Gratitude: An Emotional Approach in Business Relationship

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ABSTRACT
Most theories of Relationship Marketing (RM) emphasize the role of trust, commitment and/or customer satisfaction in development of long term business relationships. In spite of recognition of gratitude as core of reciprocity its role in long term relationships has not been well researched. Only a few studies recently have recognized the role of consumer gratitude in buyer-seller relationships. This study is an attempt to understand the role of gratitude in long term business relationships. It is attempted to understand gratitude, synthesising and analyzing various definitions of gratitude. It is also attempted to establish theoretical linkages among gratitude and long term relationship constructs e.g., trust, commitment, word of mouth and loyalty. Managerial implications of gratitude are also discussed.

Key words: Consumer gratitude, relationship marketing, trust, commitment, customer loyalty

INTRODUCTION
Paradigm shift in marketing from ‘transactional to relational’ has been well documented and globally accepted (Sheth and Parvatiyar, 1995; Palmatier et al., 2009). Past two decades have witnessed the success of relationship marketing (RM). Relationship marketing encompasses all the activities directed towards establishing, developing and maintaining successful relationships (Morgan and Hunt, 1994). It has become an alternative means for organizations to build strong, ongoing associations with their customers. Research indicates that the concept of relationship marketing broadly revolves around customer loyalty (Dick and Basu, 1994). Since the cost of serving a loyal customer is significantly less than the cost of attracting and serving a new customer, marketers are concerned about building customer loyalty by providing value to all the parties involved in relational exchanges.

Over the years, researchers have investigated many antecedents of customer loyalty to stores, companies and brands and long term relationships (Dick and Basu, 1994; Oliver, 1999). A comprehensive review of literature on the topic provides various streams and school of thought such as (1) trust and commitment are both keys to predicting exchange performance and basis of long term relationships (Morgan and Hunt, 1994), (2) whereas others suggest that either trust (Doney and Cannon, 1997; Siridheshmukh et al., 2002) or commitment (Anderson and Nauras, 1990; Gruen et al., 2000; Ganesan, 1994) alone is the critical relational variable. Another school of thought suggests that the global construct of relationship quality, as reflected by a combination of commitment, trust and relationship satisfaction, offers the best assessment of relationship strength and provides insights into relational performance of long term relationships (De Wulf et al., 2001).
Marketing literature endorses the role of “affect” along with the role of cognition in building and sustaining long-term relationships. Customers’ emotional experiences play pivotal role in the course of relationship marketing (Bagcozzi, 1995; Wong et al., 2003). Positive emotions such as love, joy, happiness, pampering, relax and hope have been proved to play significantly important role in the development of the building and sustaining of long term relationships (Barnes, 1997; Liljander and Sirandvik, 1997). On the same chord, gratitude, which has been defined as the emotional appreciation for the benefits received, accompanied by a desire to reciprocate is a positive emotion and an important construct for understanding the relationships marketing effectiveness (Emmons and McCllough, 2004; Morales, 2005). Although being emotional core of the reciprocity, gratitude had been recognized very early (Smith, 1976), yet this has been majorly neglected in the literature of psychology, sociology and marketing in particularly. Although research in psychology has witnessed its presence in past two decades, yet, this has been completely ignored and neglected in marketing research. Only a few studies recently have witnessed and proposed the role of consumer gratitude in long term business relationships (Palmatier et al., 2009). Apart from this issue, various researchers have different opinions about dimensions of gratitude. Literature on gratitude has confounded opinion about gratitude being “affect”, “cognition” or “conation” or a combination of these dimensions. To fill this gap it is attempted to synthesize and analyze all the available definitions of gratitude from literature of psychology, sociology and marketing. It is also attempted to understand and find theoretical linkages between gratitude and various relational constructs such as trust, commitment, satisfaction and loyalty. On the basis of relationship among gratitude and various relational constructs, it is posited that gratitude becomes the basis of long-term business relationships.

Gratitude: What exactly is gratitude? The Oxford English Dictionary defined gratitude as “the quality or condition of being thankful; the appreciation of an inclination to return kindness”. The word gratitude is derived from the Latin roots gratia, meaning favour and gratus, meaning pleasing. All derivatives from this Latin root have to do with kindness, generosity, gifts, beauty of giving and receiving, or getting something for nothing (Pruyer, 1976).

Researchers are rarely content with dictionary definitions. Gratitude has been defined in a number of ways throughout history, principally in literature of psychology followed by some of its applied fields such as marketing and sociology. Table 1 gives synthesis, summarization and analysis of various definitions of gratitude available in literature.

Table 1 gives synthesis and analysis of various definitions of gratitude available in literature. Literature on psychology, sociology and marketing conceptualize gratitude as an emotion, an attitude, a moral virtue, a habit, a personality trait, or a coping response (Emmons and McCllough, 2003; Fitzgerald, 1998) identified three components of gratitude, (1) A warm sense of appreciation for somebody or something; 2) a sense of goodwill toward that person or thing and (3) a disposition to act that flows from appreciation and goodwill. But considering various definitions available in literature, almost all researchers have consensus about its being emotion.

Gratitude manifests itself as an emotion. It is emotional appreciation for benefits received, accompanied by a desire to reciprocate (Emmons and McCllough, 2004; Morales, 2005). It occurs after people receive help, depending on how they interpret the situation. Specifically, people experience gratitude when they perceive that the help received is (1) valuable to them, (2) it has incurred some cost to their benefactor and (3) given by the benefactor with benevolent intentions (rather than ulterior motives) and (4) given gratuitously (rather than from role based obligation or as per the societal norms).
McCullough et al. (2003) reviewed data from several studies to conclude that people experience the emotion of gratitude most consistently and strongly when they perceive themselves to be recipients of an intentionally rendered benefit. It has a specific action tendency which is ‘to contribute to the welfare of the benefactor (or a third party) in the future’. Indeed, grateful emotions appear to motivate people to reciprocate the benefits they have received by rendering further benefits. This action tendency is adequately distinct from the action tendencies associated with indebtedness (Greenberg, 1980; Gray and Emmons, 2001). For example, people who are asked to describe a situation in which they felt grateful report having experienced more desire to respond generously toward their benefactor and less desire to avoid the benefactor than do people who are asked to describe a situation in which they felt indebted (Gray and Emmons, 2001). Although, early literature has confounding reports about gratitude and obligation and several researchers have used these two constructs interchangeably (Fitzgerald, 1998; Gouldner, 1960) yet, is has been
proved empirically that gratitude is a dissimilar construct from feelings of obligation or indebtedness (Watkins et al., 2006). Obligation is a feeling of indebtedness primarily generated because of normative demand and can be perceived negative feelings (Komter, 2004), whereas, gratitude is a positive feelings along with desire to reciprocate (Emmons, 2004).

**Gratitude and various relationship marketing constructs**

**Gratitude and trust:** Trust is the most researched construct in relationship marketing literature. It has been defined as a “willingness to rely on an exchange partner in whom one has confidence” (Moorman et al., 1992). Similarly, Morgan and Hunt (1994) have defined trust as “confidence in an exchange partner’s reliability and integrity”. Both definitions draw on Rotter (1967) classic view that trust is “a generalized expectancy held by an individual that the word of another...can be relied on.” Both definitions also highlight the importance of confidence. The literature on trust suggests that confidence on the part of the trusting party results from the firm belief that the trustworthy party is reliable and has high integrity, which are associated with such qualities as consistent, competent, honest, fair, responsible, helpful and benevolent (Altman and Taylor, 1973; Dwyer and LaGace, 1986; Rotter, 1967; Anderson and Nauras, 1990).

Gratitude affects the evaluation process of people (Algoe et al., 2008). It has been found that peoples evaluation of trustworthiness is significantly affected by gratitude which results in higher levels of trust towards benefactor (Algoe et al., 2008; Dunn and Schweizer, 2005). It has also been argued that people who trust on partners must rely on their perception of the trustee’s characteristics (e.g., ability, integrity, benevolence) to develop expectations about the trustee’s further behaviour. Positive emotions such as gratitude significantly influence these perceptions and increase trust (Dunn and Schweizer, 2005). In a study, it was found that participants who described a time in the past when they felt grateful toward someone (thereby creating grateful emotion in the present) subsequently reported higher levels of trust toward a third party as compared to the participants who were asked to describe a time they felt angry, guilty, or proud (Dunn and Schweizer, 2005). In other words, gratitude causes one to give people credit for their accomplishments which nourishes their positive social interaction and promote their pro-social behaviour, this eventually results in higher level of trust among the relational partners (Emmons, 2004).

Because feelings affect judgments, people often decide whether they can initially trust someone by examining the feelings they have toward that person (Jones and George, 1998). Algoe et al., (2008) found that gratitude for benefits received increases a receiver’s perceptions of the giver, including emotional responses (e.g., liking, closeness, how well the giver “understands” the recipient). Thus, if gratitude increases positive emotional responses, it also should improve perceptions of that person’s trustworthiness. Altruistic behavior provides an attributional basis for affect-based trust, because trust is founded on emotional bonds, including when people express genuine care and concern for the welfare of others (McAllister, 1995). These welfare includes providing delivery of a valuable benefit (e.g., relationship marketing activities). Providing value to customers would result in genesis of expectations about favourable futuristic behaviour by the benefactor, hence would increase the level of trust on the benefactor Evaluations of trustworthiness also depend on expectations about the target’s future behaviour (Mayer et al., 1995). Gratitude is a relationship-sustaining emotion with an important impact on maintaining trust in relationship (Young, 2006). Therefore, it is argued that customers in relationship with higher levels of feelings of gratitude would have higher level of trust.
Gratitude and commitment: Commitment is central to relationship marketing (Morgan and Hunt, 1994). It is defined as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it”; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely. Similarly, it has also been defined as “an enduring desire to maintain a valued relationship” (Moorman et al., 1992).

Gratitude has also been found as a factor in promotion of relationships (Algoe et al., 2008). In case of romantic relationships, Brimhall and Butler (2007) proposed that gratitude and religiosity as predictor of marital relationships. The more the gratitude and religiosity, higher will the level of relationship commitment towards the other relational partner. Consistent with Gruen et al. (2000) commitment is considered as an enduring bond, a sense of current and continued belonging or emotional attachment to the state and its people. More recently, Joshi (2009) demonstrated that communication efforts also promote this bond. This stream of work suggests expressions or behaviours that promote this felt unity, will produce affective commitment. Further, because affective commitment entails an inclination to act in the future and maintain a relationship (Bolton, 1998), it produces favourable marketplace and citizenship behaviours, making it particularly applicable to the chain of effects between expressions of gratitude and future oriented word of mouth measures.

Literature suggests that there are strong evidences that commitment can be elicited by communication, such as expressions of gratitude and result in benefits to the expresser. There is also strong theoretical support for affective commitment as a mediator between marketing activities and positive affective evaluations (e.g., attitudes) (Bolton 1998). Bolton (1998) propose a conceptual model of customer asset management that positions affective commitment as a mediator between marketing instruments and affective evaluations and suggest that the combination of marketing instruments, affective commitment and positive affective evaluations will increase relationship length.

Gratitude and customer loyalty: Customer loyalty has been considered to be one of the main keys to achieving company success and sustainable competitive advantage (Reichheld and Aspinall, 1993). Thus, obtaining higher levels of loyalty is seen as a key objective for management, since this not only helps to improve stability in company turnover (Reid and Reid, 1993), but also to reduce price sensitivity (Lynch and Ariely, 2000) and create contact networks to facilitate awareness and the promotion of the services being offered (Oh, 2000). Thus, retaining customers become a more attractive strategy for business to increase profitability than capturing new customers (Hsu, 2007).

Loyalty is customer’s demonstration of faithful adherence to an organization. Factors that determine loyalty are probability to repurchase a product or do business again with an institution, likelihood to recommend a product or an institution to others and the length or duration of stay of a customer with an organization. The efforts of a party devotes to the relationship depends among other things on the perceived level of effort of the other party (Anderson and Weitz, 1992). Organizations manage customer loyalty by managing their emotions. Emotions even act as a better predictor of behaviour than do the cognitive evaluation under several situations (Allen et al., 1992).

In case of consumer gratitude, the affective component refers to feelings of gratitude generated when people perceive themselves to be the recipient of an intentionally rendered benefit” (Emmons, 2004). This stage is a relatively short term state and these feelings of gratitude generate an
ingrained psychological pressure to return the favour (Zeev, 2000). When a customer gets an additional benefit from a seller, which is of value to the customer and/or the customer perceives that the benefit provided to him is with some benevolent intentions and has incurred some cost to the benefactor, this generates a desire in the customer to act in favour of his benefactor. The motive behind this act is to complete the remained part of exchange process. The sense of thankfulness, gratefulness and appreciation develops the tendency to reciprocate in favour of the benefactor by showing either positive attitude or positive behaviour. This short term state becomes the foundation of long term relationship. It is argued that the recipient of the benefit after realizing these one or other factors (the act done by the benefactor is intentional it has incurred some cost to the benefactor, the motive of the benefactor is not ulterior and also this act (RM investment) is valuable to the recipient), act in return to the benefactor. This act of return helps to create a cycle of reciprocity between giving and counter-giving and contributes to the ongoing construction of a relationship (Bartlett and DeSteno, 2006). Therefore the arguments appears logical that providing series of favour from both seller to buyer's side and the act of reciprocity from buyer to seller's side generate cycles of gratitude which eventually results in a more loyal customer with more purchase intention to purchase from existing seller. There is a close link between feelings of gratitude and reciprocal behavior which is responsible for the relational strengthening cycle, referring to it a continuing balance of debt-in favour of one member (seller) and then in favour of another (buyer). Therefore, it is logical to perceive that feeling of gratitude and gratitude based reciprocal behaviour can trigger a series of relationship cycles which eventually would results in a loyal customer either in terms of attitude or behaviour.

**Gratitude and positive word of mouth:** Word of Mouth (WOM) is defined as the “verbal person-to-person communication between groups such as independent experts, family and friends without commercial purpose”. It is not only the input to the potential customers concerning a product or service for sale but also is the output after his purchasing. Research found out that word of mouth has strong impact to customers’ judgments and evidenced that it is recognized as more reliable information provider than other communication channels by customers (Silverman, 1997). On the other side, each current customer will spread their experiences to others which conduct the output of word of mouth. It consists of informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers. It captures the likelihood that a customer will refer a seller positively to another potential customer. It has been established that affective responses of either valence (positive and negative) stimulate consumer WOM transmissions (Westbrook, 1987).

It has been noted, before purchases are made, consumers would often have their expectations about the exchange and the experience they encounter during purchase. If the experience they encounter actually during the purchase is below expectation, the customer might sense dissonance. One available strategy for customers who experience discomfort from cognitive dissonance is to seek negative WOM from sources which can reduce the discomfort. However, not all customers feel discomfort.

In case when the experience which the customer encounters during shopping is above customer’s expectations, argument of affective response theory seems plausible. According to Affective response theory, affective processes may constitute not only a powerful source of human motivation but also a major influence on information processing and choice (Isen, 1999; Zajonc, 1980). As a result, marketers are increasingly interested in understanding the nature of affect and
its contribution to consumer decision making and response to marketing variables (Aaker et al., 1986; Batra and Ray, 1986; Solomon et al., 1985). In an exchange context, as a customer becomes aware of receiving some relationship marketing benefit (e.g., extra effort, small favour, gift), he or she feel benefits are more than expectations and he or she should feel grateful to the seller during the encounter. These feelings of gratitude motivate him/her to act in favour of the seller. It has been established that affective responses of either valence (positive and negative) stimulate consumer WCM transmissions (Westbrook, 1987). Since gratitude is a positive emotion, it is expected that affective responses generated because of various relationship marketing investments would result in positive word of mouth.

Managerial implication: Gratitude is dynamic by nature and ephemeral with respect to time (Emmons, 2004). It occurs in recipient of benefit at its peak, soon after the investment has done or gift is provided to the beneficiary. This propensity may decay gradually with the passage of time. Therefore, managers should recognize the timeframe of opportunities that appear soon after the benefits are provided to the recipient in order to gain incremental sales during the period. During this period, gratitude triggers the positivity among the consumers and increases the quantum of feelings to pay back. These feelings can be captured by managers in long term relational form if acted on time. Therefore, gratitude can help the managers and sellers to achieve higher level of both attitudinal and behavioural loyalty of customer and increased purchase intention for a given relationship marketing investment. It also fosters the relationship between buyer and seller and increases the level of co operation among them along with increasing positive word of mouth, affective trust and commitment.

To maintain the continuous relations with customers, it is vital to understand and estimate the cycle time for gratitude so that the sequential stimulus with regular intervals can be provided to the customers to maintain the threshold level of emotions of gratitude. It is further important to convey all the investments done to initiate, build and maintain the relationships in terms of specificity of assets or any other form of customization of product and services. Being thankful along with communication of that to the customers are also keys to regulate perception of beneficiary about the benefactor. For example, in one experiment it was found that customers of a jewellery store who were “called and thanked” showed a subsequent 70% increase in purchases. In comparison, customers who were thanked and told about a sale showed only a 30% increase in purchases and customers who were not called at all did not show an increase (McCullough et al., 2001). In another study, regular patrons of a restaurant gave bigger tips when servers wrote “Thank you” on their checks (Emmons, 2004). Therefore, gratitude can be used as an effective tool for incremental sale and help managers to achieve their incremental targets.

CONCLUSION AND FUTURE RESEARCH

As per the literature across disciplines, gratitude emerges as a key force that influences relationships. It represents the emotional core of reciprocity and a key force in development and maintenance of co-operative relational bond (Bartlet and DeSteno, 2006; Bonnie and de Waal, 2004; Emmons, 2004; Komter, 2004; Palmatier et al., 2007). Although, various marketing researchers have made conceptual argument in support of principle of reciprocity (i.e., gratitude as being emotional core to that) and its role in relationship marketing (Bagozzi, 1995; De Wulf et al., 2001; Houston and Gassenheimer, 1987), yet its empirical validation remains either neglected or limited to fledging state (Palmatier et al., 2006, 2009; Palmatier, 2008). Gratitude and
its link with trust, commitment, relationship well-being, loyalty, positive word of mouth and reciprocity. Enhance the explanation of the theory of relationship marketing. This area of research has gained increased attention of marketing researchers in recent past. Its further exploration with different product category and different stage of relationships and different age of participants of different gender would enhance the explanation of theory of relationship marketing.

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