can lead to maintaining or even increasing sales
28 and customer share, lower costs, and reduced client price-sensitivity. The loyalty of an
29 existing client base is important to CPS suppliers, given that they tend to treat marketing
30 as either unimportant or a necessary evil [3]. It is even more important for those
31 operating in business-to-business markets as they have a smaller number of customers,
32 each making a larger contribution relative to turnover. Most professionals operate
33 within a framework of professional and ethical obligations which constrain more
34 ruthless aspects of selling and opportunism. Furthermore, they are required to adhere
35 to technical codes, having only a limited ability to differentiate their service offerings
36 [4]. Despite this, the amount of research investigating client loyalty in professional

37 services is modest [5]. None has been carried out specifically in respect to CPS. A key
38 strategic goal for CPS firms should be to retain and benefit from their key accounts,
39 hence the interest in understanding client loyalty.

40 The problem addressed by this academic paper is addressing the question: what are
41 the key service-related antecedents of client loyalty to CPS firms operating in business-
42 to-business markets? Furthermore, on what level (key contact employee and/or firm)
43 do these antecedents influence CPS client loyalty? This paper does not aim to present
44 a holistic model of all the factors that can influence CPS client-loyalty given that there
45 are a wide range of pull and push factors involved [6]. While external influences,
46 contractual arrangements and client-characteristics are undoubtedly influential, this
47 research is restricted to the study of service-related antecedents impacting on loyalty,
48 specifically those which CPS firms can influence.

49 **2 Methodology.**

50 A literature review was carried out to develop a conceptual model of CPS client loyalty.
51 Qualitative research was then carried out to refine the model using empirical data
52 gained from twenty semi-structured interviews with a mix of clients and service
53 professionals, all working in the West Midlands, UK. Purposive sampling was initially
54 carried out, selecting participants with experience of either having been a CPS client or
55 service provider. After the initial interviews, sampling moved to a snowballing strategy
56 with contacts and suggestions sought from interview subjects. The data was transcribed
57 and analysed in NVivo using thematic analysis [7]. The data was initially coded to pre-
58 determined themes based on the literature review whilst also searching for emergent
59 candidate themes. From these, their component sub-themes were developed, based both
60 on extant research and emergent findings. The theme and underlying sub-theme
61 structure were refined during the qualitative analysis based on the evidence obtained
62 from the participants. Once the themes and their sub-themes were sufficiently
63 developed, pattern analysis was undertaken on the data to identify any associations
64 between the themes and their sub-themes with loyalty.

65 **3 Defining Loyalty.**

66 A succinct definition which summarises the conceptualisation of loyalty used in this
67 paper is "a favourable attitude [...] that results in intentions to repurchase and
68 recommend" [p.247, 8]. The repurchase aspect is referred to in this paper as behavioural
69 intentions loyalty (BIL), whereas the propensity to recommend the CPS to others is
70 referred to as positive word of mouth (PWOM). There is an empirical argument for
71 considering PWOM to be a desirable relationship outcome distinct from BIL when
72 operationalising loyalty [9], hence the conceptualisation adopted in this paper.

73 **4 Service-related loyalty antecedents of loyalty.**

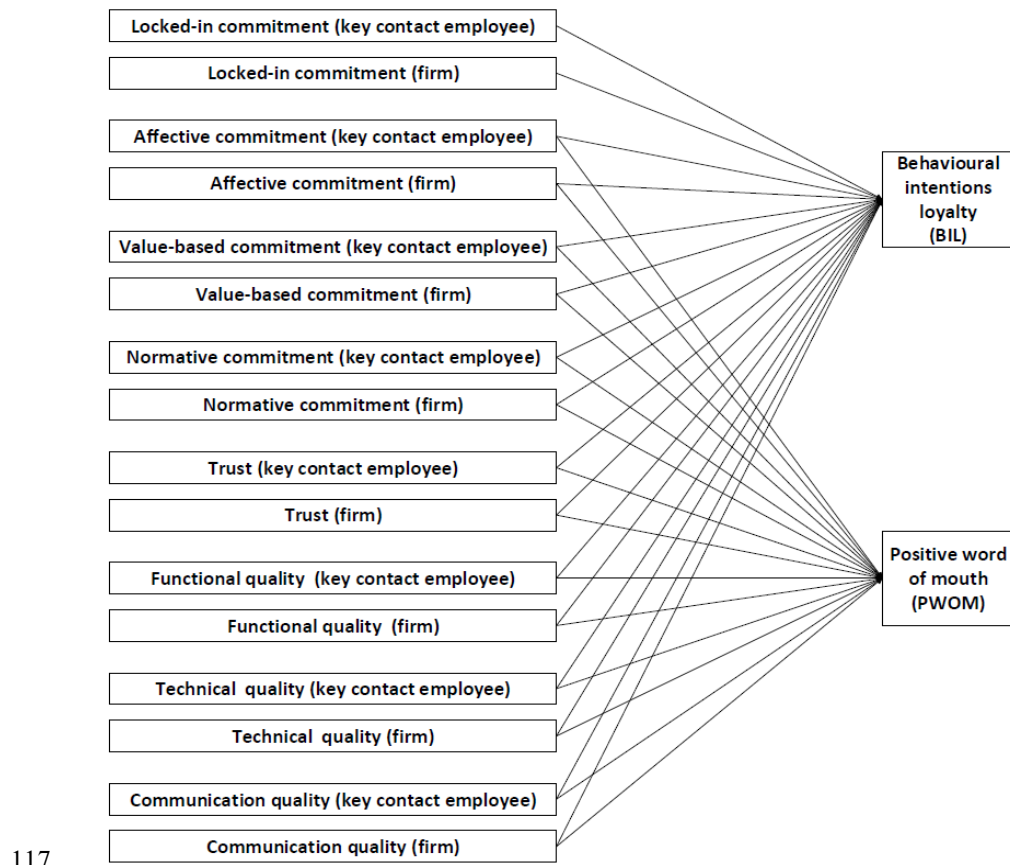
74 Commitment has been positioned as the central explanatory construct of business-to-
75 business service loyalty. It has been conceptualized as having three different facets
76 reflecting the different psychological states that bind the individual to the target;
77 specifically calculative commitment (attachment due to instrumental reasons); affective
78 commitment (attachment due to liking and identification); and normative commitment
79 (attachment due to felt obligations). A succinct description of calculative, normative
80 and affective commitment can be expressed as “need to”, “ought to” and “want to”
81 motivations respectively [p.3, 11]. Expanding this conceptualization, it has been
82 argued that calculative commitment can have separate “locked-in” and “value-based”
83 dimensions [p.69, 10]. While the former is consistent with its traditional constraint-
84 based operationalisation, the latter is more positive, arising from the expectation of gain
85 arising from the relationship by way of profits, efficiencies and other successes.

86 Being able to *trust* construction professionals is vitally important for clients [12].
87 Poor CPS performance is of high consequence to the client with a risk of adverse
88 outcomes, such as buildings failing, design requirements not being met or projects
89 exceeding budgets. In common with other professional services, having confidence in
90 the capability, honesty and integrity of the CPS provider is likely to be of fundamental
91 importance to the client and a key determinant in their decision to continue the
92 professional relationship.

93 Sixty percent of CPS firm respondents considered service quality to be their major
94 source of competitive advantage [13]. The service quality scale developed for quantity
95 surveying services measured attributes of tangibility, reliability, responsiveness,
96 assurance and empathy [14]. The service quality model adopted in this paper
97 conceptualises two distinct aspects, specifically “technical quality” (relating to what is
98 delivered) and “functional quality” (relating to how it is delivered) [p.38, 15].
99 Technical quality has been operationalised in professional service studies using the
100 perceived quality of advice provided and the degree to which the service provider helps
101 achieve the client’s goals. Functional quality has been operationalised by measures such
102 as responsiveness and flexibility [16].

103 Communication quality has been operationalised in the literature by communication
104 frequency, understanding client’s needs and accessibility, keeping the client informed
105 of progress, providing sufficient information and explaining concepts meaningfully
106 [16; 17].

107 A further aspect to account for is the influence of individual employees versus the
108 firm as a whole in developing client loyalty. The term “key contact employee” (KCE)
109 used in context with the individual client-facing employee is deemed to be intuitively
110 understandable [p.84, 18], hence its adoption in this paper. Although relationships in
111 business-to-business professional services are more commonly conceptualised as being
112 between firms, interpersonal relationships and human factors play a significant role. A
113 client’s association with the employee and firm are separate facets within an
114 intermingled relationship. Clients can and do make independent judgements and
115 purchase decisions influenced by the KCE versus the firm [19]. These findings led to
116 the development of the model shown in Figure 1.



118 **Fig. 1.** The literature-derived model of CPS client loyalty.

119 **5 Results of qualitative analysis.**

120 In line with the approach of Braun and Clark (2013) [7] in this paper where the term
 121 “most” is used, this refers to fifteen or more of the twenty interview participants. Where
 122 the term ‘many’ is used, this refers to between ten and fourteen of the participants.
 123 Where the term “occasionally” or “some” is used, this refers to less than half. Emergent
 124 themes and sub-themes were included in the client-loyalty model on the basis of
 125 supported evidence found in many or most of the participants accounts.

126 Evidence from many of the participant’s accounts supported the association between
 127 most of the theory-derived antecedent themes and BIL. The exception to this was
 128 normative commitment. With the exception of locked-in commitment and normative
 129 commitment, evidence was also found in many of the participants accounts that
 130 antecedent themes were associated with PWOM. The lack of evidence for normative
 131 commitment in CPS-client relationships may be because obligation-based exchange

132 relations are more strongly associated with collectivist business cultures such as those
 133 in Asia as opposed to individualist cultures such as the UK [10]. The analysis findings
 134 also demonstrated that only locked-in commitment, affective commitment and trust
 135 operated on both KCE and firm levels. A new sub-theme associated with technical
 136 quality of CPS services was ‘meticulousness’ not found in extant conceptualisations
 137 within the literature.

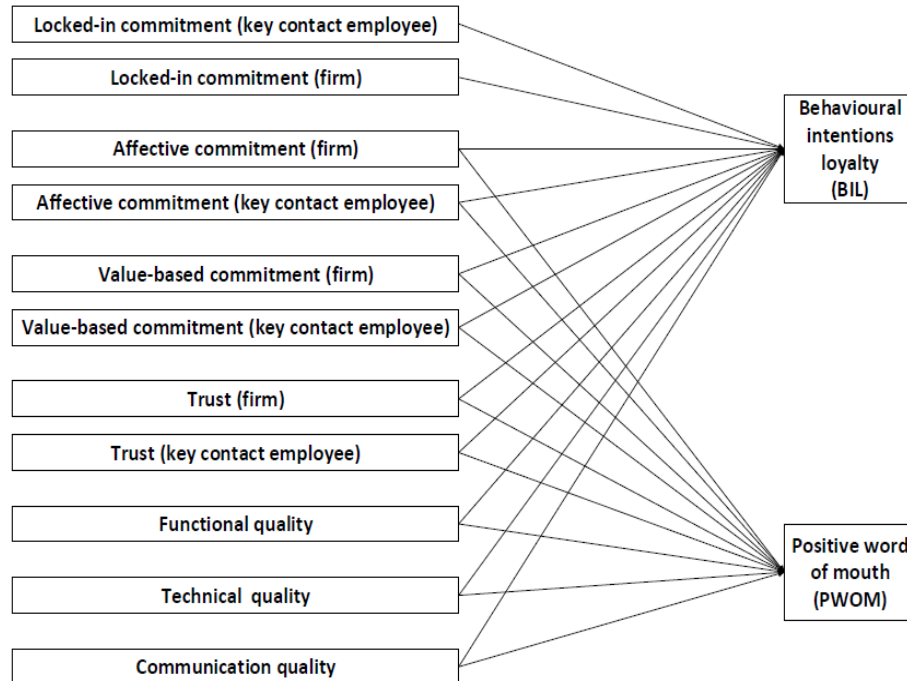
138 **Table 1. Loyalty themes and underlying sub-themes resulting from the thematic analysis.**

Antecedent themes and associated sub-themes	Participant sources (out of 20)	Occurrences (total)
Locked-in commitment	20	60
Lack of alternatives who understand unique requirements	12	27
Lack of alternatives with right skills and attributes	11	19
Risks, time and costs of switching	10	14
Affective commitment	20	80
Identification	8	9
Likeability	11	25
Rapport	18	46
Value-based commitment	15	39
Benefits exceed costs associated with relationship	15	39
Normative commitment	7	9
Guilt associated with switching	2	2
Obligation	6	7
Supplier expectation	0	0
Trust	20	251
Client’s interest at heart	16	44
Confidence	17	46
Integrity	16	79
Expertise	20	46
Reliability	13	36
Functional quality	19	100
Flexibility	12	15
Responsiveness	19	85
Technical quality	19	130
Helps me achieve my goals	15	32
Meticulousness	15	38
Understands my needs	15	60
Communication quality	19	99
Explains pros and cons	10	15
Explains things meaningfully	10	36
Keeps me updated	18	48

139 **Table 2. Analysis of the association between antecedent themes with BIL and/or PWOM**

	Participant sources (out of 20)	Occurrences (total)
Affective commitment (firm) - BIL	15	38
Affective commitment (firm) - PWOM	10	14
Affective commitment (KCE) - BIL	18	69
Affective commitment (KCE) - PWOM	10	15
Communication quality - PWOM	15	16
Communication quality - BIL	20	121
Functional quality - BIL	18	65
Functional quality - PWOM	16	26
Locked-in commitment (firm) - BIL	17	35
Locked-in commitment (KCE) - BIL	12	25
Normative commitment (firm) - BIL	5	8
Normative commitment (firm) - PWOM	0	0
Normative commitment (KCE) - BIL	5	6
Normative commitment (KCE) - PWOM	0	0
Technical quality - BIL	20	132
Technical quality - PWOM	17	34
Trust (firm) - BIL	18	80
Trust (firm) - PWOM	15	33
Trust (KCE) - BIL	19	100
Trust (KCE) - PWOM	15	26
Value-based commitment - BIL	18	66
Value-based commitment - PWOM	13	19

140 Due to weak evidence for the existence or impact of normative commitment, it was
141 excluded from the refined model. Due to the lack of evidence for value-based
142 commitment, functional quality, technical quality and communication quality operating
143 on both employee and firm levels, they were collapsed into single level-neutral themes
144 during the thematic analysis. Sufficient support was found for the remaining themes for
145 them to be included. The initial sixteen antecedents were reduced down to a total of
146 eleven antecedents in the refined model shown in Figure 2.



147
148 **Fig. 2.** The refined model of CPS client loyalty.

149 **6 Conclusions.**

150 Qualitative analysis demonstrated that most (but not all) of the antecedents identified
151 in the extant professional loyalty literature appear to be similarly influential in CPS-
152 client service relationships. Furthermore, it was necessary to refine the sub-themes for
153 certain antecedents, such as CPS technical quality based on the emergent findings. The
154 next planned phase of research is to quantitatively test the proposed relationships
155 between the themes shown in Figure 2 and determine the degree to which these findings
156 generalise within the wider CPS client population.

157 **7 Conclusions.**

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