

THE ROLE OF RELATIONSHIP INVESTMENT IN RELATIONSHIP MARKETING IN NONPROFIT ORGANIZATIONS

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ABSTRACT

This study analyzes the role of relationship marketing investments for organizations in establishing relations with donors, through the mediating variables of trust, relationship commitment and donor's gratitude. Relationship investment and efforts made by organizations to establish relationships with partners was instrumental in realizing the long-term relationship. This research was conducted on philanthropy organizations in Indonesia, with 507 donor respondents. By using Structural Equation Modeling (SEM), the analysis shows that relationship marketing investment had a significant effect on commitment and gratitude, but not significant effect on trust. Relationship Marketing Investment effect trust indirectly through the gratitude variable. The effect of gratitude is not significant on intention of donors to redonate in philanthropy organizations. The gratitude variable seems to effect intention to redonate indirectly, through a mediating variable, trust. So donor's gratitude has a direct effect on trust, and trust has a direct effect on relationship commitment. Trust and commitment have a significant effect on intention of donors to redonate. Overall, relationship marketing investment plays an important role on the relation between philanthropy organizations and donors, through the strategic role of trust and relationship commitment variables.

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KEYWORDS: Relationship Marketing, Relationship Marketing Investment, Donor Gratitude, Trust, Relationship Commitment, Intention to Redonate

INTRODUCTION

Relationship marketing includes all marketing activities conducted through the determination, development and management of long-term relationships (Lee *et al.*, 2010). By implementing relationship marketing, both non-profit and profit-organizations hope to continuously establish relationships with partners. In order to realize these relationships, the organization undertakes various activities and efforts. The activities and efforts are referred to as relationship marketing investment or relationship investment. The previous research finds that many forms of investment activities and the efforts made by organizations to build relationships with customers, are expected to impact customer trust and commitment to the organization (Moorman *et al.*, 1993, Morgan and Hunt, 1994; Sirdeshmukh *et al.* 2002; Sargeant and Lee, 2004; and Wulft *et al.*, 2001), and also affects the customers gratitude (Palmatier *et al.*, 2009).

In a relationship, partner trust is a factor that is required. Venable *et al.* (2005) revealed that trust and social exchange plays an important role in the donor's decision whether to donate money, time, goods or services to the organization. Similarly Sargeant and Lee (2002) note that donors have recognized the central role in

developing the relationship between donors, philanthropy organizations, and recipient of donations. Sargeant and Lee (2002) also argue that trust is the foundation for philanthropy organizations in building their organization. In addition to trust, commitment is also a variable related to the determinant in a relationship. Gundlach *et al.* (1995) revealed that commitment is an essential element for the success of a long-term relationship. Dwyer *et al.* (1987) described that relationship commitment appears in the marketing literature as an important element for maintaining long term relationships.

Trust and commitment is a key concept in social exchange theory and relationship marketing literature (Lou and Donthu, 2007). Blau (1964) explains the concept of exchange in directing attention directly on the emergence of interpersonal relationships and social interaction. Several studies using social exchange theory as a foundation for commitment and trust in relationship marketing exist (Anderson and Narus, 1990; Dwyer *et al.*, 1987; Morgan and Hunt, 1994, Smith and Barclay, 1997, Garbarino and Johnson, 1999; MacMillan *et al.*, 2005). According to Palmatier *et al.* (2009) customer gratitude effects trust and intentions to buy.

Based on previous research (Morgan and Hunt, 1994, Smith, 1998; Garbarion and Johnson, 1999; Sargeant and Lee, 2004; MacMillan *et al.*, 2005; and Palmatier *et al.*, 2009), this research positions gratitude, trust and relationship commitment variables as mediator variables in relationship marketing. The relationship marketing investment variable is treated as an antecedent on the consequences of the intention of donor to redonate. This paper analyzes the role of relationship marketing investment variables in relationship marketing in nonprofit organizations, in the context of B2C relationships. This will provide benefits in the development of the relationship marketing concept. Until now studies on the topic of relationship marketing largely focus on profit-organizations as well as in area of B2B (Arnett *et al.*, 2003). The paper continues with a literature review and hypothesis development. Next, we discuss the data and methodology utilized and result of the reseach. The paper closes with some concluding comments.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Relationship Marketing. According Gronross (1994), relationship marketing aims to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. Kotler and Keller (2012) describes four key elements to relationship marketing, including customers, employees, marketing partners (channels, suppliers, distributors, dealers, agents), and members of the financial community (shareholders, investors, analysts). Gruen *et al.* (2000) writes that over the past several years, the management approach that views customer relationships as key assets of the organization has gained increased prominence in the priorities and practices of many for-profit and not-for-profit organizations. Arnett *et al.* (2003) believe that relationship marketing is a strategy that can be run in a context that involves a high degree of social exchanges in B2C marketing and nonprofit marketing. Meanwhile, McCort (1994) argues that relationship marketing at nonprofit organization devoted to seeking a long term relationship, increases loyalty of the donors.

Relationship Marketing Investment. Relationship investment is defined as consumer perception of the resources, efforts, attention has been paid by the retailer to manage and maintain a relationship with regular customers (Smith, 1998). Fruchter and Sique (2004) define relationship investment as marketing efforts or investment performed by exchange partners to create and maintain a relationship commitment with their partners. Rusbult (1980) categorized investments into two categories, namely extrinsic and intrinsic investment. Extrinsic investment occurs when a previous interest from outside was associated with current behavior, while intrinsic investment is linked to the investment of resources spent, such as time, money, and so forth. The investment of time, effort, and other resources performed by organizations in a relationship creates a psychological bond that encourages customers to stay in the relationship and determine reciprocal expectations (Smith and Barclay, 1997).

Gratitude. Gratitude is a fundamental component of social interactions that provide the foundation for reciprocal altruism emotion (Palmatier *et al.*, 2009). Gratitude has also been conceptualized as a force that helps people keep reciprocal obligations (Gouldner, 1960). Gratitude and reciprocity are essential to motivate the customer to build trust with the organization (Cialdini and Goldstein, 2004). Manifestation of customer gratitude to the organization occurs in the form of deep gratitude to the organization, respect for the organization, and pleasure in the organization. Palmatier *et al.* (2009) links the customers' gratitude variable with customer trust, and the effect of customer gratitude to sales performance outcomes. Schwartz (1967) argues that gratitude is a part of the bond that links the relationship between them. Gratitude is important to the theory of various disciplines on how social relationships will be built and prepared (Bartlett and DeSteno, 2006).

Trust. Trust has long been studied in various disciplines, including sociology, economics, and social psychology (Sargeant and Lee, 2004). Social exchange theory focuses on the role of trust in relational exchanges. Trust is a dominant variable which relates between relationship theory and social exchange theory (Wagner *et al.*, 2011). A relationship of trust increases its chances of long-term orientation in the exchange (Kumar, 1996 in Luo and Donthu, 2007). Trust is a success factor in a relationship and is a key variable in social exchange theory (Morgan and Hunt, 1994). Social exchange theory postulates reciprocal actions and behavior in formal relationships to enhance trust partners exchange (Blau 1964). According to Morgan and Hunt (1994) trust is central to all relational exchanges. Trust exists when one party of the exchange partners have reliability and integrity.

Relationship Commitment. One basic tenet of social exchange theory is the relationship that evolves over time leads to a sense of trust, loyalty, and commitment (Cropanzano and Mitchell, 2005). This has long been a core commitment in the literature of social exchange (Blau, 1964). Morgan and Hunt (1994) also stated that commitment is the core of relationship marketing. Dwyer *et al.* (1987) defines commitment as a willingness to keep something that has been agreed upon, based on the willingness and readiness to explicitly or implicitly continue the functional relationship that has existed. Meanwhile, Moorman *et al.* (1993) defines commitment as a passion that goes on in the long run to maintain a valued relationship.

The Relationship between Research Variables

The Effect of Relationship Marketing Investment to Donor Gratitude. Relationship marketing investment is seen as an activity undertaken by the organization in building and maintaining strong relationships with customers (Moorman *et al.*, 1993; Morgan and Hunt, 1994). Palmatier *et al.* (2009) concluded that the relationship marketing investment has a positive effect on customer appreciation. When recipients get an item of value, then his/her gratitude rises (Tsang, 2006). In building a relationship, and often starting with an investment (eg. time, effort), and in a context non-contractual, the person/organization that started the investment incurs expenses. With ongoing costs, people are at risk that the investment does not lead to reciprocal behavior (Chiles and McMackin, 1996). This leads us to the hypothesis:

H1: Relationship marketing investment has a positive effect on doner gratitude.

The Effect of Relationship Marketing Investment to Trust. The relational forms of investment conducted by the organization is a form of hard effort/work of organizations to strengthen relationships with customers. Significant efforts of the organization in building relationships with customers, as well as the organization's efforts to devote time and effort to build relationships with customers occur (Smith, 1998). Meanwhile, Wulf *et al.* (2001) asserts that trust is the result of the investment relationship. Smith (1998), examines the effect of relationship marketing investment on trust and commitment. Donors will be more likely to believe in philanthropy organizations, if the organization has clearly demonstrated the seriousness in building and maintaining a relationship. Based on this literature we postulate Hypothesis 2 as follows:

H2: Relationship marketing investment has a positive effect on trust.

The Effect of Relationship Marketing Investment on Relationship Commitment. Relationship marketing investment has a positive effect on commitment (Smith, 1998; Sargeant and Lee, 2004). Most of the B2B and B2C research empirically concludes that relationship marketing investments influence customer trust and commitment (Moorman *et al.*, 1993; Sirdeshmukh *et al.*, 2002). From the research findings, Bugel *et al.* (2010) also find that relationship investment has a positive effect on relationship commitment. The relationship marketing concept postulates a positive relationship between relationship marketing investment and commitment (Fruchter and Sigue, 2004).

H3: Relationship marketing investment has a positive effect on relationship commitment.

The Effect of Gratitude on Trust. Gouldner (1960) and Houston and Gassenheimer (1987) stated the importance of the principle of reciprocity in a relationship. Komter (2004) in Palmatier *et al.* (2009) argued that the form of gratitude is an imperative force. It is a force that encourages us to get back the benefits we have received and are part of a chain of reciprocity. Palmatier *et al.* (2009) also correlate customers' gratitude with customer trust and customers' gratitude on seller performance outcomes. Young (2006) argues that gratitude is an emotional form of ongoing relationship, with an importance effect on maintaining trust in a relationship.

H4: Gratitude has a positive effect on trust.

The effect of Trust on Relationship Commitment. Research has been conducted by Morgan and Hunt (1994), Smith (1998), Garbarino and Johnson (1999), and Sargeant and Lee (2004) that shows the trust effect on commitment. Achrol (1991) identified trust as a major determinant of the relationship commitment. The importance of trust in the relationship between donors and organizations occurs because donors do not directly feel the result of a nonprofit organization. In the absence of direct consumption, the donor must have confidence in nonprofit organizations activities, giving clients an interest in nonprofit organizations (MacMillan *et al.*, 2005). Geyskens *et al.* (1999) in Fruchter and Sigue (2004) found a positive relationship between trust and commitment.

H5: Trust has a positive effect on relationship commitment.

The Effect of Gratitude on Intention to Redonate. The concept of gratitude, shows the importance of the element of theory of social relations and reciprocal altruism, which has been adopted in various disciplines (Nartlett and DeSteno, 2006). Blau (1964) describes the importance of gratitude in social associations. Morales (2005) argued that directing gratitude to customers would increase their intention to pay back to the seller. In the context of the exchange, the customer will be aware of several advantages of relationship marketing (eg, effort, respect, reward), then they will feel grateful and will buy more (Palmatier *et al.*, 2009).

H6: Gratitude has a positive effect on donors intention to redonate.

The effect of Trust on Intention to Redonate. Camarero and Garrido (2011) generated findings that a donor with a high level of confidence will redonate in the future. Waters (2008) findings correlates with the willingness of donors confidence to contribute. Garbarino and Johnson (1999) found no effect of trust on the intention of donors to donate in the future. Naskrent and Siebelt (2011) identified trust as a variable with a central role in influencing donors intention to redonate.

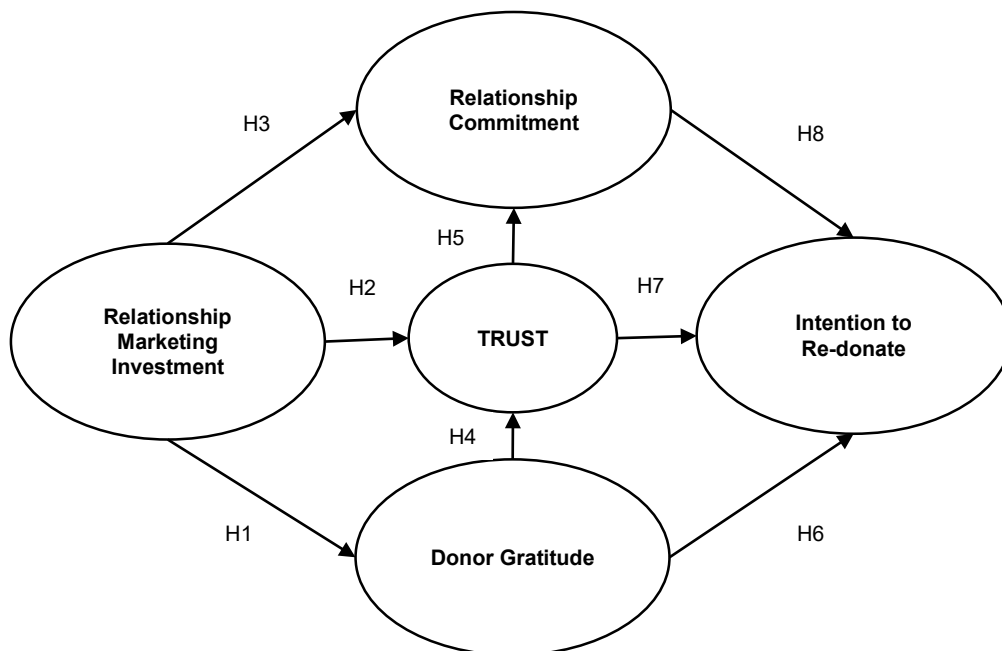
H7: Trust has a positive effect on donors intention to redonate.

The Effect of Relationship Commitment on Intention to Redonate. Blau (1964) argues that people are expected to have a commitment to their social relations, group, and organization. Garbarino and Johnson (1999) showed that customers who have a high relationship orientation, trust and commitment are the main intermediary constructs in success of relationship compared with satisfaction. Lacey and Morgan (2007) findings show that a significant relationship commitment to customers increases their intention to become repeat customers. Waters (2008) obtain a finding that correlates with the willingness of donor commitment to donate. Naskrent and Siebelt (2011) argued that commitment is a core variable in influencing donors to redonate, as well as in leading donors to have a stronger desire to continue the exchange relationship.

H8: Relationship commitment has a positive influence on intention to redonate.

Figure 1 shows the relationships specified by the model. The hypotheses are each are each indicated within the figure.

Figure 1: Model Specified Relationships



This figure shows the research model, which describes the relationship between the variables are relationship marketing investment, donor gratitude, trust, relationship commitment, and intention to re-donate.

DATA AND METHODOLOGY

Variables used in this study consisted of an exogenous variable that is relationship marketing investment, and endogenous variables, consisting of donor's gratitude variable, trust variable, relationship commitment variable, and variable of intention to redonate.

Relationship marketing investment is a perception on the investment activities undertaken by the organization in building and maintaining strong relationships with customers (Moorman *et al.*, 1992). Trust is confidence in the integrity and reliability of the exchange partner (Moorman *et al.*, 1993). Relationship commitment is an enduring desire to maintain a valued relationship (Moorman *et al.*, 1992). Gratitude is a type of affective response when a person receives "kindness" of others (McCullough *et al.*, 2001 in

Palmatier *et al.*, 2009). Intention to redonate is donors intention to behave in the future, to assess whether they are to redonate or not (Garbarino and Johnson, 1999).

The instrument used in this study is a questionnaire. Measurements was made on each construct using a Likert scale containing a 5-level response to the proposed statement. Sample units were in the form of individuals, namely individual being a donor to philanthropy organizations in Indonesia. Data were collected using a cross-sectional approach, in which surveying was done by distributing questionnaires to a number of respondents directly. In this study the analytical techniques used Structural Equation Modeling (SEM).

Questionnaires were distributed to as many as 625 individuals. The questionnaires were completed by some 578 individuals, implying a response rate of 92.48%. Some 71 questionnaires were not useable. Reasons for removal of these responses include (1) the respondents did not fill out the questionnaire in full, (2) a statement of overall respondents answered indicators of research with a choice of all the left-most column (strongly disagree), and (3) respondents answered a statement for overall indicators research with all the rightmost column options (strongly agree). Thus, in the end the number of responses processed was 507 (87.72%). The data collection process took as long as 8 weeks.

RESULTS

Data collected and processed included 507 observations. From the results of normality testing, the data were normal, according to the criteria described by Morgan *et al.* (2004), that data satisfy the normality test if the skweness value is less than plus or minus one (<+ / -1.0). Validity test results for the five constructs used in this study are valid, with the lowest factor loading of 0.066 (first indicator for relationship commitment variable). This is in accordance with the criteria suggested by Hair *et al.* (2010) that an indicator is valid if it has a factor loading greater than +0.50. Reliability test results for all five variables exceeds 0.70. Similarly, the reliability test results showed reliable results, consistent with provisions expressed by Hair *et al.* (2010). Cronbanch's alpha technique is used. The generally agreed upon lower limet for Cronbach's alpha is 0.70 (Hair *et al.*, 2010).

This model uses the validity and reliability testing. The validity test is conducted on the discriminant validity, convergent validity and nomological validity. Discriminant validity assesses the extent to which a construct is not correlated with other constructs, so a construct is completely different from other constructs (Malhotra, 2010; Hair *et al.*, 2010). Hair *et al.* (2010), explains that discriminant validity is achieved when Average Variance Extracted (AVE) exceeds the square correlation estimate. The largest estimate of the square correlation is trust-gratitude (0.494), the second largest is relationship commitment-trust correlation (0.419). From discriminant validity of the test results, it appears the results satisfy discriminant validity. The AVE is calculated using the formula:

$$AVE = \frac{\sum Standard\ Factor\ Loading^2}{n} \quad (1)$$

(Hair *et al.*, 2010), where n is the number of indicators of constructs concerned. The results of calculation of AVE for each construct can be seen in Table 1.

Table 1: The Calculation of Average Variance Extracted

Construct	Σ Stand. factor loading ²	n	AVE
Relationship marketing investment (RMI)	1.772	3	0.591
Relationship commitment (RC)	1.693	4	0.423
Trust	2.173	4	0.543
Donor gratitude (Gratitude)	2.082	3	0.692
Intention to redonate (Intention)	1.805	3	0.602

This table shows the result of calculation of Average Variance Extracted (AVE) used to determine discriminant validity. From the calculation, the largest estimate of the square correlation is 0.494 (relationship between trust and gratitude). Validity is achieved when AVE > the square correlation estimate.

Convergent validity is construct validity which measures the extent to which a construct was positively correlated with other constructs (Malhotra, 2010; Hair *et al.*, 2010). Hair *et al.* (2010) explains that convergent validity is achieved when the standardized loading estimate should be 0.5 or higher. From the test results, all the relationships between constructs have indicators ≥ 0.5 . This indicates the fulfillment of convergent validity, as shown in Table 2.

Table 2: Testing for Convergent Validity

Relation between Construct and Indicators	Weighted Factor	Remark
r1 ← RMI	0.830	Valid
r2 ← RMI	0.910	Valid
r3 ← RMI	0.505	Valid
t1 ← Trust	0.672	Valid
t2 ← Trust	0.737	Valid
t3 ← Trust	0.794	Valid
t4 ← Trust	0.740	Valid
rc1 ← RC	0.589	Valid
rc2 ← RC	0.700	Valid
rc3 ← RC	0.677	Valid
rc4 ← RC	0.631	Valid
g1 ← Gratitude	0.810	Valid
g2 ← Gratitude	0.868	Valid
g3 ← Gratitude	0.820	Valid
i1 ← Intention	0.706	Valid
i2 ← Intention	0.851	Valid
i3 ← Intention	0.763	Valid

This table shows the testing for convergent validity. The second column shows the weighted factor is more than 0.5. These findings indicate that all relationships between constructs and their indicators are valid.

Next we discuss results of the reliability test. Hair *et al.* (2010) describes the achievement of reliability requirements of a construct, when the construct reliability (CR) is 0.7 or higher. The formula to calculate the CR is

$$AVE = \frac{\Sigma \text{Standard Factor Loading}^2}{\Sigma \text{Standard Factor Loading}^2 + \Sigma e_i} \quad (2)$$

Where e_i is the error. The analysis shows all constructs have a CR ≥ 0.7 , as shown in Table 3.

Table 3: The Calculation of Construct Reliability

Construct	(Σ Stand. Factor Loading) ²	Σ ei	(Σ Stand. Factor Loading) ² + (Σ ei)	CR	Remark
RMI	5.040	0.755	5.795	0.870	Reliable
RC	6.744	1.403	8.147	0.828	Reliable
Trust	8.661	1.057	9.718	0.891	Reliable
Gratitude	6.240	0.502	6.742	0.926	Reliable
Intention	5.382	0.680	6.062	0.888	Reliable

This table shows the calculation of construct reliability (CR). From the formula of CR, we get the number of CR in the fifth column. All of construct have CR more than 0.7 so we conclude they are reliable.

Next we examine the overall model. From the absolute fit, the value of GFI, RMSEA, RMR, and Cmin/DF is good. For incremental fit measures, we see the values of NFI, CFI, and TLI are good. Meanwhile, from the the parsimony fit measures, it appears the value of AGFI and PNFI is good, as shown in Table 4.

Table 4: Goodness of Fit

GOF Criterion	Result
Absolut Fit Measures	
Chi-square (X ²)	293.931
Degree of freedom	111
Probability	0.000
GFI	0.935
RMSEA	0.057
RMR	0.019
Normed Chi-Square (CMIN/DF)	2.648
Incremental Fit Measures	
NFI	0.922
CFI	0.949
TLI	0.938
Parsimony Fit Measures	
AGFI	0.911
PNFI	0.752

This table shows the Goodness of Fit Index. There are absolut fit measures, incremental fit measures, and parsimony fit measures. The result indicates that the model is good.

Finally, we examine the structural model. In SEM, the result is a structural model specification used to test the hypothesized theoretical model (Hair *et al.*, 2010). In this study there are eight structural relationships between the constructs as described in the research hypothesis. By using a one tail t-test with a significance level α 95%, then the influence of a construct to other constructs is significant if the value of t-statistics show the number is greater than 1.64, as shown in Table 5.

Table 5: The Calculation for Structural Model

Hypothesis	Causal Relationship	Unstandardized Regression Coeficien	Standardized Regression Coeficien	t Value*	Remark
H1	RMI → Gratitude	0.096	0.138	2.714	Significant
H2	RMI → Trust	0.009	0.012	0.286	Not Significant
H3	RMI → RC	0.058	0.097	2.021	Significant
H4	Gratitude → Trust	0.730	0.720	11.871	Significant
H5	Trust → RC	0.527	0.696	8.897	Significant
H6	Gratitue → Intention	0.086	0.103	1.331	Not Significant
H7	Truat → Intention	0.168	0.208	2.084	Significant
H8	RC → Intention	0.187	0.192	2.434	Significant

This table shows the calculation for structural model. From this table indicates that six hypothesis are significant, and two hypothesis are not significant. The final figure in each cell is the test statistic from the t statistic test. * indicate significance at the 5 percent levels respectively.

CONCLUDING COMMENTS

From Table 5, it seems that of eight hypothesis tested, six hypotheses are supported, and two hypotheses are not supported. The supported hypotheses are H1, H3, H4, H5, H7, and H8. Thus the research model is supported empirically, because the criterion variables (ie intention to redonate) can be explained by its antecedends. H1 is supported, implying that various efforts made by the philanthropy organization is perceived by donors as an organization effort which is determined by maintain relationships with customers. This leads to a feeling of gratitude of customer to organizations for what has been done by the organization. The finding of this research is in line with the findings of research carried out by Palmatier *et al.* (2009) in profit-oriented organizations. Thus, the findings are consistent with principles embodied in the theory of exchange. That is, social exchange tends to cause people to feel a sense of duty, gratitude, and trust (Blau, 1964).

From testing H2, relationship marketing investment does not influence trust significantly. Donors perception of the organization's efforts to strengthen relationships with customers does not lead to donors trust of philanthropy organizations directly. From the finding of this study, it shows that the effect of relationship marketing investment to trust is indirect, that is mediated by donors gratitude variable. This implies that various efforts made by organization cause donors gratitude to the philanthropy organization. Thus, the findings of this study support the findings of Palmatier *et al.* (2009). However, our findings contrast the finding of previous researchers (Ganesan, 1994; Wulf *et al.*, 2001) that the relationship marketing investment significant effects trust. This is probably due to the fact that the gratitude variable was not included in the model of research.

The H3 test results show that relationship marketing invesment has a significant effect on relationship commitment. That the formation of donor commitment to philanthropy organizations is due to customer perception of the various efforts made by the organization to build relationships (Fruchter and Sigue, 2004). Palmatier *et al.* (2009), reveals that relationship marketing investment is an activity to build and maintain strong customer relationship. Our findings reinforce the positive effect of relationship marketing investment on relationship commitment, similar to findings from previous studies (Hocutt, 1998; Smith, 1998; Sprecher, 2001; Fruchter and Sigue, 2004; Sargeant and Lee, 2004).

Hypothesis 4 is supported, meaning that a deep gratitude to the organization, respect for the organization, and pleasure in organizations resulting that the donors trust in the organization. These findings support the findings of previous researches, that gratitude influences trust (Palmatier *et al.*, 2009). As suggested by Cialdini and Goldstein (2004) that gratitude and reciprocity are essential to motivate customer to build trust within the organization. It is also similar to that described by Dunn and Schweizer (2005) that positive emotions like gratitude have a significant influence on increasing trust.

The result of H5 testing is significant, meaning that the presence of donor trust in philanthropy organizations led them to commit to the organization. The importance of trust in the relationship between donors and organizations is because donors do not directly feel the result of a nonprofit organization (MacMillan *et al.*, 2005). In a relationship, when trust exists, most likely the level of commitment will also be high (Geyskens *et al.*, 2004 in Fruchter and Sigue, 1999). This suggests that trust and commitment in nonprofit organizations is a central issue in establishing relationships with donors. Morgan and Hunt (1984) argue that trust and commitment are the core of relationship marketing. The findings of this research is no different from previous research in both the profit-oriented organizations (Morgan and Hunt, 1984; Achrol, 1991; Moorman *et al.*, 1992, Smith, 1998) and nonprofit organizations (Garbarino and Johnson, 1999; Sargeant and Lee, 2004).

Test results do not support H6. The effect of gratitude on the intention to redonate is indirect, that is through the mediator trust variable. It means that the donor who was grateful to the organization will cause donors

to redonate when donors have trust in the organization. This further confirms the important role of the variables of trust in relationship marketing in nonprofit organizations as expressed by Garbarino and Johnson (1999), MacMillan *et al.* (2005) and Waters (2008). This finding is in contrast to the findings of research conducted by Palmatier *et al.* (2009) in profit-oriented organizations, who found that gratitude significantly effects customer purchase intention.

Tests support H7, meaning that a sense of trust that has been embedded in the minds of the donors leads to their intention to redonate to philanthropy organizations. This supports previous research findings that donors with the highest level of trust have intention to redonate at the future time (Garbarino and Johnson, 1999; Waters, 2008; Camarero and Garrido, 2011; Naskrent and Siebelt, 2011). Finally the finding of testing on H8 show that the relationship commitment has a significant influence on intention to redonate. The findings in this study are in accordance with the argument of Naskrent and Siebelt (2011) that commitment is a core variable in influencing donors to redonate, as well as leading donors to have a stronger desire to continue the exchange relationship. This finding also supports previous research conducted by Dwyer *et al.*, (1987) and Waters (2008). Thus, we conclude that the role of relationship investment in nonprofit organizations in the context of relationship marketing is very important. It is important not to forget to include trust and relationship commitment variable as mediating variables consistent with research conducted by Morgan and Hunt (1994) about the Key Mediating Variables (KMV).

From these findings, we recommend that managers of philanthropy organizations should enhance and continue to take various investments/activities to build relationships with donors. Because of the analysis results it appears that trust and commitment to the organization is caused by relationship marketing Investment conducted by the organization. This research is conducted on donors who gave their donation to philanthropy organizations engaged in various sectors, including health, education, poverty, and so forth. We recommend further research on philanthropy organizations that have more specific targets, such as just education, just the arts sector, or maybe just the health sector. In addition, further research could also examine other consequences of trust and relationship commitments, perhaps including a cooperation variable.

In this study, data were cross-sectional. Therefore caution is necessary in making conclusions. Causal relationship between the study variables were tested in the research model. Further study is recommended to examine a range of different times in investigating causal relationships between variables. By doing so it may be possible to get better results in testing causal relationships between variables of the study.

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