

Exploring the moderating impact of switching costs in tax practitioner services relationship

Abstract

*Research increasingly points to the intangible, **global**, ambiguous and technical nature of tax practitioner services and the importance of the relationship of the tax practitioner with clients. This article examines the concept of switching costs (switching barriers) from the marketing research literature in the context of variations in client relationship commitment. To determine how switching costs affects the relationship between trust of clients and service satisfaction and their relationship commitment, a total of 211 responses from clients of various accounting and law firms in New Zealand were analysed.*

Through the adoption of Hayes PROCESS macro for SPSS, switching costs are shown as moderating the effect of client trust and service satisfaction on their relationship commitment. The findings reveal that higher switching costs makes the impact of trust of clients and service satisfaction on their relationship commitment less positive.

The study suggests that effective development of the skills of tax practitioners that builds trust of their clients could improve the overall client relationship and maximise taxpayer compliance.

Through the adoption of Hayes PROCESS macro for SPSS, the effect of client trust and service satisfaction on client relationship commitment varied as a function of switching costs and attractiveness of alternatives, moderating variables.