

**ROLE OF RELATIONSHIP MARKETING QUALITY ON
CUSTOMER BEHAVIOURAL INTENTION IN THE
BANKING SECTOR IN KENYA**

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**Role of Relationship Marketing Quality on Customer Behavioural
Intention in the Banking Sector in Kenya**

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DECLARATION

This thesis is my original work and has not been presented for a degree in any other university

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DEDICATION

This thesis is dedicated to my wife grace Malila and my daughters Xavierra Kanini and Zelda Martha who missed me during the time that I was doing the work. I will always be there to cover up for the time we did not spend together during the time I was doing this thesis. You will always be my love though you never knew what was happening.

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ACRONYMS AND ABBREVIATIONS

B2C	-	Business to Customer
BI	-	Behavioural Intention
CBK	-	Central Bank of Kenya
Coop	-	Cooperative
FSD	-	Financial Sector Deepening
G.O.K	-	Government of Kenya
KMV	-	Key Mediating Variable
RBV	-	Resource Based View
RM	-	Relationship Marketing
SET	-	Social Exchange Theory
SPSS	-	Statistical Package for Social Scientists
SEM	-	Structural Equation Modelling
KMV	-	Key Mediating Variable
CBK	-	Central Bank of Kenya
DOPU	-	Drop-off Pick-Up Met
AVE	-	Average Variance Extracted
EFA	-	Exploratory Factor Analysis

DEFINITION OF TERMS

- Behavioural Intentions** - The degree to which a person has formulated conscious plans to perform or not perform some specified future behaviour (Warshaw & Davis, 1985). That is, the intention to perform a behaviour is the proximal cause of such a behaviour (Shim, Eastlick, Lotz, & Warrington, 2001).
- Relationship-trust** - Is defined as consumers' confidence in the service provider's reliability and integrity and has similarities with the concept of trustworthiness (De Wulf *et al.*, 2001).
- Relationship-commitment** - Is conceptualized as the consumer's enduring desire to continue a relationship with a service provider because of a liking or positive attitude, accompanied by this consumer's willingness to make efforts at maintaining the relationship (De Wulf *et al.*, 2001). Relationship commitment, in this context, represents the attitudinal element of consumer loyalty.
- Relationship-satisfaction** - Is defined as consumers' overall affect based evaluation of the relationship with the provider. It is cumulative in that it develops over the course of the relationship (as opposed to specific to each transaction) and is based on an evaluation of interactions with a range of service staff and systems (Anderson, Fornell & Rust, 1997; De Wulf *et al.*, 2001).

- Relationship marketing-** Relationship marketing is about forming long-term relationships with customers. Rather than trying to encourage a one-time sale, relationship marketing tries to foster customer loyalty by providing exemplary products and services (Liu *et al.*, 2000)
- Customer satisfaction-** Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation (Palmatier, 2008)
- Customer Retention-** Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives (Bartlett & DeSteno, 2006)

ABSTRACT

Contemporary business organizations are increasingly becoming customer-oriented by embracing marketing initiatives that seek to attract, understand and retain profitable customers by building intimate, long term relationships. However, whilst relationship marketing has been the most important strategy employed towards maintaining and enhancing relationships with customers to increase customer retention in the banking sector, the quality of such relationships and their effects on customer behavioural intentions remains largely under-researched. The general objective of this study was to examine the role of relationship marketing quality on customer behavioural intentions in Kenya. The descriptive research design was adopted for the study, while the target population comprised customers of 43 commercial banks in Kenya. The accessible population was 3,625,234 active account holders in 43 commercial bank branches in Mombasa County. The study reached a sample of 18 commercial banks from which 334 respondent customers were picked through probability proportional to size random sampling techniques. A quantitative questionnaire that had been pilot-tested was used to collect primary data. Collected data was cleaned, checked for completeness, coded and entered into the computer's via Statistical Package for Social Scientists (SPSS 23). Data analysis in form descriptive statistics such as frequency distributions, percentages, means and standard deviations was conducted in SPSS while structural equation modelling to test hypothesized relationships was conducted using Analysis of Moment Structures (AMOS 23). The results indicated that customer behavioural intentions in the banking sector in Kenya are positively affected by relational commitment (normative commitment: $\beta = 0.246$, t -value = 4.476 and $p = 0.000$; affective commitment: $\beta = 0.120$; t -value = 2.114; $p = 0.035$); relational trust ($\beta = 0.163$; t -value = 3.052; $p = .002$); relational reciprocity norms ($\beta = 0.140$; t -value = 2.595; p -value = 0.009) and relational satisfaction ($\beta = 0.016$; t -value = 2.292; p -value = .007). The study concludes that relationship marketing quality is a multi-dimensional construct that has, as its core components, commitment, trust, satisfaction and reciprocity norms, which interactively drive customer behavioural intentions in the banking services sector of Kenya.

Marketing relationship practitioners and marketing scholars alike are advised to focus their attention on enhancing aspects of relational commitment as identified in this study, that drive crucial customer behaviours. Marketing practitioners should also look at strategies for building trustworthiness, supported by customer loyalty as a desirable outcome, which should be seen as a method for creating a competitive advantage for service organisations. Further, relationship marketing managers must base their relational exchanges with customers on the aspects of generalized and balanced reciprocity if they hope to enhance customers' positive behavioural intentions and contribute to organizational performance, which is hinged on positive behavioural intentions among customers. This would also enhance customer satisfaction with the exchange relationship hence positive customer behavioural intentions.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Contemporary business organizations are increasingly becoming customer-oriented by embracing marketing initiatives that seek to attract, understand and retain profitable customers by building intimate, long term relationships (Kotler & Keller, 2006). In many service contexts, intense competition has forced firms to move beyond competing based on cost, to competing based on superior quality that satisfies and exceeds customer expectations (Lovelock & Witz, 2007). The challenge lies in developing effective marketing strategies towards meeting customer perceived service quality and achieving customer satisfaction in an attempt to influence customer behavioural intentions (Nimako, 2012).

The cornerstone of a well-conceived marketing orientation is strong customer relationships. Relationship marketing has attracted the attention of both researchers and marketing managers (Brito, 2008). The goal of customer relationship marketing is to provide increased value to the customer and results in a lifetime value for an organization. Customer value will raise customer satisfaction, thereby customer loyalty will be instilled; which, in turn creates higher profit due to increased volume resulting from positive word-of mouth and repeat purchases (Liu *et al.*, 2000). Scholars have focused their attention on the scope of relationship marketing and developed conceptual frameworks aimed at understanding the nature and value of the relationships not only with customers but also with a number of other stakeholders (Brito, 2008). Many researchers with varied interests in the field of marketing have studied and explored the conceptual fundamentals of relationship marketing and its application in the business world (Palmer *et al.*, 2005).

The concept of relationship marketing (RM) has been looked at from different perspectives, both academically and professionally. Gronroos (2007) defines RM as a process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, by mutual giving and fulfilment of promises. Sheth and Parvatiyar (2000) cite Harker who, based on a synthesis of 26 definitions of relationship marketing describes it as a process in which an organization proactively creates, develops and maintains committed, interactive and profitable exchanges with selected customers over time. Thus, relationship marketing is the ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic value at reduced cost.

Three key aspects that constitute relationship marketing emerge from the foregoing definitions (Palmatier, 2008). First, RM deals with engagement activities across stages of the relationship lifecycle and thereby implicitly recognizes that relationships are dynamic processes that develop over time through typical stages. The number of stages and terminology used differ slightly among researchers, but the vast majority of definitions imply four general stages: identification, development, maintenance and termination. The second key aspect deals with the scope of relationship marketing activities; whereas some definitions are restricted to customer relationships, others include relationships with any constituent (internal departments, competitors, customers, suppliers). Recent research reemphasizes the importance of building relationships with parties other than customers by arguing that firms often compete through their network of inter-firm relationships (Rindfleisch & Moorman, 2003).

The third and final aspect of RM deals with the locus of benefits derived from relationship marketing activities. In practice, relationship marketing ought to generate benefits for both parties, even though one party's benefit may be limited to social rewards so as to achieve the implementers' long-term performance objectives (Palmatier, 2008). Integrating the three aspects of RM, and based on analysis of extant

relationship marketing definitions, relationship marketing is thus defined as the process that aims at enhancing performance through identification, development, maintenance and termination of relational exchanges (Palmatier, 2008). Relationship marketing can be thought of as being about retaining customers by establishing, maintaining and enhancing relationships with customers (Sohail & Malikakkal, 2011).

A seller's RM activities influence three fundamental drivers of RM effectiveness - relationship quality, breadth, and composition - each of which has a positive impact on the seller's performance outcomes (Palmatier, 2008). These fundamental drivers appear to work synergistically to enhance relational outcomes. Relationship quality describes the calibre of relational bonds with an exchange partner, which parallels the concept of tie strength in network theory (relational bonds between actors) (Borgatti & Foster, 2003; Houston *et al.*, 2004; Van Den Bulte & Wuyts, 2007) and captures the concepts of closeness, relational embeddedness as well as the degree of reciprocity in social bond theory (Rindfleisch & Moorman, 2003). The composite relationship quality construct captures the diverse interaction characteristics required to create a high-caliber relational bond, such as commitment, trust, reciprocity norms, and exchange efficiency (Palmatier, 2008). Thus, each construct is related but captures unique aspects of relational bonds; these aspects in turn positively influence specific exchange outcomes. In aggregate, however, they reflect the overall quality or caliber of the bond.

Customer behavioural intentions involve significant decision-making, particularly in repurchase decisions (White & Yu, 2005). Behavioural Intention (BI) has been defined as a person's perceived likelihood or subjective probability that he or she will engage in a given behaviour. Behavioural intentions frequently develop from the service experience that the customer had in the organization. Colgate and Lang (2001) describe BI as a decision making process about whether to stay or leave the service firm. BI is assumed to capture motivational factors that influence a behaviour, for instance, attitude, subjective norm and perceived behavioural control (Ajzen, 2002), has a robust ability to

ultimately predict customer behaviour (Ibrahim & Najjar, 2008) and is therefore assumed to be the immediate antecedent of behaviour (Ajzen, 2002b).

Behavioural intention of customers can be either favourable or unfavourable (Ladhari, 2009). Favourable behavioural intention results in the customer's bonding with the services provider, increased volume of business, expression of positive praise for the service provider, and a customer's willingness to pay price premiums. On the contrary, customers with unfavourable behavioural intention may display higher probability of brand switching, intention to reduce their volume of business, negative word of mouth and display their unwillingness to pay premium prices (Zeithaml *et al.*, 1996). Dabholkar *et al.* (2000) argues that these dimensions are important in tracking the trend of the customers and at strategizing the marketing concept of the organizations because the financial success and future performance of an organization depends on the extent to which customers' favourable behavioural intentions are fostered.

Several scholars have investigated the determinants of customer behavioural intentions in different industries, both in the service and product sectors such as the effect of service quality and other factors like satisfaction and loyalty on behavioural intention (Cronin *et al.*, 2000; Jang *et al.*, 2009; Kuo *et al.*, 2009; Lai *et al.*, 2009; Olurunniwo *et al.*, 2006; Park *et al.*, 2006; Prybutok, 2009; Qin & Hutchinson *et al.*, 2009; Vijayadurai, 2008). Kang *et al.* (2004) reported that customer behavioural intentions were related to customer satisfaction in the hotel industry. Customer satisfaction affected behavioural intentions towards the service provider, and satisfaction with the service then influenced behavioural intentions towards the services that hotels offered (Kang *et al.*, 2004). Positive word-of-mouth has particularly been clearly associated with superior service quality, although, dissatisfied customers would more likely express negative word of mouth than satisfied customers to express positive comments about a particular service. Saha and Theingi (2009) report that there is a positive relationship between service quality and behavioural intention, and so do Park *et al.* (2006) who found that service quality has a positive effect on behavioural intention which means that the higher

the quality of service the more the customer have re-purchase intention and intention to recommend. Ladhari (2009b) in his study of the hospitality industry found that perceived service quality has both direct and indirect significant relationship on customer behavioural intention.

Customer satisfaction has also been suggested as having a direct impact on behavioural intentions in the airline, restaurant, technology, and tourism sectors (Birgelen, Jong & Ruyter, 2006; Bosque & Martín, 2008; Chen, 2008; Chen & Tsai, 2007; Ladhari, Brun, & Morales, 2008; Namkung & Jang, 2007). In addition, service quality has been shown to have a significant positive impact on image, which in turn positively influences customer satisfaction in the hotel, airline, tourism, retailing and telecommunication sectors (Aydin & Ozer, 2005; Chi & Qu, 2008; Park, Robertson, & Wu, 2005; Ryu, Han, & Kim, 2008). A favorable image has equally been found to contribute to customers' recommendations of the organization to other customers in the telecommunication, manufacturing, tourism, airline, education, and hotel sectors (Ryu *et al.*, 2008; Castro, Armario, & Ruiz, 2007; Cheng, 2006; Chang, 2006; Park *et al.*, 2004; Nguyen & LeBlanc, 2001).

The role of relationship marketing in shaping customer behaviour has extensively been studied across the globe. Several aspects of RM that have hitherto been highlighted include culture, commitment, trust, value, satisfaction, loyalty, strategy, customer relationship management, and marketing theory amongst others (Lages *et al.*, 2005; Yudi, 2012). It is argued that, that the theme of relationship marketing has most widely been empirically studied in the U.S and the UK. Continentally, Europe takes the lead in the number of scholars on relationship marketing at 34 per cent between 2007 and 2011. Asia comes in the second position (29 per cent), America in the third (25 per cent) while Africa and Oceania tie in the last position at 6 per cent (Yudi, 2012).

An empirical investigation on the effect of relationship marketing on customer loyalty in Nigeria by Aminus (2012) revealed that regardless of the sector, business firms have

shifted from short-term and transactions' focus to long-term and relational focus. The study further established that there exists a significant, positive correlation between all the four dimensions of relationship marketing (trust, service quality, complaint handling and customer satisfaction) and customer loyalty. In line with the study findings, it was inferred that indeed relationship marketing adopted by commercial banks pays off due to the fact that it enhances customer loyalty. Olotu *et al.* (2010) study on relationship marketing orientation and Nigerian bank performance revealed that, the sampled banks practiced relationship marketing, leading to a positive correlation between relationship marketing and enhanced customer retention.

In Kenya, Soimo *et al.* (2015) in their analysis of the influence of relationship marketing on customer retention in commercial banks reported relationship marketing constructs were positively correlated with customer retention while Limo *et al.* (2015) examined the effects of relationship marketing on customer loyalty among petrol service stations and reported positive relationships between relationship marketing and customer loyalty. Kibeh, (2013) has also reported positive correlation between relationship marketing constructs and customer loyalty in the mobile telecommunication industry in Kenya. Generally, all these studies focused on the relational benefits approach and uni-dimensional relational outcomes.

Kenya is classified as a developing country, with a population of over 43 million people (World Bank, 2012). In such an economy, vibrant retail banking institutions play a pivotal role in the country's socio-economic development and act as a catalyst in spurring the development of all other industries. The country has a relatively well developed financial services sector. According to G.O.K. (2008) having a well functioning and vibrant financial sector is a critical ingredient in accelerating economic growth by spurring private sector development and ensuring macroeconomic stability thereby leading to the creation of employment and poverty reduction.

The Central Bank of Kenya (CBK) annual report (2014) indicates that as at 30th June 2014, the Kenyan banking sector comprised 43 commercial banks, 97 foreign exchange bureaus, 9 microfinance banks, 8 representative offices of foreign banks, 5 money remittance providers, 2 credit reference bureaus and 1 mortgage finance company. Over the last two decades, financial sector reforms, technological advancement and globalization have led to significant transformation of the banking industry. Maingi *et al.* (2013) note that a lot of reforms have been undertaken in the sector that have led to proliferation of financial products, activities, and other forms of organizations that have improved and increased the financial system's efficiency, leading to unprecedented growth coupled with impressive performance over the same period.

In the last decade alone, the country's banking sector has undergone substantial transformation. Within three years from 2005, the number of deposit accounts went up by 3.9 million, a growth rate estimated at 152% (FSD Kenya & CBK, 2011). Total deposit accounts with the member institutions rose by 35 percent, from 17.62 million in December 2012 to 23.75 million in December 2013. The deposit accounts increased by 33.9 per cent from 18.9 million accounts in June 2013 to 25.3 million in June 2014 (CBK, 2014). The industry has remained largely profitable in spite of the economy performing poorly in some years and facing adverse effects of the global financial crisis in 2008, making banking the most profitable sector in the economy. According to CBK (2014), the banking sector is expected to maintain its growth momentum mainly driven by the rollout of full file credit information sharing, regional integration initiatives, advances in information and communication technology and the introduction of the devolved governance system in Kenya.

Despite the generally strong growth in profitability, assets base, return on equity and return on assets, performance of the banking sector remains largely uneven. Since 2010, the top six banks remain far apart from the bottom six banks across all the five performance indicators of net assets, shareholders' equity, profit before tax, returns on assets and returns on equity (CBK, 2014). In the four-year period from 2011 to 2013, the

bottom six banks recorded negative or below 1 percent return on assets and return on equity compared to the top six banks, whose ratios were above 5 percent. Profits before taxes had a similar trend. This implies that some banks continue to face challenges in a competitive environment.

The dynamic nature of the financial system is creating the need to focus more on the customer rather than the product in order to be competitive. The bank products remain thinly differentiated, yet the sector has been characterized by the emergence of new forms of banking channels such as Internet banking, mobile banking and maturing financial market. A confluence of other factors have stiffened the competition among the various players in the banking industry forcing bankers to explore the importance of positive customer behaviour and maintaining lasting relationships by looking for more innovative ways of satisfying their customers while at the same time making profit. Among the factors is the concept of globalization, which has taken competition across international boundaries, technological innovations and advancement, deregulation of financial services and privatization of banks that were initially public (Achua, 2008). Banks' management needs to cultivate competitive advantage by developing strategies that will differentiate them from their competitors. Developing high quality marketing relationships can be a source of sustainable competitive advantage.

In the wake of intense global and local competition, commercial banks in Kenya have realised that long term mutually beneficial relationships are the way forward. In particular commercial banks have recognized the need to not only attract customers but also to forge and maintain long-term relationships with them in order to create a competitive edge in an ever increasing competitive marketplace. Thus, the banks have embraced relationship marketing and undertaken organisation wide strategies to manage and nurture their interaction with customers. Relationship marketing has been institutionalized through adoption of relationship marketing practices that range from equipping the personnel in charge through customer care management programs, employee empowerment, use of the state of the art information technology, adoption of

one-to-one communication with customers as well as strict adherence to business standard operating and maintenance of high ethical standards. Roberts *et al.* (2003) opine that successful relationship marketing is well established as a strategy for increasing customer retention. Thus, implementing a relationship marketing strategy provides firms with a sustainable competitive advantage

The concept of the main bank with which customers hold most of their accounts and do majority of their business is blurring across the globe. Almost a quarter of European customers now hold more than two accounts with a second bank, and one in ten source more than two services from a third provider. A further 11% of Europeans say that they plan to change their main provider in the future. Country wise, customers in Spain (20%) and Italy (14%) are the most likely to change their banks with only 6% in Belgium and France planning to do likewise (Ernest & Young, 2010). In Africa, only 6 out of every 10 customers are willing to repeat business with their banks, similar to those who report that they would recommend their bank to others. Country averages for customers with both repurchase and recommendation intentions vary significantly: Ghana (44%); Senegal (43%); Botswana (46%); Tanzania (55%); Uganda (65%) and; Kenya (55%). The percentage of customers with bank switching intentions for Ghana, Senegal, Botswana, Tanzania and Uganda respectively are 15%; 10%; 10%; 12%; 10% while that of Kenya stands at 11% (KMG, 2013).

Despite the robust relationship marketing strategies adopted by commercial banks in Kenya, there is no tangible evidence of the quality of these relationships and how they have influenced customer behavioural intentions. A lot of existing literature suggests that studies have been conducted on the relationship between relationship marketing constructs and customer behaviour (especially customer loyalty), both within international and local contexts. However, there has been less work examining the organizational antecedents of relationship marketing quality and its consequences for consumer behavioural intentions in the context of both consumer and business to business market segments. To more fully understand the role of relationship quality in

shaping customer behavioural intentions in both consumer and business to business contexts, this study investigated the role of relationship marketing quality on customer behavioural intentions in the commercial banking sub sector of Kenya.

1.2 Statement of the Problem

The banking market has witnessed unprecedented turmoil, having undergone a period of massive uncertainty and change since the 2007 financial crisis. The impact of the crisis may not have been as profound in Africa as in Europe and the US, but the ripple effect significantly affected customer behaviour across the globe with profound and lasting influence on the way in which customers interact with the banks they serve. Some of the challenges faced by banks partly due to the crisis, are: customers have become increasingly mobile and ever-more demanding; consumer perceptions are changing at a rapid rate, and banks face both a threat of customers accessing some, if not all, of their services from other providers and; customer trust in banks has fallen dramatically (KMG, 2013; Ernest & Young, 2010). With diminishing trust comes diminishing loyalty manifested in customer switching behaviour and low customer retention, yet it costs retail banks as much as six times more to attract a new customer as it does to retain an existing one (Ernest & Young, 2010). These challenges are in spite of robust relationship marketing strategies adopted by commercial banks, which raises questions on the quality of such relationships and whether indeed they enhance positive customer behaviour. Nevertheless, the banks have to account to shareholders for the massive investments in such extensive marketing programmes that are aimed at enhancing positive customer behaviour.

Statistics show that banks must work hard to meet the challenges of retaining customers, restoring public confidence and providing the services and products that customers really want. In the context of relationship marketing, losing customers may not always be bad news, as certain customers will not be profitable, and it is possible that many long-lasting customers will be inactive. But certain previously loyal customers may now

be looking elsewhere, and while they may not leave altogether, they will very likely seek to buy other products from different providers. For banks, therefore, it becomes imperative that there is a strategic focus, not necessarily on increasing the size of the customer base, but on targeting and maintaining the right kind of customers. Although relationship marketing has been the most important strategy employed towards maintaining and enhancing relationships with personal customers to increase customer retention in the banking sector in Kenya, the quality of such relationships and their effects on customer behavioural intentions remains unclear given that there has been limited research examining the quality dimensions of relationship marketing and their effects on customer behaviour intentions.

Hennig-Thurau *et al.* (2002) studied relationship marketing outcomes, an integration of relational benefits and relationship quality; Aalton, (2004) examined customer relationship marketing and the effect of demographics and technology on customer satisfaction and loyalty in financial services; Mulindwa (2005) investigated relationship marketing and customer retention in the printing equipment industry; Ndubisi (2007) and Jumaev *et al.* (2012) examined the impact of relationship marketing on customer loyalty in the banking sector; Olotu *et al.* (2010) conducted an empirical study of relationship marketing orientation and bank performance; Rizan *et al.* (2014) investigated the relationship between relationship marketing and customer loyalty and the effects of customer satisfaction and customer trust as intervening variables; Bagherzad *et al.* (2011) examined the influence of relationship marketing tactics on customer's loyalty in B2C relationship; Al-Hersh *et al.* (2014) analyzed the impact of customer relationship marketing on customer satisfaction of the Arab bank services while Tufa and Teshu (2015) examined the impact of customer relationship marketing on customer satisfaction in selected commercial banks in Ethiopia. None of these studies examined the role of relationship marketing quality on customer behavioural intentions.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to examine the role of relationship marketing quality on customer behavioural intentions in the banking sector of Kenya

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

1. To determine the role of relational commitment on customer behavioural intentions in Kenya
2. To establish the role of relational trust on customer behavioural intentions in Kenya
3. To examine the role of relational reciprocity norms on customer behavioural intentions in Kenya
4. To determine the role of relational satisfaction on customer behavioural intentions in Kenya

1.4 Hypotheses of the Study

The following sets of hypotheses were tested at the 0.05 level of significance

Hypothesis 1:

H₀₁: Relational commitment has no statistically significant effect on customer behavioural intentions in Kenya

H_{A1}: Relational commitment has a statistically significant effect on customer behavioural intentions in Kenya

Hypothesis 2:

H0₂: Relational trust has no statistically significant effect on customer behavioural intentions in Kenya

HA₂: Relational trust has a statistically significant effect on customer behavioural intentions in Kenya.

Hypothesis 3:

H0₃: Relational reciprocity norms have no statistically significant effects on customer behavioural intentions in Kenya

HA₃: Relational reciprocity norms have statistically significant effects on customer behavioural intentions in Kenya

Hypothesis 4:

H0₄: Relational satisfaction has no statistically significant effect on customer behavioural intentions in Kenya

HA₄: Relational satisfaction has a statistically significant effect on customer behavioural intentions in Kenya

1.5 Significance of the Study

This study's achievement of the research objectives stated in section 1.3 of this chapter makes profound contribution to the marketing literature from both academic and practical perspectives. First, this study contributes to the marketing literature by examining and providing an understanding of relationship marketing quality constructs. In a consumer service market context, the interaction of consumers with front line staff becomes paramount in determining the quality of the relationship as consumers often do not differentiate between the person providing the service and the organisation (Bitner,

1990). Thus, understanding the relationship from the customer's perspective has been identified as an important area of marketing research. Given the importance of relationships in a service context, this study's examination of the relationship marketing quality in service organizations from the customer's evaluative perspective and how such evaluations of RM quality influence their behavioural intentions within the banking industry is particularly useful, considering how people create and maintain business relationships, given also that businesses are not about profits: they are about people. Customer evaluations of relational quality constructs provides a better understanding of customer perceptions of the nature of marketing relationship and customers' perceptions of the quality of their relationships with service providers are formed. The consequences of customer evaluations of the nature of the marketing relationships for the firm provides key relationship marketing strategy formulation direction.

Secondly, the fundamental basis for marketing thinking is that the customer (or consumer) should be at the centre of everything the firm does. This implies that marketers cannot ignore customer decision-making, and have emphasised on research in the area of consumer behaviour and particularly behavioural intentions. While there may be some dissent about whether the marketing concept always applies, for marketers, customers are the key concern. Therefore, knowledge of consumer behaviour and understanding the processes involved in making decisions is central to establishing effective marketing policies, formulating marketing plans and marketing strategies directed towards relationship building and developing positive customer attitude towards the organisations. In essence, a great deal of research attention has focused on the identification of effective methods of actively enhancing positive customer behavioural intentions which greatly influences the ultimate customer behaviour. Further, knowledge of customer behavioural intentions and its influencers as generated by the present study goes a long way in guiding marketers in designing effective marketing policies and strategies in favour of customers which will eventually facilitate positive customer attitudes towards the organisation, given that customer behavioural intentions is a strong indication of their actual behaviour.

1.6 Justification for the Study

Commercial banks` performance in Kenya over the last decade has not been impressive. Several reforms have been implemented in the financial sector since 1990s aiming at increasing performance, stability, productivity, financial access and efficiency. There has been a lot of changes in technology and several financial regulations that have reorganized the banking sector in terms of management, interactions with clients and relationships with other institutions. With an ever changing customer needs within a competitive business environment, commercial banks will need to enhance their relationships with customers to cultivate positive customer behavioural intentions and thus attract more loyal customers. For banks to enhance positive behavioural intentions among their customers, bank management will need to be knowledgeable of the drivers of customer behavioural intentions in the not only retail but also corporate banking segments. This was the primary justification for conducting this research.

Relationship marketing is today one of the areas with the most expression in the field of marketing, recognized not only by academics but also by practitioners. Its application in the business world is ever more visible. It is not only the multiple direct marketing configurations that are being increasingly utilized and which enter the field (not being restricted to physical mail) as mobile marketing. It is the individualization of products, it is the increasing use of services, it is loyalty programs – in fact, it is the multiple channels of interaction with the customer. However, beyond the practical side, relationship marketing is a field with a high potential for scholarship, given the multi-disciplinary nature of the issues that it encompasses, grouping together studies that span areas such as services and distribution channels and extend to brand management, quality and customer loyalty. It spills over from the specific field of marketing and involves others, such as information systems (given the growing importance of information and communication technology) and strategic organization, with the question of new business models. One thing is true: this is a field of research that, dealing with the developments that have been taking place, cannot be discounted by

those who, either from a theoretical or practical point of view, wish to keep themselves up-to-date in the context of relationship marketing in particular and marketing as a whole.

1.7 Scope of the Study

The study examined the role of relationship marketing quality on customer behavioural intentions in the banking sector in Kenya. The study focused on the relationship quality approach and examined four relationship quality constructs that have been strongly espoused in extant literature, namely; relational commitment, trust, reciprocity norms and satisfaction and their effects on customer behavioural intentions. The study covered both retail and corporate customers of the 43 commercial banks in Kenya. Only a scientifically viable sample of the target population was covered. Further, the study was confined to the commercial bank branches in Mombasa City, the second largest City in Kenya. The choice of Mombasa City was based on the fact that it was accessible to the researcher and hosts branches of all the commercial banks in Kenya.

1.8 Ethical Considerations

The researcher made every effort to avoid any action or advancement that could have compromised the respondents such as avoidance of any offers or enticements to the respondents. Secondly, the research assistants were strictly instructed to collect actual data and desist from attempts of providing fictitious data. Thirdly, the data collected from banks customers was held with ultimate confidentiality. Lastly, all data collected was analysed on “as is basis” and hence no alteration was made whatsoever by the researcher and any exclusion was based on failure to meet the analysis criterion suggested by distinguished scholars.

1.9 Limitations and Delimitations of the Study

The researcher encountered a few challenges in the process of undertaking this study. Firstly, some respondents were hesitant to fill the questionnaires citing inadequacy of time to fill the same and others failing to give any reason at all. This was obviated by outlining the primary purpose of the study and assuring them that the filling exercise was to take the least time possible. Secondly, some branch managers were unwilling to commit themselves into allowing the researcher to collect data from their branches citing confidentiality of information and lack of authority to divulge such information. The researcher overcame this by seeking authorisation from regional managers of banks' branches in Mombasa with authority to grant permission and further by assuring the bank managers that the data given will be held with ultimate confidentiality. Thirdly, some respondents did not answer all questions in the questionnaires including un-optional questions. The researcher ascertained the number of incomplete questionnaires, the extent of omitted questions and admitted only questionnaires whose omitted data did not affect the validity of the questionnaire. This is addressed under the test of data normality. Thirdly, whereas the researcher would have wished to collect data from all banks in Kenya, not all banks have branches in Mombasa while those with Mombasa branches had varied number of branches. The researcher, however, had to confine the data collection exercise to banks with branches in Mombasa and proportionately collected data in accordance to bank presence.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the theoretical underpinnings of the study were discussed in the second section following this introductory section. In the theoretical background, current theories in the area of relationship marketing quality and behavioural intentions were reviewed and linked to the current study. In the third section, the conceptual framework that shows the graphical relationship between the independent and dependent variables of the study was presented and discussed. Empirical review of prior studies by scholars in the area of relationship marketing quality and its influences customer behavioural intentions in relation to the independent variables of the study was done and presented in section four of this chapter. In sections five, six and seven respectively, critique of existing literature, identified research gaps and a summary of the literature reviewed were presented.

2.2 Theoretical Framework

The ultimate goal of relationship marketing efforts for the organization is to create a consumer champion or advocate, who is loyal and also recommends the company and its products to others (Battacharya & Sen, 2003). Current thought on relationship marketing has evolved from a number of theories in the last century. It began with institutional economics theory in the 1950s, moved into exchange theory and dependence theory in the 1970s, to relational contracting theory in the 1980s, to social exchange theory, transaction cost economics, and commitment-trust theory in the 1990s, and finally to resource-based view of the firm, inter-firm relationship marketing based on social exchange and network theories and micro-theory of interpersonal relationships in the 2000s and currently (Palmatier, 2008).

2.2.1 Social Exchange Theory

Seminal research that contributed to the development of Social Exchange Theory (SET) includes research by sociologists Blau (1955, 1960, 1964), Emerson (1962), Homans (1958), and social psychologists such as Thibaut and Kelley (1959). SET postulates that exchange interactions involve economic and/or social outcomes. Over time, each party in the exchange relationship compares the social and economic outcomes from these interactions to those that are available from exchange alternatives, which determines their dependence on the exchange relationship. Positive economic and social outcomes over time increase the partners' trust of each other and commitment to maintaining the exchange relationship. Positive exchange interactions over time also produce relational exchange norms that govern the exchange partners' interactions.

SET views exchange as a social behavior that may result in both economic and social outcomes. Individuals enter into new associations and maintain old ones because they expect doing so will be rewarding (Homans, 1958; Thibaut & Kelley 1959; Blau, 1964; Macneil, 1980). Although economic rewards such as money are important, social rewards such as emotional satisfaction, spiritual values, pursuit of personal advantage, and sharing humanitarian ideals are often valued more. Indeed, Blau (1968) posits that the most important benefits involved in social exchange do not have any material value on which an exact price can be put at all, as exemplified by social approval and respect. Because there are costs associated with being in an exchange relationship, not the least of which is the opportunity cost of not being in another exchange relationship, SET suggests that parties will remain in the relationship as long as satisfactory rewards continue (Homans, 1958; Blau, 1968). Parties must expend valuable economic and social resources to be involved in social exchange. The expenditure of these resources reduces the overall benefit of the exchange relationship.

Creating trust is an important aspect of social exchange because social exchange is governed to a large degree by social "obligations" rather than by contracts (Blau, 1968).

When providing another with a benefit, one must trust that the other will return the benefit in time, or that the other will reciprocate (Blau, 1964; Homans, 1958). Indeed, the mutual reciprocation of beneficial action over time through multiple interactions creates trust (Blau, 1964; Homans, 1959). Thus, the process of creating trust creates obligations between exchange partners. In general, SET suggests that trust-building between two parties may start with relatively small or minor transactions, and that as the value of the rewards one receives increases, the more valuable the rewards one must give in return (Homans, 1958). As the number of interactions increases and the size of the transactions increases, trust increases. Houston and Gassenheimer (1987) note that if reciprocation occurs, a pattern of behavior (and trust) begins to be established.

Trust is also important in SET because it contributes significantly to the level of partner commitment to the exchange relationship (Blau, 1964; Homans, 1959). According to SET, the causal relationship between trust and commitment results from the principle of generalized reciprocity, which holds that mistrust breeds mistrust and as such would also serve to decrease commitment in the relationship and shift the transaction to one of more direct short-term exchanges (McDonald, 1981). Mutual commitment is an important part of functional social exchange because it ensures that partners will put forth the effort and make the investments necessary to produce mutually desirable outcomes (Dwyer *et al.*, 1987; Ganesan, 1994).

Norms are explicit and/or tacit mutually agreed upon rules for behavior that are developed over time as the parties in the relationship interact with each other (Blau, 1962; Thibaut & Kelley, 1959; Homans, 1958). Norms are important in SET because social exchange is significantly governed by norms (Blau, 1964; Homans, 1958). Social exchange relies on norms because they provide mutually agreed upon means of controlling behavior without the difficulties created by using power (Thibaut & Kelley, 1959).

Norms increase the efficiency of relationships because by agreeing to the manner in which interactions take place, the degree of uncertainty may be reduced. Weaker and stronger parties gain by the introduction of norms because they introduce some form of regularity and control without the use of contracts or legal mechanisms (Thibaut & Kelley, 1959). For example, over a period of time, norms may develop concerning the timing of reciprocity. While the exact time is not specified, some generally acceptable time limit may be established. A norm may exist between a salesperson and a buyer such that reciprocation for benefits received from the buyer will occur within a period of two months. Parties in a relationship adhere to norms because they believe that by doing so they will be rewarded (Blau, 1964; Emerson, 1962). Homans, (1958) posits that in a group setting, the more one conforms to norms the more rewards and interaction one will receive from other members of the group or network.

2.2.2 Commitment-Trust Theory

Morgan and Hunt (1994) believed that two key factors of successful marketing are relationship commitment and trust. Therefore, they proposed a commitment-trust theory and created a Key Mediating Variable (KMV) model. Thus, relationship commitment and trust are considered as mediating variables, which are between 5 prior conditions (including relationship termination costs, relationship benefits, shared value, communication, and opportunistic behavior) and the results caused by relationship commitment and trust (acquiescence, propensity to leave, cooperation, functional conflict and decision-making uncertainty). This model emphasizes that commitment and trust directly lead to cooperation behaviors which are beneficial to the success of relationship marketing. Most of the researches related to relationship marketing in the recent 20 years have supported the theory that trust is the mediating variable and from the psychological aspect of affections. Trust can be considered as the affiliation motivation of relationship maintenance. And most of researches have considered commitment as an index or outcome variable of relationship maintenance.

Trust originated from the researches by psychologists of the influences of this concept on interpersonal relationship. Usually, it means the degree of one person's confidence in another person or the relationship between them (Lewicki & Bunker, 1996). And the concept, trust, had become an important issue in the field of marketing research a long time ago. Wilson (1995) pointed out that, in many relationship models, trust has been considered as a basic concept, and usually the key to successful relationship. In the research by Morgan and Hunt (1994), trust is defined as the confidence index of being willing to depend on a trading partner. It also means customers' motivation to hold positive expectation toward enterprises when facing risks or being in disadvantage.

Relative to trust, commitment is considered as a key to build a successful and friendly "long-term" relationship and develop relational transactions. According to Morgan and Hunt (1994), commitment is defined as trading partners believing in the importance of their business relationship and being willing to do all they can to keep it. In other words, the party which makes commitment believes the relationship is worth keeping and guarantees to continuously protect it forever.

Morgan and Hunt's (1994) key mediating variable model is one of the most comprehensive inter-organizational models in the literature on relationship marketing. These authors found that trust and commitment were major factors in developing relationships. In addition, there is a sizable amount of research that shows satisfaction is also key concept in business relationships (Farrelly & Questar, 2005; Johnson, *et al.*, 2008; Payan & Svensson, 2007; Roath & Sinkovics, 2006; Skarmeas *et al.*, 2008; Wong & Zhou, 2006). Consequently, this study includes the three most frequently studied relationship marketing concepts of trust, commitment, and satisfaction (Barry, *et al.*, 2008; Caceres & Paparoidamis, 2007; Palmatier *et al.*, 2006).

2.2.3 Resource-Based View of the Firm

Wernerfelt (1984) viewed the firm as a bundle of assets or resources which are tied semi-permanently to the firm. The RBV framework combines the internal (core

competence) and external (industry structure) perspectives on strategy. Like the frameworks of core competence and capabilities, firms have very different collections of physical and intangible assets and capabilities, which RBV calls resources. Competitive advantage is ultimately attributed to the ownership of a valuable resource. Resources are more broadly defined to be physical (property rights, capital), intangible (brand names, technological knowhow), or organizational (routines or processes like lean manufacturing). No two companies have the same resources because no two companies have had the same set of experience, acquired the same assets and skills, or built the same organizational culture.

The importance of both relational governance constructs (trust, commitment, reciprocity norms and gratitude) and relationship-specific investments to relationship performance are consistent with a resource-based view of inter-firm relationships (Dyer & Singh 1998; Jap 1999; Palmatier *et al.*, 2007). The resource-based view has evolved in management literature to show that resources or assets that are valuable, rare, and difficult to duplicate increase sustainable competitive advantage and lead to superior firm performance (Wernerfelt, 1984). Therefore, though trust and commitment increase the quality of the relational bonds necessary for high-performance exchanges, relationship investments improve other performance-enhancing aspects of the exchange. For example, RM can increase joint knowledge about relationship partners and informal communication between partners, which may improve the effectiveness and efficiency of the relational exchange while also increasing trust and commitment. Relational assets reflect the incremental, typically intangible value that a firm receives from its relational bonds with a customer or portfolio of customers. These intangible relational assets influence a wide range of customers' behaviours and typically have a positive effect on sellers' financial performance.

The goal of relationship marketing is to provide increased value to the customer and results in a lifetime value for the service provider (Liu, 2000). Trust provides the basis for loyalty, relationship enhancement (decreased perception of risk), and yet is mediated

by customer perceived value of the relationship (perceived net benefits) (Morgan & Hunt, 1994; Selnes, 1998; Sirdeshmukh, 2002). Management of customer value is now seen as a source of competitive advantage (Slater & Narver, 1994; Woodruff, 1997). RM principles and systems help organizations to focus on the dual creation of value: the creation of value for shareholders (via long-term firm profitability) and the creation of value or utility for customers (Vargo & Lusch, 2004). These objectives are congruent because relationships represent market-based assets that a firm continuously invests in, in order to be viable in the marketplace. Strong relationships are associated with customer loyalty and/or switching costs, which create barriers to competition. Thus relationships provide a differential advantage by making resources directed to customers more efficient. For example, loyal customers are more responsive to marketing actions and cross-selling (Verhoef, 2003).

2.2.4 Interpersonal Relationship Marketing Theory

Most theoretical and empirical RM research relies on models of inter-firm relationships, which then extend to interpersonal or consumer research to suggest that the effects of RM on performance depend on some combination of trust and commitment (De Wulf *et al.*, 2001; Sirdeshmukh *et al.*, 2002). Customer's satisfaction with a particular service is primarily an outcome of the interactive relationship between the service provider and the customer (Berry & Parasuraman, 1993; Gronroos, 1990). Similarly, Liu and Wang (2000) and Luo (1997) referred to interpersonal relationship as the concept of drawing on connections or networks, and it involves reciprocal obligations and favours between two parties in personal or business relations. A customer's preference to enter into and maintain a long term relationship with a company is largely driven by his assessment of the core product/service, and the relational aspects of the exchange

Davies *et al.* (1995) reported that highly important benefits arise from interpersonal relationships such as smoothing business transactions, providing information and obtaining resources. Marketing as a function is no longer what it used to be a decade

ago. Marketing managers have had to learn new ways and methods to build strategies and reach out to the customers. The marketing success today lies in building the customer chemistry. Getting to know the customer, building relationship with the customer and managing customer relationships has become an important part of the marketing function. The mutuality that develops in intimate friendships has been described as “an intermingling of souls” (Jossehnson, 1996). Hinde (1995) explains that intimacy between people occurs when people feel understood, validated and cared for. The whole arena of marketing today has got converted into a network of relationships. The better a company and its employees are at relationships with all the concerned parties, the more profitable future they can strategize.

According to evolutionary psychologists (Becker, 1986; Trivers, 1971; Trivers, 1985), feelings of reciprocity and gratitude are genetically and socially hardwired into people, which makes their pervasiveness throughout societies reasonable; they represent the fundamental social and moral components for the functioning of stable social systems (Emmons & McCullough, 2004; Gouldner, 1960; Ostrom & Walker, 2003). Relationship marketing assumes cyclical reciprocation: if I do something for you, I expect you to do something for me in return. In this context, gratitude is inseparable from reciprocity because it reflects an ingrained psychological pressure to return the favour. According to Becker (1986), people everywhere do ‘feel’ such obligations. The mere recognition of benefit seems to generate a sense of obligation to repay. Reciprocal exchanges further represent a potent source of pleasure; people even feel inclined toward punishment if another partner fails to reciprocate.

However, relationship marketing goes beyond the short-term effects of gratitude; otherwise, customers could easily repay their debt and dismiss their obligation to the seller. Instead, because gratitude entails psychological pressure that leads to *social* conformity pressures, norms of reciprocity emerge and create persistent behavior cycles. That is, people engage in reciprocation cycles because they always have and because social norms support that action.

Gratitude and reciprocity also operate at the lowest level (or below) of awareness (emotions and peer pressure), but social exchange theory focuses on “higher” cognitive processing levels. Some researchers argue that the two constructs actually help explain the effectiveness of relationship marketing (Palmatier *et al.*, 2007b), such that including reciprocity and gratitude as mediators in the RM paradigm provides a “micro”-theoretical explanation of the underlying association between RM investments and outcomes. Interpersonal trust and commitment (relationship quality) mediate interpersonal relationships, just as they do inter-firm relationships, but a true explanation of interpersonal RM effectiveness must include gratitude and norms of reciprocity, whereas relationship breadth and composition become largely irrelevant in dyadic interpersonal relationships. Figure 2.1 provides an overall conceptual model of interpersonal RM that encompasses the roles of consumer gratitude and norms of reciprocity.

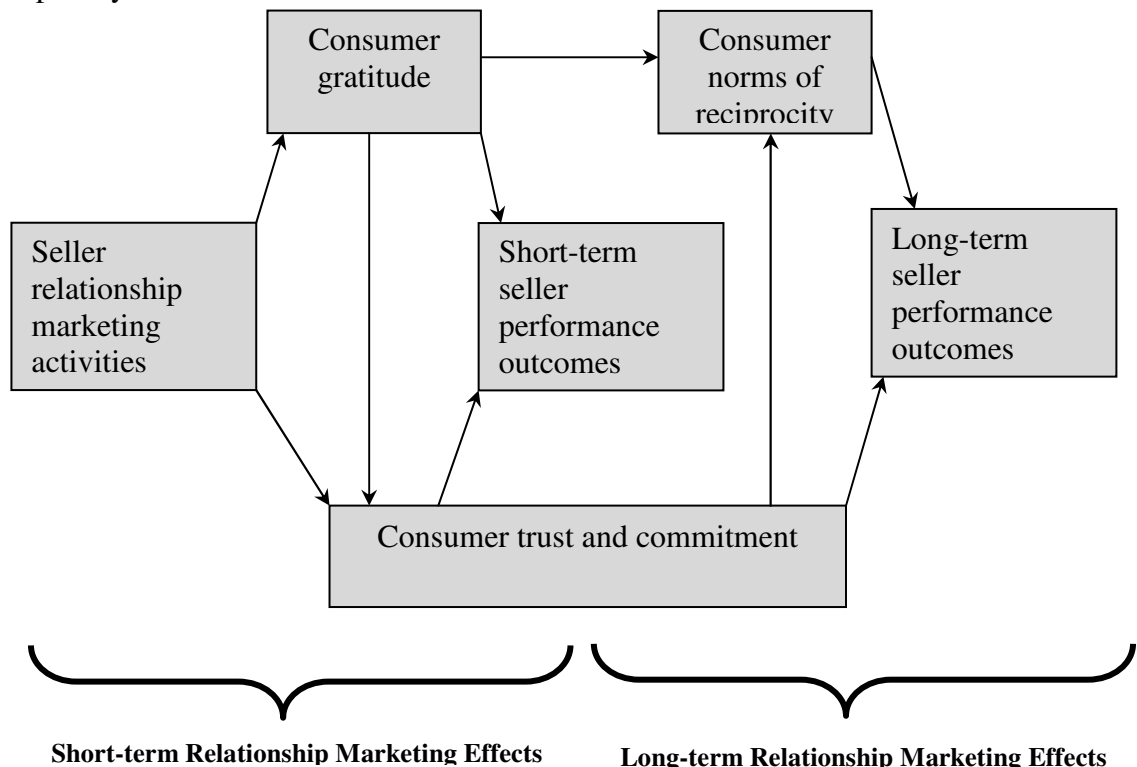


Figure 2.1: Model of Interpersonal Relationship Marketing (Palmatier, 2008)

2.3 Conceptual Framework

The conceptual framework of the study is shown in Figure 2.2. In parallel with the concept of tie strength (relational bonds among actors) from network theory, the calibre of relational bonds with an exchange partner represents the dyad's relationship quality. This measure captures the concepts of relational embeddedness, closeness, and degree of reciprocity from social bond theory (Rindfleisch & Moorman 2001). The composite relationship quality construct therefore captures diverse elements required by a high-calibre relational bond, namely, commitment, trust, reciprocity norms, and exchange efficiency.

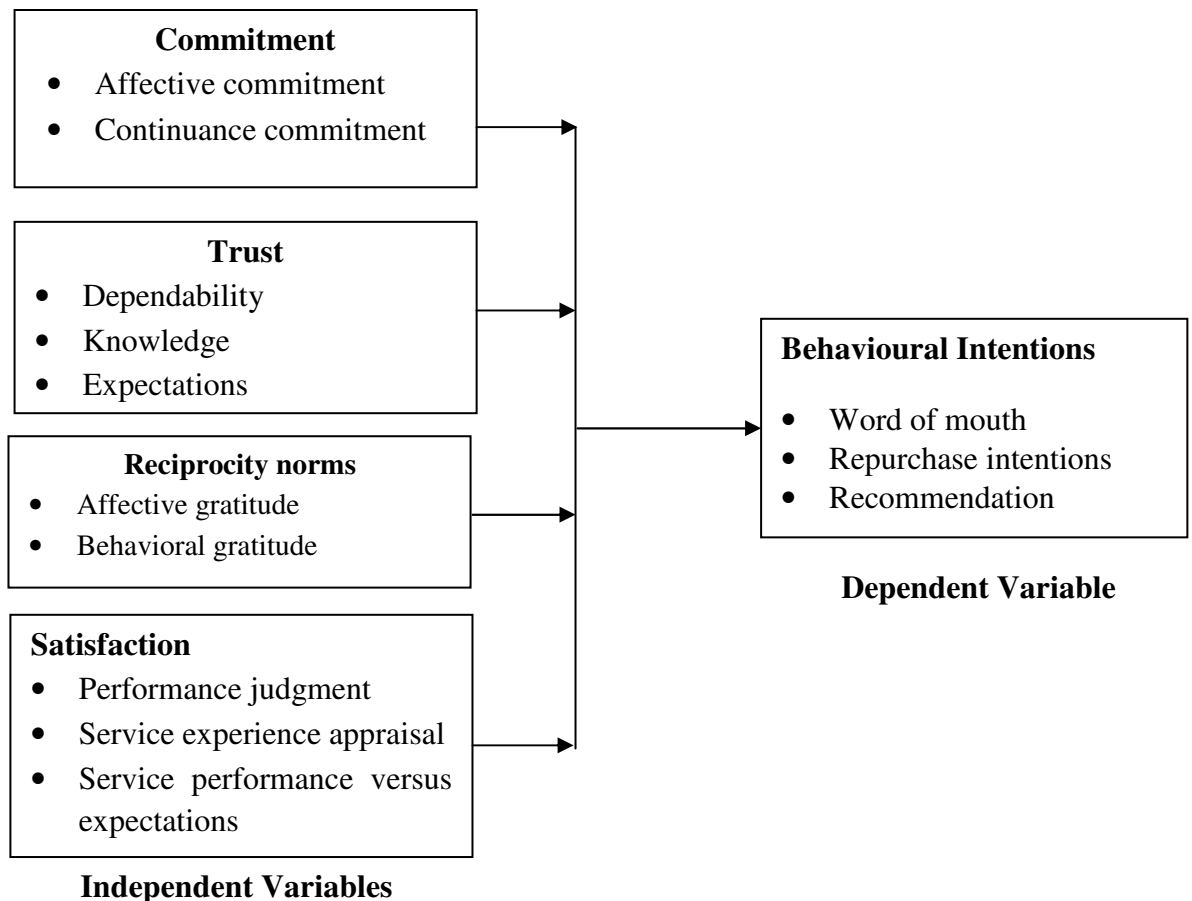


Figure 2.2: Conceptual Framework

Commitment represents the exchange partners' desire and motivation to maintain valued relationships; trust constitutes an evaluation of a partner's reliability and integrity and thus generates confidence in the partner's cooperative actions. Because they reflect internalized beliefs and expectations about the balance of obligations in an exchange, reciprocity norms have pervasive impacts on exchange behaviours, and they take longer to develop. Relationship quality thus affects relationship performance positively (Palmatier, 2008).

de Wulf *et al.* (2001) assumed that better relationship quality is accompanied by greater satisfaction, trust, and commitment - pointing out that, although these three attitudinal dimensions are distinct, consumers tend to lump them together (de Wulf *et al.*, 2001). On the other hand, Woo and Ennew (2004) conceptualized relationship quality as a higher-order construct using cooperation, adaptation and atmosphere as first-order constructs determining overall relationship quality. They provided evidence of a direct and positive influence of relationship quality on service quality but failed to establish the same link with satisfaction and behavioural intention.

2.3.1 Relational Commitment and Behavioural Intentions

Many definitions of commitment assume that the construct is an attitudinal construct (Gilliland & Bello, 2002). A number of marketing scholars have directly borrowed from the organizational commitment literature to inform our understanding of the nature of customer commitment (Fullerton, 2003; Gilliland & Bello, 2002; Gruen *et al.*, 2000; Harrison-Walker, 2006). The dominant position in the organizational behaviour literature is that commitment contains at least an affective component and a continuance component.

The position that customer commitment has both an affective and continuance component has support in the marketing literature (Bansal *et al.*, 2004; Fullerton, 2003; Gilliland & Bello, 2002; Gruen *et al.*, 2000; Harrison-Walker, 2001). For the most part,

commitment in marketing scholarship has been operationalized as affective commitment (Fullerton, 2003). In most studies on the role of trust and commitment in marketing relationships, researchers (Shamdasani & Balakrishnan, 2000; Kim & Cha, 2002; Ling & Wang, 2005; Wang *et al.*, 2006; Palmatier *et al.*, 2006; De Wulf *et al.*, 2003) have substantially operationalized commitment as affective commitment in their adapting of measures of commitment.

Affective commitment in marketing relationships has its base in shared values, trust, benevolence, and relationalism (Fullerton, 2003; Gilliland & Bello, 2002; Gruen *et al.*, 2000). Affective commitment exists when the individual consumer identifies with and is attached to their relational partner (Fullerton, 2003; Gruen *et al.*, 2000). Overall, consumers should be viewed as being affectively committed to a service provider when they like their service provider, regardless of the type of the service that is being consumed.

Continuance commitment in marketing relationships is rooted in switching costs, sacrifice, lack of choice and dependence (Fullerton, 2003; Gilliland & Bello, 2002). In part, continuance commitment has its base in Becker's (1960) theory of side-bets where the consumer is bound to a relational partner because of the potential that extra-relational benefits would be lost in the event of a switch. Continuance commitment may well explain why consumers sometimes feel trapped in marketing relationships when they cannot easily exit the relationship (Fullerton, 2003). The nature of continuance commitment is that customers can be committed to the relationship because they feel that ending the relationship involves an economic or social sacrifice or because they have no choice but to maintain the current relationship. The psychological state of continuance commitment represents what has been termed by some as the dark-side of relationship marketing (Fullerton, 2003; Gilliland & Bello, 2002).

2.3.2 Relational Trust and Behavioural Intentions

The perceived level of trust between relational exchange partners is an important criterion for understanding the strength of marketing relationships and has been defined in a variety of related ways. Trust has been defined in various ways in the relationship marketing literature as willingness to rely on an exchange partner in whom one has confidence and as the belief that a partner's word or promise is reliable and a party will fulfill their obligations in the relationship (Palmatier, 2008). Johnson and Grayson (2005) described trust as both cognitive and affective. They consider cognitive trust as a customer's willingness to rely on a service provider's competence and reliability, with affective trust as the perception of that a partner's actions are intrinsically well motivated.

Trust results from keeping promise among other factors (Ndubisi & Chan, 2005). An integral element of the relationship marketing approach is the promise concept. The responsibilities of marketing do not only, or predominantly, include giving promises and thus persuading customers as passive counterparts on the marketplace to act in a given way, but in keeping promises, which maintains and enhances evolving relationship (Palmatier, 2008). Fulfilling promises that have been given fans the fire of trust and in turn enhances relationship quality (Ndubisi & Chan, 2005).

Three common components of trust emerge from an examination of the relationship literature (Palmatier, 2008; Sirdeshmukh *et al.*, 2002; Nicholson *et al.*, 2001): a credibility - whether the partner has the capability and expertise to undertake the purpose of the partnership; integrity - whether the partner will adhere to written or verbal promises and; a benevolence component - whether the partner will be accommodating and act with equity when new conditions relating to the relationship arise. In a marketing context, trust is usually linked to consumer expectations concerning the firm's capacity to assume its obligations and keep its promises. These expectations are based on the firm's competence, honesty, and benevolence (Palmatier, 2008). Competence is

expertise; and, for customers, it reflects the firm's capacity to carry out transactions and to live up to their expectations. Honesty is associated with fulfilling promises made by the firm, and benevolence represents the firm's willingness to take into consideration consumer interests when making decisions and when planning for engagement in customer relationship activities (Atuahene-Gima & Li, 2002; Bell *et al.*, 2002).

Components of trust have been identified as competency trust, contractual trust and goodwill trust (Palmatier, 2008). Competency trust refers to the expectation that a partner can perform at a set level. It is defined as that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain (Sirdeshmukh *et al.*, 2002; Palmatier, 2008). Contractual trust refers to each partner adhering to specific written or oral agreements. Further, contractual trust is shown when partners uphold an ethical standard, namely that of keeping promises (Sirdeshmukh *et al.*, 2002). Goodwill trust refers to a willingness to do more than is formally expected. Consequently, goodwill trust grows when a partner commits to be responsive to certain requests outside the norm (Sirdeshmukh *et al.*, 2002). Moreover, goodwill trust can be defined as behaviour from one partner to place the other partner's interest ahead of his or her own interest.

In the banking context, Troy *et al.*, (2008) identified three components of trust dependability trust, knowledge trust and expectations trust. Dependability trust relates to the bank/relationship manager delivering on customer requests; it is about delivering on the contract between the manager and the customer, whether the contract is written or verbal, big or small. Dependability is whether the manager follows through on requests made. The second construct of trust, knowledge trust, relates to the knowledge the manager has in all areas of the financial business, not only the products of the bank, but also knowledge of the banking industry and the customers business. The final factor of the trust construct is exceeding expectations of the customer. This relates to doing more than is expected in the relationship, "going the extra yard".

Trust is thought to be one key component of a lasting exchange relationship. Trust is what drives customer loyalty. For example, trust enables a firm to develop and to maintain customer loyalty (Sirdeshmukh *et al.*, 2002; Harrison, 2003; Sun & Lin, 2010). Consumers who trust a firm expect promises to be respected as advertised. They also expect the firm to act based upon their interests. When customers trust a company to act in their interests, they become more loyal, and they want to do more business with that company (Peppers & Rogers, 2006).

Empirical evidence of the role of trust in shaping a buyer's intention to continue the exchange relationship across several sectors continues to abound. Several studies highlight the decisive role of customer trust in the buyer-seller relationship in the context of retailing (Zboja & Voorhees, 2006). In fact, the influence of customer trust on behavioural intentions is well documented in the marketing literature, notably with respect to buying intentions (Zboja & Voorhees, 2006; Luk & Yip, 2008) and loyalty (Chow & Holden, 1997; Chu, 2009; Delgado-Ballester & Munuera-Aleman; 2001; Guenzi *et al.*, 2009). However most of this literature is dominant within the retail literature.

2.3.3 Relational Reciprocity Norms and Behavioural Intentions

Relationship marketing stems from the view that a service provider cultivates relationships with regular customers by offering customized and differential benefits (Vargo & Lusch, 2004), which drives sustainable marketing relationships (Lacey *et al.*, 2007). Reciprocity captures the belief that realizing one's own success emerges from the partners' common success. The concept of relationship marketing implicitly represents ongoing reciprocity with selected valued customers. The reciprocity principle focuses on returning favours to individuals who give us benefits (Morales, 2005). It evokes obligation toward others on the basis of their past behavior (Lacey *et al.*, 2007).

In relationship marketing, when regular customers perceive a higher relationship marketing investment based on the relational benefits they receive, they evoke emotional appreciation (gratitude) for a service supplier's extra benefits/favours.

For centuries, gratitude has represented an essential ingredient to theories about social relationships and reciprocal behaviors across a variety of disciplines (Bartlett & DeSteno, 2006). Gratitude, seen as reciprocity's emotional core (Emmons, 2004) for appreciating benefits and facilitator of reciprocating desire, is a possible mediating mechanism in understanding the effectiveness of relationship marketing (Palmatier *et al.*, 2009). Gratitude acts as a crucial medium of relational exchanges that is emotionally central to reciprocal transactions, a motivating force that prompts people to sustain reciprocal obligations and a momentum that solidifies the loop of reciprocity (Palmatier *et al.*, 2009).

Gratitude is conceptualized as the positive emotion evoked by one party when the other party provides extra favors or benefits (McCullough *et al.*, 2001; McCullough and Tsang, 2004). This concept connotes that relationship marketing investments (when customers recognize relationship marketing investments through relational benefits) evoke the emotion of gratitude (Palmatier *et al.*, 2009). This positive link between relationship marketing investments and gratitude enables customers to feel obligated to reciprocate benefits; the reciprocation can invoke the feeling of pleasure, whereas the inability to return favours induces the negative emotion of guilt (Buck, 2004; Dahl *et al.*, 2005; Palmatier *et al.*, 2009).

Palmatier *et al.* (2009) contend that the concept of gratitude is represented by affective gratitude, which refers to a feeling of gratitude evoked when customers perceive themselves to be the recipient of an intentionally rendered benefit (Emmons, 2004), generating an affective state that fuels a sense of obligation to repay. Behavioral gratitude or favorable reciprocal behaviors, led by affective gratitude, represents reciprocating actions (Palmatier *et al.*, 2009). The sequence of affective gratitude

leading to favorable reciprocal behaviors is central to examining the role of gratitude in reciprocation. Favorable reciprocal behaviors are instrumental in maintaining a circle of reciprocity between offering and counter offering, thus strengthening an enduring exchange relationship (Bartlett & DeSteno, 2006; Emmons & McCullough, 2004).

Marketing literature suggests that customers, driven by reciprocity, will repay a firm through repeated purchases, positive word-of mouth and resistance to the firm's competitors (Schweitzer & Gibson, 2008; Radin *et al.*, 2007; Dahl *et al.*, 2005). The norm of reciprocity can also cause customers to experience guilt for a lack of purchases; thus, the customers intend to pursue reparative actions in future opportunities (Dahl *et al.*, 2005). On the other hand, when customers perceive that they are unfairly treated by a firm (the firm increases price by taking advantage of an increase in its market power), they are more likely to behave unethically toward the firm (Schweitzer & Gibson, 2008). Similarly, marketers' careless behavior and irresponsible use of personal information of current and potential customers can jeopardize the trust between the firms and their customers (Radin *et al.*, 2007).

2.3.4 Relational Satisfaction and Behavioural Intentions

Satisfaction refers to the positive affective state resulting from the appraisal of all aspects of an organization's working relationship with another (Hsieh & Hiang, 2004; Leverin & Liljander, 2006). Similarly, other authors define satisfaction is an effective state resulting from a judgment about performance compared to expectations (Parsons, 2002; Payne & Holt, 2001), or the customer's affective state resulting from an overall appraisal of the service experience (Verhoef *et al.*, 2002). The evaluation process encompasses all aspects of the relationship and is based on tangible and/or intangible ingredients of the relationship experience (Parsons, 2002). A buyer's evaluation of performance compared to expectations includes relationship characteristics including trust and commitment.

Duarte and Davies (2004) note that the predominant positioning of satisfaction in inter-organizational research is as an outcome, a position supported by empirical literature (Huntley, 2006; Duarte & Davies, 2004). Skarmeas *et al.* (2008) concluded that satisfaction is a focal outcome of buyer-seller relationships that is generally unlikely to develop in the absence of trust and commitment. Yet, other studies indicate that satisfaction leads to trust and commitment (Geyskens & Steenkamp, 2000; Moliner *et al.*, 2007), is caused by trust and commitment (Farrelly & Quester, 2005), or is a mediator between trust and commitment and other outcomes (Liang & Wang, 2005).

A sizeable number of studies seem to support the position that satisfaction is an outcome of trust and commitment by showing that trust and/or commitment appear to be antecedents or precursors to satisfaction (Johnson *et al.*, 2008; Payan & Svensson, 2007; Roath & Sinkovics, 2006; Wong & Zhou, 2006; Farrelly & Quester, 2005). In addition, satisfaction has been shown to have a stronger association with certain outcomes than trust (Rayruen & Miller, 2007; Leonidou *et al.*, 2006; Ulaga & Eggert, 2006) and a stronger association with certain outcomes than commitment (Rayruen & Miller, 2007; Bansal *et al.*, 2004; Lang & Colgate, 2003). Moliner *et al.* (2007a) note that satisfaction is the strongest component of relationship quality. Taken together, this suggests satisfaction serves as a more proximal cause of important outcomes than either trust or commitment.

Satisfaction is considered a leading factor in determining loyalty (Lee *et al.*, 2007). Petrick and Backman (2002) have suggested that satisfaction is a direct antecedent of behavioral intentions. However, Chen (2008) has challenged that perceived value reveals a larger effect than overall satisfaction on behavioral intentions, while Anderson and Mittal (2000) have argued that the relationship between satisfaction and loyalty is not straightforward.

2.3.5 Customer Behavioural Intentions

Behavioural intentions are verbal indications based on an individual's intention (James, 2007). It is a latent construct referring to a person's intention to perform certain behaviour. Further, they propose that being a belief, behavioural intention can be indicated by the subjective probability of a person to perform that behaviour. By definition, the construct of behavioural intention refers to people's beliefs about what they intended to do in a certain situation and links the person to behaviour. BIs are indications whether a customer would remain with or defect from an organization (Alexandris *et al.*, 2002).

Generally, BIs are associated with customer retention and customer loyalty (Alexandris *et al.*, 2002). Favourable behavioural intentions were associated with service providers' ability to make its customers say positive things about them, recommend them to other customers, remain loyal to them, spend more with the organization and pay price premiums (Lin & Hsieh, 2007; Lin & Hsieh, 2007). Conversely, Lobo, Maritz and Mehta (2007) posit that unfavourable behavioural intentions included customer switching behaviour and complaint behaviour.

Behavioural intentions could largely predict the actual customer behaviour when behavioural intentions were appropriately measured. Several studies have focused on the assessment and measurement of behavioural intentions (Chen & Tsai, 2007; Gonzalez *et al.*, 2007; Lee, Graefe, & Burns, 2004; Baker & Crompton, 2000). Alexandris *et al.* (2002) suggested that an understanding of the reasons why customers remain with an organization and identifying the factors that influenced their behavioural intentions of choosing that organization were beneficial to planning and marketing.

2.4 Empirical Review

A growing body of empirical evidence supports the linkage between relationship quality and behavioural and attitudinal loyalty. Shamdasani and Balakrishnan (2000) examined the determinants of relationship quality and loyalty in personalized services. The study established that relationship quality, measured by trust and satisfaction is a strong determinant of loyalty measured as repeat patronage (behavioural loyalty), switching behaviour and WOM (attitudinal loyalty), for both high-end and low-end service providers. Consistent with these, Kim *et al.* (2001) investigating effects of relationship marketing on repeat purchased and word of mouth found that relationship quality, including trust and satisfaction, are positively linked with repeat purchase and WOM. Similarly, based on data collected from twelve five-star hotels in Seoul, Kim and Cha (2002) found that hoteliers need to foster trust and satisfaction in order to increase customers' share of purchase and achieve relationship continuity and positive WOM.

Within the banking sector's context, Ling and Wang's (2005) integrative research into the financial services industry in Taiwan investigating the association between relationship quality and loyalty in banks, instead of using trust and satisfaction, used trust and commitment to measure relationship quality. They found that relationship quality, as measured by trust and commitment, resulted in greater behavioural and attitudinal loyalty to those banks. In similar fashion, Wang *et al.* (2006) study on relationship bonding tactics, relationship quality and customer behavioural loyalty-behavioural sequence in Taiwan's information service industry demonstrated that relationship quality has significant effects on customer loyalty, although the difference between the high and low involvement customers was not significant. In addition, Palmatier *et al.*'s (2006) meta-analysis of the factors influencing the effectiveness of relationship marketing found a significant relationship between relationship quality (measured by trust, satisfaction, and commitment) and loyalty (defined as a composite or multidimensional construct combining different groupings of intentions, attitudes, and seller performance indicators). In their study of relationship marketing bonding tactics,

De Wulf *et al.* (2001) and De Wulf *et al.* (2003) evaluated the impact of these tactics in terms of the behavioural changes they create. They found a significant relationship between relationship quality - measured by trust, satisfaction and commitment - and behavioural loyalty, using consumer's purchasing frequency and amount spent at one retailer as measures of loyalty.

The above studies have considered relationship quality as a higher order construct. However, other research has explored the effect of the components of relationship quality - trust, satisfaction and commitment - separately. For example, Lin and Ding (2005) assessing the mediating mechanism of relationship quality and the moderating effects of prior experience in ISP service by using trust as a measure of relationship quality report that customers who trust a relationship are more likely to act, owing to their need to maintain their trust. Chaudhuri and Holbrook (2001) also found a significant association between brand trust and both purchase intention (i.e., behavioural loyalty) and attitudinal loyalty. In a study on the determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong hotel industry, Choi and Chu (2001), who found that satisfied travelers show a high possibility of relationship continuity with the same provider in a subsequent trip. Finally, commitment has also been found to have a positive impact on customer loyalty. Too, *et al.* (2001) found that customer loyalty was related positively to customer commitment to the relationship with their store. They hypothesized that commitment to the relationship between the company and the customer affects the level of customer loyalty. Furthermore, researchers including Gruen *et al.* (2000), Fullerton (2003), Fullerton (2005a), and Fullerton (2005b) found that commitment positively affects customer retention.

Affective commitment has been reported to support the development of relationships because the construct was found to be significantly and negatively related to switching intentions and significantly and positively related to advocacy intentions (Fullerton, 2003; 2005). Fullerton, (2005) further established that at best, continuance commitment has a weakly negative effect on switching intentions and a much smaller effect on

switching intentions than affective commitment, which was also consistent with other studies that had earlier concluded that continuance commitment had a weaker effect than affective commitment on customer retention (Bansal *et al.*, 2004; Gruen *et al.*, 2000; Fullerton, 2003).

Fullerton (2003 and 2005) and Harrison-Walker (2001) also reported that continuance commitment has a decidedly negative effect on advocacy. Customers who feel trapped in their service relationships will be very unlikely to act as reference customers on behalf of their relational partners. This is important because organizations in competitive markets are increasingly reliant on their existing customer base as a source of new customers (Reichheld, 2003). Bansal *et al.* (2004) hypothesized, but did not find any significant interaction between affective and continuance commitment on switching intentions in a study of automotive repair services. Fullerton (2003) in a longitudinal, experimental design found a significant interaction between affective and continuance commitment on both switching intentions and advocacy intentions. Fullerton (2005) demonstrated that continuance commitment may depress the positive effects of affective commitment to the service provider.

De Ruyter and Wetzels (2000) discovered that a customer's trust towards a phone service centre leads to a willingness to call again (loyalty). Kennedy *et al.* (2001) reported that auto purchasers' trust towards a company or a salesperson leads to loyalty. Flavian and Guinaliu (2006) demonstrate that an individual's loyalty to a web site is closely linked to the levels of trust. Aydin and Ozer (2006) find that trust is the factor with the strongest correlation with customer loyalty in Turkish mobile phone market. Likewise, the research results of Hartmann and Apaolaza Ib'anez (2007) indicate that brand trust exerts a stronger influence on customer loyalty than satisfaction and switching costs in liberalized residential energy markets.

In the context of banking and financial services, trust is discussed specifically in studies such as Coulter and Coulter (2003), Dimitriadis and Kyrezis (2008), Kantsberger and Kunz (2010), Macintosh (2009), dos Santos and Basso (2012), dos Santos and Fernandes (2008), Shim *et al.* (2013), and Sunikka *et al.* (2010). Of these studies, Coulter and Coulter (2003) focused on trust in business-to-business context and Dimitriadis and Kyrezis (2008) on technology-based channels. Kantsberger and Kunz (2010) developed a conceptual model of consumer trust connected to risks, and Shim, *et al.* (2013) found self-reported well-being influencing consumers' level of trust in banks. Macintosh (2009) examined antecedents of trust, whereas dos Santos and Basso (2012) and dos Santos and Fernandes (2008) connected antecedents and consequences of consumer trust to complaints and recoveries. Finally, Sunikka *et al.* (2010) showed that trust is dependent on consumer capability in a way that the more capable consumers are in their financial affairs, the less they trust in their banks.

Few marketing studies have investigated the role of feelings of gratitude on customer behavior. Morales (2005) reports that such feelings motivate consumers to reward firms for their extra effort and mediate the effects of perceptions of seller effort on consumer behavior. Similarly, Dawson (1988) indicates that benefits received and the resultant feelings of indebtedness (gratitude) provide a significant motive for charitable giving. Gratitude is essential for theories from various disciplines regarding how social relationships may be built and preserved (Bartlett & DeSteno, 2006), though the field of marketing is not alone in its neglect of the construct in empirical tests. McCullough and colleagues (2001) note that psychology research either ignores gratitude or confounds it with other constructs.

Satisfaction with the delivered products and services has been suggested and empirically documented as affecting the buyers' decisions to continue a relationship (Ndubisi, 2003). Further, extant empirical literature has demonstrated a significant positive relationship between satisfaction and loyalty (Chandrashekar *et al.*, 2007; Wang *et al.*, 2006; Rauyruen & Miller, 2007; Hennig-Thurau *et al.*, 2002). According to

Athanassopoulos *et al.*, (2001) and Silvestro and Cross, customer satisfaction and loyalty are highly correlated, but Bennett and Rundle-Thiele, (2004) note that they form two distinct constructs. Customer satisfaction with a bank relationship is a good basis for loyalty (Pont & McQuilken, 2005), although it does not guarantee it, because even satisfied customers switch banks (Nordman, 2004).

2.5 Critique of Existing Literature

The reviewed literature that commitment is one of the important variables for understanding the strength of a marketing relationship, and it is a useful construct for measuring the likelihood of customer loyalty as well as for predicting future purchase frequency. Since relationship quality from the customer's perspective is achieved through the service provider's ability to reduce uncertainty, it was expected that banks that are highly committed to service and customer relationship would be more successful in reducing customer doubts and uncertainties and in turn enhanced relationship quality, hence influencing positive customer behavioural intentions. However, there is little uniformity within the extant literature concerning which of the predictors has direct influence on behaviour.

The literature showed that SET heavily draws on reciprocity norms as an underlying building block of quality relationships, but RM paradigms and models have largely ignored reciprocity, even though it (along with gratitude) likely represents a critical mediator of interpersonal RM. The absence of a reciprocity measure for exchange partners in RM literature remains "especially notable" (Palmatier *et al.*, 2006). Despite the frequency with which reciprocity and gratitude serve as conceptual explanations of RM outcomes, they virtually never appear or are measured in modern models or empirical analyses of relationship marketing. Extant conceptualizations either begin with the reciprocity principle as a starting point or suggest that reciprocity norms develop over time to drive behaviors (De Wulf *et al.*, 2001).

However, neither of these approaches offers insight into the potentially important underlying causal element of gratitude, which may be responsible, at least in part, for observed reciprocating behaviors.

2.6 Research Gaps

Yee and Yeung (2010) summarize that most of the empirical studies on trust centre on business-to-business relationships. There is also the extensive body of literature about trust in marketing channels but only little attention has been given to the notion of trust in the relationships between businesses and consumers. However, recent research has indicated the need for a more nuanced understanding of the concept of consumer trust, because it differs from trust between organizations. Young and Wilkinson's (1989) study, for example, confirms that personal relationships are rarely mentioned in connection of trust in inter-firm relationships. The strong relationship between consumer trust and purchase likelihood found by Yee and Yeung (2010) increases the importance of examining the relationship between trust and behavioural intentions within B2C contexts.

Review of literature revealed that whilst the body of literature on trust has grown over recent years, little research has explored trust in relationship marketing within the banking sector. Moreover, the type of trust relevant and important within the realm of relationship marketing in the banking sector has not been adequately investigated. Consequently, this study attempted to examine the relationship between the model of trust appropriate in the banking sector and customer behavioural intentions.

Failure of modern models or empirical analyses of relationship marketing to measure reciprocity and gratitude, despite the frequency with which they serve as conceptual explanations of RM outcomes is an important gap that leaves marketers unaware of a customer's reciprocity debt or feeling of gratitude.

Allowing a consumer to reciprocate a feeling of gratitude converts a short-term emotion into a long-lasting relational norm. Thus, the apparent empirical gap on the role of reciprocity, more so, gratitude needed to be addressed, which was part of the objectives of this study.

2.7 Summary of Literature Review

In this chapter, both theoretical and empirical literature related relationship marketing quality and customer behavioural intentions was reviewed. In the initial sections of the chapter, the theoretical underpinnings of relationship quality were elucidated and linkages of such theoretical foundation to the current study made. The four theoretical models that were canvassed showed that relationship quality is a multi-dimensional construct that from the onset incorporate trust and commitment, which influence satisfaction among relational partners. Satisfied customers show gratitude and eventually build strong norms of reciprocity within the relational exchange dyad.

Empirical literature review along the study variables showed how important relationships evolve between the relationship quality constructs and customer behaviour, generally. Empirical literature identified commitment as one of the key characteristics of successful relationships. Dimensions of relationship commitment were established as important predictors of behavioural intention within the consumer literature (Fullerton, 2003; 2005; Evanschitzky *et al.*, 2006; Bansal *et al.*, 2004; Gruen *et al.*, 2000; Harrison-Walker, 2001). The most important dimensions highlighted in the literature that significantly influence customer behavioral intentions are affective commitment and continuance

Trust, the second relationship quality construct considered in this study was related to the confidence between the parties that the other party is reliable and that the parties will act with a level of integrity when dealing with each other. Three common components of trust were identified from an examination of the relationship literature: a credibility, integrity and benevolence (Sirdeshmukh *et al.*, 2002). In the banking context, Troy, *et*

al., (2008) identified three components of trust dependability trust, knowledge trust and expectations trust. Literature has also shown that there is a plethora of empirical evidence indicating the role of trust in shaping a buyer's intention to continue the exchange relationship across several sectors (Zboja & Voorhees, 2006; Luk & Yip, 2008) and loyalty (Chow & Holden, 1997; Chu, 2009; Delgado-Ballester & Munuera-Aleman; 2001; Guenzi *et al.*, 2009).

Extant literature on reciprocity showed that reciprocity acts as a key mechanism to maintain the stability of exchange relationships, and the role of this norm in decision making cannot be understated. Reciprocity is a core element in relationship marketing, which focuses on building beneficial long-term sustainable relationships with customers and suppliers (Rao & Perry, 2002). Regardless of its instrumental or moral nature, the norm of reciprocity plays a critically important role in various business relationships as it exerts its influence on business decision makers and business exchange partners to return good deeds that they have received from others, and thus it can act as an insurance of future supports when needed (Tangpong & Pesek, 2007). Based on the reviewed literature, the norm of reciprocity can help promote behaviors that maintain and support the relationships between relational partners. If there exists a reciprocal relationship between the relational partners, the moral and/or instrumental obligation and the insurance for future supports provided by this norm can thus influence the decision-making agent of one exchange partner to make a decision favorable to the other partner. Gratitude is acknowledged as a significant missing mediator in the literature of relationship marketing (Palmatier *et al.*, 2007; Palmatier *et al.*, 2009).

RM theories have also identified satisfaction as a dimension of relationship quality and defined it as the positive affective state resulting from the appraisal of all aspects of one organization's working relationship with another (Geyskens *et al.*, Wilson, 1995; Oliver, 1997; Anderson *et al.*, 1994; Verhoef *et al.*, 2002). The literature acknowledges that satisfaction is a focal outcome of buyer-seller relationships that is generally unlikely to develop in the absence of trust and commitment (Duarte & Davies, 2004; Huntley,

2006; Duarte & Davies, 2004; Skarmeas *et al.*, (2008), and also that satisfaction leads to trust and commitment (Geyskens & Steenkamp, 2000; Moliner *et al.*, 2007), or is caused by trust and commitment (Farrelly & Quester, 2005), or is a mediator between trust and commitment and other outcomes (Garbarino & Johnson, 1999). Empirical literature suggests that satisfaction with the delivered products and services is linked to relational outcomes such as decision to continue a relationship (Ndubisi, 2003) and loyalty (Chandrashekar *et al.*, 2007; Wang *et al.*, 2006; Rauyruen & Miller, 2007; Hennig-Thurau *et al.*, 2002).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the methodology employed in conducting the study's is systematically described. The methodology is mainly organized and discussed under the following sub-sections: research design, study population, sampling frame, sample size and sampling techniques, data collection methods and procedures, pilot study and data analysis procedures.

3.2 Research Design

Descriptive survey research design with a quantitative approach was employed in this research. The reason for adopting quantitative approach was that qualitative methods such as case study or in-depth interviews would not have enabled the research hypotheses to be tested.

Nesbary (2000) defines survey research as the process of collecting representative sample data from a larger population and using the sample to infer attributes of the population. The main purpose of a survey is to estimate, with significant precision, the percentage of population that has a specific attribute by collecting data from a small portion of the total population (Dillman, 2000; Wallen & Fraenkel, 2001). The researcher asks the selected sample a set of questions about issues, answers of which are regarded as a description identifying the opinions and attributes of the whole population from which the sample is selected. According to Knapp (1998), the most basic function of survey is description, although an explanation of why people believe or behave as they do, comparison and prediction of responses with regard to the variables of interest may be additional objectives. The justification for adopting the descriptive survey design for this study was that the study aimed at identifying and describing the dimensions of

relationship marketing quality that influence consumer behavioural intentions in the banking sector in Kenya.

As the study's conceptual model (Figure 2.1) demonstrates, this research was conducted in an empirical setting to investigate the theoretical relationships between RM quality and customer behavioural intentions drawn from the literature and test these relationships through hypotheses. The conceptual framework sought to quantify the data (Malhotra, 2002) for the purpose of explaining the causal relationships between the variables. The approach for this type of investigation was explanatory and comprised quantitative research tools and techniques.

The quantitative method is conventionally based on the positivist approach to explore scientific inquiry of the phenomena. This also underlies the deductive model which shows hypothesized relationships. The proposed relationships were obvious (Aaker *et al.*, 2001; Davies, 2000) and sought to quantify an observable consequence through running a statistical experiment thereby getting results on whether the hypothesized relationships hold or not (Aaker *et al.*, 2001). More specifically, Cooper and Schindler (2001) assert that in respect to interpreting the causal hypothesis, the direction is obvious from the nature of the variables. The causal hypothesis testing is well suited to mature science where a research approach seeks to match the underlying assumptions of the scientific observation and the challenge is not to uncover the unknown but to obtain the known. This research approach provides a concrete answer to the research question scientifically which is defined in an objective way and measured through statistical tools and techniques (Rosner, 1990).

The quantitative approach is not without some inherent limitations. First, as quantitative research is not designed to reveal rich details of individual phenomena, this may not always be justifiable to compound and derive more complex observable situations. Secondly, this research method limits the objectivist approach and is not suitable for subjective experiments or information where statistical analysis is not required for

detailed discussion of the situation (Beedle, 2002). Third, quantitative methodology is unable to generate theory or provide the in-depth explanations of qualitative enquiry (Cavana, 2001). However, Amaratunga *et al.* (2002) point out that it can verify the hypotheses and provide strong reliability and validity.

Quantitative methodology has been successfully used in similar marketing research that explored buyer-seller relationships (Hennig-Thurau *et al.*, 2002; Hsieh & Hiang, 2004; Kim & Cha, 2002; Lin *et al.*, 2003; Wong & Sohal, 2002). Generally, given that the objective of this study was empirically investigate casual relationships between relationship marketing quality constructs and customer behavioural intentions, the quantitative methodology was deemed to be appropriate.

3.3 Target Population

The target population includes all the cases about which the researcher would like to make generalizations (Polit & Hungler, 1999). The accessible population comprises all the cases that conform to the designated criteria and are accessible to the researcher as a pool of subjects for a study. Thus, the target population for this comprised customers of all the 44 commercial banks in Kenya. The CBK annual report for the period ending 31st June 2014 indicated that there were a total on of 25.3 million deposit account holders in the 44 commercial banks in Kenya. However, the accessible population for the study comprised 3,625,234 active account holders in 44 commercial bank branches in Mombasa City, Kenya (Kenya Bankers Association, 2014).

3.4 Sampling Frame

The sampling frame for this study was developed from the register of account holders kept by commercial banks in Kenya and maintained by the CBK. This is an entrusted authority that regulates banking activities in the country through prudential guidelines, and to which all banking institutions report all their activities. Based on CBK's records, all the customers of commercial banks who were active account holders constituted the

sampling frame from which a representative sample was selected for study. Active customers are those who, according to CBK's prudential guidelines, have at least a transaction in their accounts within a period not exceeding six months. Therefore, the active account holders in the 44 commercial bank branches in Mombasa were identified and their distribution in the individual banks used as the sampling frame. There were a total of 3,625,234 active deposit accounts in all the branches of 44 commercial banks in Mombasa.

3.5 Sampling Technique and Sample Size

A representative sample of 384 respondents based on the sample calculation formula below and a population of 3,625,234 deposit account holders was approximated to give results within ± 0.05 margin of error at a 95% level of confidence.

$$SS = \frac{Z^2 p(1-p)}{c^2}$$

Where:

SS=sample size

Z=1.96 (for 95% confidence level)

p=percentage picking a choice, expressed as decimal (p=0.5 in this case as this yields the maximum possible sample size required)

c=confidence interval, expressed as decimal (0.05 in this case giving an interval of ± 5). Subsequent to this, a correction for finite population will be made as follows:

$$\text{New} \quad \frac{SS}{1 + \frac{SS-1}{pop}}$$

Where pop = population (total number of households in each project site).

Substituting for the values in the formula:

$$SS = \frac{1.96 \times 1.96 \times 0.5(1 - 0.5)}{0.05 \times 0.05} = 384.16$$

$$SS = 384.16$$

For the finite population of 3,625,234 deposit account holders, the correction was:

$$\frac{384.16}{1 + \frac{384.16 - 1}{3625234}} = 384$$

The primary sampling unit for the study was a commercial bank while the elementary sampling unit was a deposit account holder. Stratified sampling was deployed in determining commercial banks that was included in the study. Multistage two-tier sampling was applied. Commercial banks in Kenya are clustered into three: tier one (large); two (medium) and tier three (small) banks. All the commercial banks in each of the three tiers in the study location were listed and classified according to ownership into local, foreign and banks with government participation (Appendix III). A convenient sample of 18 commercial banks (41%) based on their proximity to the researcher was selected for study. Three commercial banks were then picked via simple random sampling techniques from each tier among the locally owned banks, two (2) from each tier from among foreign owned banks and one (1) from each tier from among the commercial banks with government participation. Probability proportionate to size sampling methods were applied to allocate the study's sample to the selected commercial banks such that banks with larger populations of deposit account holders were allocated commensurate sub-samples. The ultimate participants (elementary units) were picked through simple random sampling techniques based on their availability and willingness to participate in the study.

3.6 Data Collection Procedure

A self-administered questionnaire was developed and used in collecting data used in this thesis. Self-administered questionnaire is a data collection technique in which the respondent reads the survey questions and records his or her own responses without the presence of a trained interviewer (Hair *et al.*, 2003). Whilst self-administered questionnaires present a challenge of heavily relying on the clarity of the written word more than on the skill of interviewer (Zikmund, 2010), this method has a number of advantages as follows: (1) a self-administered questionnaires can be used to survey a large sample of the population quickly and economically compared with other methods such as personal interview or telephone interview, as was the case in the current study; (2) the questionnaire can be completed whenever respondents have time - in the current study, the respondents who wished to take the questionnaire to fill in their responses at their convenience at return to their branches the completed questionnaire were allowed to do so; and (3) it reaches a geographically widespread sample with lower cost because the researcher is not required (Zikmund, 2003). Furthermore, prior studies in the field of relationship marketing have utilized self-administered questionnaires (Shamdasani & Balakrishnan, 2000; Liang & Wang, 2004; Wong, 2004; Wang *et al.*, 2006).

The questionnaire (Appendix II) had three main sections: Section 1 collected the respondents' bio-data including age, sex, educational qualification and experience with the commercial bank; Section 2 gathered information that measured relationship quality constructs (trust, commitment, reciprocity norms and satisfaction) and; Section 3 contained items measuring the behavioural intentions of the bank customers.

In choosing the appropriate questionnaire items to measure constructs of the study, the following considerations were taken into account: First, it was important to include items that represented a business to-customer market context rather than business-to-business. For this reason, the items chosen for this research were selected from the literature and were considered to be the most representative of consumers' perceptions

as end users of buyer-seller relationships. Second, the purpose of this research was to include items that measured the content of each construct under study and determine the extent to which they represented construct definitions and dimensions. This was consistent with Churchill's (1979) recommendation that the researcher probably would want to include items with slightly different shades of meaning because the original list would be refined to produce the final measure. Third, a large number of items used to measure the constructs of this study were adopted from studies with valid and reliable measures of corresponding constructs which was largely in line with the common practice in business research (Cooper & Schindler, 2006). Nevertheless, while the measurement scales adapted for this study's constructs were had been robustly validated scales, the contexts were different from the Kenyan context. Thus, validity and reliability were examined to ensure the scales met acceptable standards.

In accordance with Nunnally (1978), Churchill (1979), Peter (1979), and Han (1991), multi-items were selected for each construct to provide a comprehensive evaluation of each construct and help the researcher to overcome the shortcoming of single item measures. Multi-item scales are considered necessary to achieve valid measurement of factorially complex constructs (Peter, 1979), while single-item scales have been criticized by Churchill (1979) as: (1) lacking sufficient correlation with the attribute being measured, (2) closely related to other attributes, (3) restricted variance of scale, and (4) unreliable responses. The following paragraphs describe in detail the scale development process for the constructs measured in this research.

Commitment: Commitment was operationalized and measured using items drawn from different previously tested scales (Morgan & Hunt, 1994; Morman *et al.*, 1992; Roberts *et al.*, 2003). Morgan and Hunt's (1994) scale reflected the buyer-seller relationship commitment. They reported a Cronbach's alpha of 0.89. Although Morgan and Hunt measured relationship commitment in the context of the business-to-business market, it has been subsequently widely used in the context of business-to-customer research, and is a well-established measure of commitment (Too *et al.*, 2001; Lin *et al.*, 2003; Liang &

Wang, 2005). Both Moorman *et al.* (1992) and Roberts *et al.* (2003) items were measured using a 7-point Likert scale with anchors of strongly disagree to strongly agree. Roberts *et al.* (2003) scale had a Cronbach's alpha reliability of 0.79. Although commitment in the studies of Moorman *et al.* (1992), Morgan and Hunt (1994) and Roberts *et al.* (2003) were all considered as affective commitment, they differ in their wordings and some items. In fact, thorough review of literature on commitment, borrowing from the field of human resources indicated that some of the scale items represented normative commitment, an obligation to stay with the organization (Meyer *et al.*, 2006). Thus, combining all of these scales was considered as providing strong measures for relational commitment as conceptualized within this thesis.

Trust: Consistent with previous relationship marketing literature (Morgan & Hunt, 1994; Lin *et al.*, 2003; Roberts *et al.*, 2003), the construct of trust was conceptualized in this study as having two dimensions, trust credibility (honesty) and trust benevolence. To measure trust, items were adapted and modified from Roberts *et al.*, (2003) scale. This scale was deemed appropriate to this study because it reflects the definition of trust adopted within this study. Roberts *et al.* (2003) used these items to measure trust from a customer perspective as end user (similar to this study). The reported Cronbach's alpha reliability of the scale was 0.95 and 0.91 for trust credibility and benevolence, respectively.

Reciprocity norms: This construct was operationalized as a set of socially accepted rules in the exchange relationship between the bank and its customers, in which a party extending a resource to the other party obligates the latter to return the favour. The construct was measured using items adapted from Wu *et al.* (2006). Wu *et al.*, (2006) reciprocity measurement scale had 16 items measuring generalized reciprocity (4 items with Cronbach's alpha = 0.70), balanced reciprocity (4 items, Cronbach's alpha = 0.71) and negative reciprocity (8 items with Cronbach's alpha = 0.70). However, for this study, only 8 items from the generalized and balanced reciprocity scales were adapted due to their relevance to the study and in line with the operational definition of

reciprocity norms in the present study. Wu *et al.*, (2006) reciprocity scale was measured on a 5-point Likert Scale anchored on strongly disagree to strongly agree.

Satisfaction: A review of relevant literature (Shamdasani & Balakrishnan, 2000; Hsieh & Hiang, 2004; De Wulf *et al.*, 2003; Roberts *et al.*, 2003) suggested that the scale of De Wulf, *et al.* (2001) was the most appropriate to measure satisfaction in this study. Their items showed a high validity in three different cultures, including the US, Netherlands, and Belgium and across industries. As such it was reasonable to assume that De Wulf *et al.*, (2001) satisfaction scale would also provide high validity in the context of Kenyan banking customers. This was particularly so, as satisfaction in this study was defined in a similar way and treated as a dimension of relationship quality. The items had been further validated in the study of De Wulf *et al.* (2003) who also measured satisfaction as one dimension of relationship quality. De Wulf *et al.* (2001) reported a high reliability score in all samples (0.70 to 0.93) for relationship quality as an overall construct, in which satisfaction was a dimension. Nevertheless, items drawn from Hsieh and Hiang (2004) were also incorporated in the satisfaction scale. Hsieh and Hiang used a 7-point scale ranging from extremely disagree to extremely agree to measure satisfaction as one of the relationship quality dimensions.

Behavioural intentions: Behavioural intentions items were adapted from prior studies of Dagger *et al.* (2007); Gonzalez *et al.* (2007), Park *et al.* (2005), Kang *et al.* (2004) and Baker and Crompton (2000). These items assessed the customers' word-of-mouth recommendations, willingness to say positive things about the bank, future intention to continue working with the bank and consider the bank for increased future transactions, and willingness to pay premium.

All items in Sections 2 and 3 of the questionnaire were operationalized on a five-point Likert-type scale ranging from Strongly Disagree (1) to Strongly Agree (5). Respondents were required to circle the number that most accurately reflected their overall feelings and views. Likert-scales were utilized because they take less time, and are easy to

answer (Churchill, 1995; Frazer & Lawley, 2000). While the most serious drawback of the Likert scale is its lack of reproducibility (Oppenheim, 1992), it is highly desirable in numerically ordering respondents, particularly in defining attitudes (Davis & Cosenza, 1993). More specifically, the 5-point Likert scale is an attitude scale used widely in marketing research.

Two strategies were utilized in collecting data for the study. The first data collection method used was drop-off and pick-up method (DOPU). Personal delivery of questionnaires has been used as an alternative to sending self-completion surveys in the mail. The DOPU method appeals to social psychological determinants of survey cooperation such as social exchange theory and balanced equity theory (Theodori & Luloff, 2000; Riley & Kiger, 2002). Social exchange theory, in the context of social survey research, posits that respondents often complete questionnaires in return for current or future rewards (Dillman *et al.*, 2009).

In deciding whether to participate in a survey, respondents also want to strike a balance between costs (time, opportunity cost compared to other activities, difficulty, etc.) and benefits (satisfaction, financial incentives, ability to voice their opinion). Research has also shown that people are more apt to cooperate if there is a legitimate authority associated with the request, if opportunities to participate in a survey are limited (scarce), and if the request comes from a person or entity that is liked or trusted (Dillman *et al.*, 2009). Consequently, in this study, an authoritative and persuasive letter of introduction that bore the letter head of JKUAT was attached to the questionnaire to enlist the confidence of the participants.

The DOPU method has several advantages compared to mail survey methods. First, there is the potential for personal contact (face-to-face contact and verbal communication) between the respondent and a member of a research team when the questionnaire is delivered (Riley & Kiger, 2002). Face-to-face contact has the added benefit of researchers being able to explain, in person, the purpose of the study and the

importance of the potential respondent's participation. The researcher can verbally communicate what the respondent would normally read in the questionnaire cover letter (Dillman *et al.*, 2009; Riley & Kiger, 2002). Additionally, the researcher is able to determine whether the person meets the eligibility requirements of the particular survey. Also, the difficulty in returning the survey is reduced for the respondent because the research team member picks up the questionnaire versus the respondent having to remember to enclose it in an envelope and return by mail (Dillman *et al.*, 2009).

In the second strategy, research assistants were recruited to administer the questionnaires to respondents who wished to fill in their responses immediately and return them, and also to provide any support required by the respondents. The research assistants were trained on knowledge and skills on basic interview skills and filling in responses in the questionnaires, selection and sampling of study participants as well as their roles and responsibilities during the data collection period. The criteria for selection of the research assistants included possession of at least a diploma level certificate of education and fluency in English and Kiswahili. The research assistants participated in pre-testing of the questionnaire in order to identify some of the challenges expected and also to assess the level of success of the training. Successful trainees were considered for data collection exercise with supervision to ensure data quality assurance and consistency.

During the data collection period, after the researcher securing permission from the branch managers to allow for data collection, the research assistants visited the selected commercial bank branches with the questionnaires during the ordinary working hours. The research assistants picked in oncoming customers at random, summarily explained the purpose the research to each potential participant before handing them the questionnaire once consent was obtained. For the respondents who opted to complete the questionnaire immediately, they were allowed maximum time to complete and give the completed questionnaires to the research assistants. However, if a participant wished to carry the questionnaire to complete at their convenience, the questionnaire would be put in an envelope, given to the participant and requested to fill in and return to the

branch manager from whom the concerned research assistant collected the returned questionnaires after a period of one week. Data collection began on the 11th of January 2016 and ended after exactly a month on the 12th February 2016.

3.8 Pilot Study

Pilot study is a small-scale test of the methods and procedures to be used on a large scale (Porta, 2008). The purpose of a pilot study is to reveal some logistics issues before embarking on the main study, which pilot study results can inform feasibility and identify modifications needed in the main study. Other reasons for conducting a pilot study include checking the words and statements of the used scales, refining the scales' items, developing scales items and research plan, and collecting preliminary data. Leon *et al.* (2011), however, mentioned that the main purpose of conducting a pilot study is examining the feasibility of the intended approach the researchers will use in the main study. Generally, a pilot study can be used as a small version of a full-scale study or trial run in preparation for a main study (Polit *et al.*, 2001).

There is little published guidance with respect to the sample size required for pilot studies. The study of Billingham *et al.* (2013) mentioned that even though all studies should have a sample size justification, some kinds of studies do not need to have a sample size calculation. Their studies, however, concluded that a formal sample size calculation for pilot studies may not be appropriate. Generally, 10–20% of the main sample size is a reasonable number for conducting a pilot study (Baker, 1994). A number of marketing scholars, more specifically those who have conducted empirical studies in the area of relationship marketing have utilized pilot studies in examining reliability and validating their research instruments (Fullerton, 2005; Evanschitzky *et al.*, 2006; Flavian & Guinaliu, 2006; Aydin & Ozer, 2006; Dimitriadis & Kyrezis, 2008; Kantsberger & Kunz, 2010; Macintosh, 2009; dos Santos & Basso, 2012; dos Santos & Fernandes, 2008). Following in the footsteps of these scholars, the author conducted a pilot study whose primary aim was to appraise the soundness of the research

questionnaire by assessing its preliminary reliability and the plausibility of the overall research design. In general, a pre-test was not only used to confirm the reliability of the attributes, but also to ensure that the wording of the questionnaire was clear (Saunders *et al.*, 2007).

Following Ruane (2005) proposal that researchers should administer the questionnaire to a small group of people who closely resembled their research population in order to conduct a pilot test, in this study, the questionnaire was administered on a convenient sample of 30 bank account holders. The same sampling frame for the main survey was used to pick the three commercial banks through simple random sampling mainly from locally owned banks, two from tier three and one from tier one. These banks were then deleted from the sampling frame for the main survey. The procedures followed in picking the elementary units and administering the questionnaire to the participants in the pilot study were similar to the procedures used in the main survey (see section 3.7), the purpose being to deploy all aspects of the actual study in an effort to determine their workability before the main survey.

As indicated earlier, the primary purpose for the pilot survey was to test the questionnaire and survey techniques (Kothari, 2004), ensure that the items in the instrument were stated clearly, with the same meaning to all respondents (Mugenda & Mugenda, 2007) and enable the researcher to determine the reliability of the measurement scales before conducting a full-scale study. A total of 30 responses (100% response rate) were received from the pilot survey. These questionnaires were checked for completeness and any errors that might have been committed by the respondents in the process of responding to the questions.

Out of the 30 questionnaires, 28 had been properly filled in and considered usable. One of the only two questionnaires that were declined had 5 questionnaire items of the reciprocity norms measurement scale not responded to thus incomplete, while in the second questionnaire the respondent provided more than 1 response to 8 questionnaire

items. Due to these problems, the two questionnaires could not be used for further analysis to gauge the reliability of the measurement scales. Nevertheless, the high number of usable questionnaires indicated that no major issues obtained during the pilot study in so far as comprehensibility of the questionnaire and clarity of instructions as well as questions were concerned. Consequently, no further revisions were made to the questionnaire before the main survey. The data collected during the pilot survey was entered into the computer via the Statistical Package for Social Sciences (SPSS Version 23) and subjected to statistical analyses to determine the reliability of the measurement scales beforehand. Reliability tests are described in the next section.

3.8.1 Reliability

Reliability refers to the consistency of a measure of a concept (Bryman & Bell, 2011). According to Bryman and Bell (2011) there are two main factors concerning quantitative research to consider when establishing whether a measurement instrument is reliable. The first is the stability of the measure, which entails the consistency of the measure over time. This can be assessed by administering the questionnaire again to see if the respondents answer fairly the same way, the correlation between the two questionnaires should be high (Zikmund *et al.*, 2010; Bryman & Bell, 2011). The second way of establishing the reliability of a measurement instrument is to evaluate the internal reliability, i.e. how well questionnaire items correlate with the operationalized indicators of the concept they are supposed to measure. This can be assessed by calculating the Cronbach's alpha coefficient, the coefficient vary between 1 (indicating perfect internal consistency) and 0 (indicating no internal consistency). Due financial and time resource commitments required in the first option for a PhD study like the current one, it was considered plausible to adopt the second option of determining reliability by calculating the Cronbach's alpha coefficient.

In order for the internal reliability to be acceptable, the value of Cronbach's alpha should be 0.6 or higher (Zikmund *et al.*, 2010). Zikmund *et al.*, (2010) state that a coefficient

alpha value between 0.6 - 0.7 is regarded as fair reliability, a value between 0.7-0.8 is regarded as good reliability and a value between 0.8 - 0.95 is regarded as very good reliability. Conventionally a Cronbach's α score of .60 is considered the cut off point for internal reliability (Bartee *et al.*, 2004; Tabachnick *et al.*, 2001). Scores higher than this cut-off are considered to have adequate internal consistency (which suggests that the items within that scale measure a single construct), while scores lower than this cut-off are judged to have low internal consistency. For this study, the lowest acceptable Chronbach alpha value was set at 0.7 to ensure fair reliability. Relationship marketing scholars who have reported application of this approach to measure reliability of measurement scales include Troy, *et al.* (2008), Sun and Lin (2010), Peppers and Rogers (2006), Chu (2009), Guenzi *et al.* (2009) Zboja and Voorhees (2006). Despite the wide variations in the reported levels of Chronbach alpha, these studies confirm the robustness of the measure that contributes significantly to the scaling literature particularly in relationship marketing.

The pilot data was subjected to reliability analysis in SPSS (23). In order to get a better picture of reliability estimates for the measurement scales, Chronbach alpha coefficients, item-total correlations and the reliability value if an item was removed from the scale were examined. Detailed results of reliability analysis for the measurement scales are presented in Appendix IV - Tables 1-5. The ITC indicate how correlated the corresponding item is to the total of all the items representing the subscale. If all the items consistently represent the construct (in a reliable scale), all items should correlate with the total (Field, 2005). Field (2005) recommends that individual items should have ITC values >0.3 , while Zaichkowsky (1985) recommends a value of >0.5 , and if a particular item has a value lower than this, then it means that the item does not correlate well with the overall scale and should be dropped from the scale. In this study, an average ITC value of 0.4 was adopted. On the other hand, the "Alpha if Item Deleted" indicates what the reliability of the subscale score would be if the corresponding item was deleted.

This should be compared to the actual Cronbach's coefficient alpha value and if the value of alpha is higher if the item is deleted, it indicates that this item isn't answered in the same manner as the other items representing the scale (Gliem & Gliem, 2003; Hair *et al.*, 2010).

As the results of reliability analysis in Appendix IV indicate, for all the measurement scales of the five constructs in this study (relational commitment, relational trust, reciprocity norms, relational satisfaction and behavioural intentions), all the ITC values were >0.4. In addition, while inspection of the 'Alpha if Item Deleted' columns revealed that the Cronbach's alpha values would improve significantly if particular items were removed from each of the measurement scales, there were no concrete justifications for dropping any of the scales' measurement items given that the ITC values for each item as well as the overall Cronbach's alpha values for each construct's measurement scale were largely satisfactory (Bartee *et al.*, 2004; Field, 2005; Gliem & Gliem, 2003; Hair *et al.*, 2010; Tabachnick *et al.*, 2001). A summary of the Cronbach's alpha values and number of items for each measurement scale are presented in Table 3.2.

Table 3.1: Cronbach's Alpha Values for Measurement Scales after Piloting

Measurement Scale	Initial Item Pool	Cronbach Alpha	Number of Items after Retained Piloting
1. Relational Commitment	8	0.812	8
2. Relational Trust	9	0.911	9
3. Reciprocity Norms	8	0.965	8
4. Relational Satisfaction	7	0.882	7
5. Behavioural Intentions	7	0.93	7

It is worth noting that the Cronbach's alpha values for all the constructs' measurement scales were above 0.7 as recommended by Tabachnick *et al.* (2001). The relational commitment measurement scale had a Cronbach alpha value of 0.812, relational trust (0.705), reciprocity norms (0.965), relational satisfaction (0.882) and behavioural intentions (0.93). As already discussed, all items measurement scales' items were retained since their ITC values were satisfactory. Consequently, the questionnaire was adopted for the main survey. Further reliability tests were conducted during empirical relationship marketing quality scale development procedures following the main field data collection process. These tests are discussed in detail in Chapter Four.

3.8.2 Validity

Validity in general terms refers to whether a measure actually measures the concept it relates to (Bryman & Bell, 2011). Content validity is the simplest means to test validity, especially when a new measurement is developed. This is done by examining the measure and the concept it is supposed to measure, and it is thus a subjective evaluation (Zikmund *et al.*, 2010) and generally entails the use of experts or panel judges (Bryman & Bell, 2011). Content validity for the current study was enhanced through expert judgement.

Once the development of the draft research questionnaire intended for use in this study was completed, the first procedure involved distributing the draft to a panel of five experts. Two of them were PhD holders and senior lecturers in the area of marketing at Jomo Kenyatta University of Agriculture and Technology in Nairobi, two were PhD candidates at the same university with research interests in relationship marketing, and one was a PhD holder and executive relationship manager in one of the tier one commercial banks in Kenya. These five experts were asked to evaluate the questionnaire by assessing the relevance of the operationalized relationship marketing quality measurement items, appraise the suitability of the terminology to the bank context, and

make further suggestions on the wordings of the questionnaire items and sequencing of questions, criticism and comments on the face validity of the questionnaire.

There were no major issues that emerged from expert reviews. Comments that materialized from the experts included dropping of two questionnaire items from the behavioural intentions measurement scales and one from the commitment scale which were judged to be having conceptually similar meanings with other items that were recommended for retention. These three items were also said to be heavily worded and that they would have posed serious challenges to the respondents in terms of comprehending the meanings, reason for the experts' recommendation for dropping them in favour of the retained items. Other issues raised by the experts revolved around spellings, grammatical errors and clarity of instructions. Thus, the questionnaire was revised taking into keen consideration expert comments and recommendations, before subjecting it to field piloting.

Construct validity concerns whether the measurement items actually measure the construct they are supposed to measure (Saunders *et al.*, 2003; Frankfort-Nachmias & Nachmias, 2007; Zikmund *et al.*, 2010). Two aspects of construct validation were examined in this study, convergent and discriminant validity (Campbell & Fiske, 1959; Bryman, 1989), Convergent validity refers to the extent to which a measure converges with other measures of the same construct (Bryman & Bell, 2011). In accordance with theory, positive relationships between items measuring each relationship marketing quality construct were expected since the items were assumed to be measuring particular constructs. This is relevant in this context because strong positive correlation between the scale items measuring a given construct was indicator of the convergent validity (Sekaran, 2000). Convergent validity in this study was examined in three different ways. First, via the Average Variance Extracted (AVE) for each factor using the by applying the Fornell and Larcker (1981) formula for calculating AVE. Fornell and Larcker's (1981) formula for AVE is given by:

$$\text{AVE} = \frac{\text{Sum of Squared Standardised Loadings}}{\text{Sum of Squared Sum Standardised Loadings} + \text{Sum of Indicator Measurement Error}}$$

Second convergent validity test involved determining if each indicator's estimated pattern coefficient on its posited underlying construct factor was significant (greater than twice its standard error) (Anderson & Gerbing, 1988). In this method, convergent validity is confirmed by the *t*-value for each item being significant (i.e. >1.96) (Hair *et al.*, 2006). Thirdly, the standardised factor loadings for each scale measurement item in the final measurement scale should be greater than 0.5 (Hair *et al.*, 2006; Steenkamp & Trijp, 1991).

Discriminant validity refers to the correlations between different measurement constructs (Campbell & Fiske 1959; Bryman, 1989). For a study to have construct validity in this sense, the measurement constructs should have a low correlation, showing that they measure distinct concepts (Campbell & Fiske, 1959; Bryman, 1989). For the current study this implied that the independent variables should have a low correlation for the study to have construct validity. Thus, evidence of discriminant validity was assessed in two ways. First, the estimated correlations between the constructs, which according to Kline (2005) should not be greater than .85. The second method involved comparing squared pairwise correlations and the corresponding AVEs for each pair of relationship marketing quality dimensions. With the second method, discriminant validity is obtained when variance extracted estimates are greater than the square of the correlations for each pair of dimensions (Sin *et al.*, 2005b; Venable, *et al.*, 2005). Details of how validity of the measurement scales was examined through statistical calculations are discussed in Chapter Four (sub-section 4.3.6).

3.9 Data Analysis and Presentation

The first step in the quantitative analysis process involved examining the data after collection to ensure its completeness, consistency and usability. This involved edit, handling of missing data, coding, data entry and transformation of based on the

requirements of different analytical techniques. The procedures and techniques deployed in the analysis of data from which the findings presented in this thesis were obtained are described in this section.

The primary objective of data analysis in this study was to empirically test the conceptual model presented in Chapter two of this thesis by examining the relationships between relationship marketing quality constructs and behavioural intentions in the sample population of customers of commercial banks in Kenya. However, before examining these relationships, it was important to provide a description of the characteristics of the sample population and develop a valid measurement scale for relationship marketing quality. Consequently, A variety of statistical techniques were deployed. These included descriptive analysis, exploratory factor analysis, confirmatory factor analysis and regression analysis. Data analysis was conducted with the aid of the SPSS (23) and Analysis of Moment Structures (AMOS 23). The analytical procedures and techniques deployed, statistical tools and their justifications are discussed in detail in the following sections.

3.9.1 Descriptive Analysis

This kind of analysis was accomplished with the aid of SPSS (23). In this approach, descriptive statistics involving frequency distributions and percentages were used to describe the background characteristics of the sample population. Further, descriptive statistics in the form of means and standard deviations were computed on the relationship marketing quality and behavioural intentions measurement scales to provide a preliminary overview of the distribution of the participants' responses on these variables well as gauging the sample attitudes regarding their extent of agreement or disagreement on the construct measurement items. All the descriptive statistics obtained from the analysis of data were presented in tables and interpretations and discussions provided before or after the tables based on variations in thesis format considerations.

3.9.2 Normality Tests

Literature shows how factor analyses are underlined by assumptions of normality (Coakes, Steed, & Dzidic, 2006), and that factor analysis is robust to assumptions of normality (Coakes *et al.*, 2006). Hair *et al.* (2006) emphasize that normality is the most basic assumption in multivariate analysis. Assumption of normality refers to the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution, the benchmark for statistical methods (Hair *et al.*, 2006). Normality in the data is often a conventional assumption in the estimation process (Bai & Ng, 2005). Data distribution with either a highly skewed nature or with high kurtosis is indicative of non-normality which has random effects on specification or estimation parameters (Hall & Wang, 2005). This non-normality may exist due to the presence of outlier cases in the dataset.

Whilst there exist various methods of conducting normality tests, that is, by visual inspection through use of histograms, stem-and-leaf plots, boxplots, probability-probability plots and quantile-quantile plots, as well as statistical methods such as Skewness and Kurtosis tests, the Kolmogorov-Smirnov and Shapiro-Wilk tests (Field, 2009; Kline, 2005; Oztuna *et al.*, 2006; Peat & Barton, 2005), in this study, a combination of visual and statistical methods was utilized as advised by Fidel (2009).

The assumptions of normality for the measurement scale items were tested via inspection of histograms and Q-Q plots in addition to the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests. The rationale for this combination to reach conclusions on assumptions of normality based on converging evidence, given that visual representations are subjective while the statistical methods involving K-S and S-W tests are sensitive to sample size of the sample (Field, 2013). Both Kolmogorov-Smirnov and Shapiro-Wilk test the null hypothesis that the data come from a normally-distributed population. The alternate hypothesis is that the sample data come from a population that is not normally distributed. If the results of either test are significant ($p < 0.05$) rejecting

the null hypothesis means rejecting the assumption of normality for the distribution (Pallant, 2013). Further discussions on the tests of assumptions of normality are provided in Chapter four (see section 4.3.2).

3.9.3 Exploratory Factor Analysis

Prior to exploratory factor analysis (EFA), reliability analyses using Cronbach's alpha and ITCs were conducted by employing similar procedures as those described under section 3.8.1. The purpose of conducting EFA in this study was to summarize or reduce the data contained in a number of original observable items for each construct into a smaller set of composite factors (Coetzee, 2005). The operationalization of relationship marketing quality and customer dimensions needed some careful consideration before examining the relationships between relationship marketing quality constructs and behavioural intentions. The fact that there did not exist a single agreed upon measurement scale for relationship marketing quality and that, since the scale items have been adopted from various studies, it was inevitable that EFA was required to be conducted to establish the dimensionality of the constructs. The need for EFA was made even more critical for measurements of optimal length and relevance to the study since the variables were not measured alone but with other related concepts.

For the reliability of exploratory factor analysis, it is essential that sample size should be sufficiently large. Hair *et al.* (2006) suggested that the sample size should be 100 or larger. Comrey and Lee (1992) listed as a guide, sample size of 50 as very poor, 100 as poor, 200 as fair, 300 as good, 500 as very good and 1000 as excellent. Tabachnick and Fidell (2001) noted that as a general rule of thumb, it is comforting to have at least 300 cases for factor analysis. Given these definitions, the final sample size of 334 attained in this study met the threshold for EFA. Consequently, EFA proceeded in the steps described in the following paragraph.

First, the data matrix was assessed to determine whether the items correlated adequately at coefficients greater than 0.3 as prerequisite to conducting CFA (Hair *et al.*, 2006).

Second, the Kaiser-Mayer Olkin Measure of Sampling Adequacy (KMO-MSA) and Bartlett's Test of Sphericity (BTS) tests were ran to assess the suitability of the survey data EFA. Bartlett's test is used to test that the correlation matrix is an identity matrix. If the Bartlett's test statistic is large and significant, then factorability is assumed. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is used to compare the magnitudes of the observed correlation coefficients to the magnitudes of the partial correlation coefficients. A value of 0.60 or above from the KMO - MSA test indicates that the data is adequate for exploratory factor analysis (Tabachnick & Fidell, 2001).

After confirming that the data was suitable, EFA was conducted using principal axis factoring analysis and employing the promax rotation technique with Kaiser Normalization in SPSS 23. Further discussions and justification the EFA analytical tools used are discussed in under exploratory factor analysis (section 4.3.4) in the next chapter on results.

3.9.4 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) was conducted after the (EFA). Netemeyer *et al.* (2003) describe CFA as a technique commonly used to confirm *a priori* hypotheses of the relationship between a series of measurement items and their respective factors. Confirmatory factor analysis allows the researcher to test the hypothesis that a relationship between the observed variables and their underlying latent construct(s) exists. The researcher uses knowledge of the theory, empirical research, or both, postulates the relationship pattern *a priori* and then tests the hypothesis statistically. To this end, Hair *et al.* (2006) assert that CFA is used to test whether the relationships based on theory are present in the data. Simply put, CFA is used to evaluate the internal structure or dimensionality of a measurement scale.

Confirmatory factor analysis is useful when researchers have clear (or competing) hypotheses about a scale – the number of factors or dimensions underlying its items, the links between specific items and specific factors, and the association between factors. A

scale's dimensionality or internal structure has implications for reliability, validity, and scale use. A scale's internal structure is relevant to its reliability, reflecting internal consistency by revealing which items are consistent with which other items. Similarly, a scale's internal structure is relevant to validity, because the appropriate interpretation of scale scores hinges on the match between its internal structure and the internal structure of its intended construct(s). Following from its implications for reliability and validity, a scale's internal structure has implications for its construction and scoring. That is, scale construction is informed by awareness of internal structure – either in terms of tailoring a scale to fit a structure of interest (to reflect four dimensions of relationship marketing). Thus, CFA was applied to this study to ensure that the relationships between the observed variables and the latent variables (unobserved variables) met the unidimensionality assumption and establish the psychometric properties of the relationship marketing quality measurement scale in terms of composite reliability, convergent and discriminant validity.

Confirmatory factor analysis in this study was conducted through structural equation modelling (SEM), also known as the covariance structure (McDonald, 1978). SEM is a series of statistical methods that allow complex relationships between one or more independent variables and one or more dependent variables (Tabachnick & Fidell, 2001). SEM takes a confirmatory (hypothesis testing) approach to the multivariate analysis of a structural theory, one that stipulates causal relations among multiple variables. The causal pattern of inter-variable relations within the theory is specified *a priori*. The goal is to determine whether a hypothesized theoretical model is consistent with the data collected to reflect this theory. The consistency is evaluated through model-data fit, which indicates the extent to which the postulated network of relations among variables is plausible (Kline, 2005). SEM has a number of synonyms and special cases in the literature including path analysis, causal modeling, and covariance structure analysis. In simple terms, SEM involves the evaluation of two models: a measurement model and a path/structural model. The measurement model links a set of observed

variables to a usually smaller set of latent variables, while the structural model links the latent variables through a series of recursive and non-recursive relationships.

The justification for adopting SEM for the current study emerges from the fact that SEM is a general, primarily linear, cross-sectional statistical modelling technique (Byrne, 2001). Factor analysis, path analysis and regression are all contained within SEM, and furthermore, SEM is mainly a confirmatory, rather than an exploratory, technique. In SEM, several interrelated dependence relationships are estimated. The relationships can include unobserved phenomena, for which measurement error is taken into account during the estimation (Hair *et al.*, 2006). The latter characteristic gives SEM an advantage over multiple regression, because regression estimates may be biased since they do not take account of measurement error. Furthermore, multiple regression method allows for the estimation of direct effects on only one dependent variable at a time, whereas with SEM the researcher can estimate relationships between several independent and several dependent variables simultaneously (Hoyle, 1995). These aspects were of particular importance for this study, since the conceptual model consists of unobserved constructs measured using multi-items as observed variables. Therefore, SEM was chosen over multiple regression because it enables a more rigorous and stringent testing of the entire nomological network in one simultaneous estimation.

Whilst a number of software are available for conducting SEM, most common among them being Analysis of Moment Structures (AMOS) (Arbuckle, 2005; Joreskog & Sorbom, 2004; Muthen & Muthen, 2006), in this study, SEM was conducted using AMOS (23). SEM was used to confirm the dimensionality or internal structure of the relationship marketing quality measurement scale and subsequently examine reliability and validity of the measurement scale. The procedure following in conducting the SEM in this study is described next.

3.9.4.1 Structural Equation Modelling (SEM) Assumptions

The use of SEM relies on a number of assumptions: (1) independent observations; (2) linearity of all relationships (Hair *et al.*, 2006); (3) distributional normality of the data; and (4) continuous data. In the context of this study, first, the assumption of independent observations was met since the design of the study precluded the collection of more than one questionnaire per respondent. Thus, only each participant responded to only one questionnaire which ensured independence.

Secondly, much of marketing research is based on the assumption of linear relationships. Whilst some relationships used in marketing clearly are not linear such as the relationship between arousal and hedonic value (Tabachnick & Fidell, 2007), marketing researchers commonly assume that the relationships they hypothesise are linear. The same assumption was made in this study.

Thirdly, normality assumptions were considered and tested statistically using Kolmogorov-Smirnov and Shapiro-Wilk tests as described earlier (see 3.9.2). Further discussion of the results of these tests are provided in the next chapter (4.3.2).

Lastly, the Likert scales used in this study, though ordinal, they are assumed to be categorised reflections of an underlying continuous variable (Joreskog & Sorbom, 2005). Ordinal variables with at least five categories which do not depart widely from normality have been found to be suitable for Structural Equation Modelling (Hair *et al.*, 2006).

3.9.4.2 Two-Stage SEM Approach

Anderson and Gerbing (1988) proposed a two-step SEM approach. This approach focuses on the analysis of two different models: the measurement model as a first step, followed by the structural model. The measurement model specifies the relationships among the constructs and their respective items. The structural model specifies

relationships between the constructs as described and identified by theory. Furthermore, the measurement model tests discriminant and convergent validity while the structural model tests the nomological validity of the research (Schumacker & Lomax, 2004).

Whilst SEM in AMOS allows for both measurement and structural/path models to be tested (and re-specified) at once, many authors have advocated a two-step approach (Anderson & Gerbing, 1988; Diamantopoulos & Winklhofer, 2001; Schumacker & Lomax, 2004). The first reason for this preference is a compelling theoretical argument made by Joreskog and Sorbom (1993: 113), that "testing of the structural model, i.e. the testing of the initially specified theory, may be meaningless unless it is first established that the measurement model holds. If the chosen indicators for a construct do not measure that construct, the specified theory must be modified before it can be tested. Therefore, the measurement model should be tested before the structural relationships are tested".

The second reason stems from the manner in which AMOS models are assessed. Since most of the relationships estimated in a AMOS model are those leading from an observed variable to a latent variable (i.e. the measurement part of the model) rather than the relationships linking latent variables (i.e. the structural part of the model), the measurement part of the model plays a larger role than the structural part in the overall fit of the model (Mulaik & Millsap, 2000). Therefore, misspecifications in the measurement model are best addressed and minimised before the path model's fit is estimated.

Based on these arguments vouching for a two-stage approach, this study adopted two-step method because a degree of misspecification was expected; therefore, testing the whole model at once would inevitably have led to poor fit indices, and the overall size of the model would have made it difficult to trace the source of the main misspecifications. The measurement and structural models are discussed below.

3.9.4.2.1 Measurement Model

The measurement model is the component of the general model in which latent constructs are prescribed. Unobserved latent variables cannot be measured directly but are indicated or inferred by responses to a number of observable variables (indicators). Latent constructs such as commitment and trust in this study are often gauged by responses to a battery of items that are designed to tap those constructs. Responses of a study participant to those items are supposed to reflect where the participant stands on the latent variable (Hoyle, 1995). By using confirmatory factor analysis for the measurement model, a priori hypotheses regarding relationships among and between observed indicators and their underlying latent constructs are evaluated. Thus, the measurement model in this thesis specifies the posited relationships between the observed indicators and their latent constructs, while describing the freedom of random error and uniqueness associated with their indicators.

According to Anderson and Gerbing (1988), confirmatory measurement models should first be evaluated and re-specified before measurement, while structural models should be examined simultaneously to allow the assessment of the overall model fit before making any assumptions on the proposed model. Thus, before testing the overall structural model, the relationship quality measurement model was estimated and evaluated for acceptable fit based on the fit indices in order to confirm that the theoretically pre-specified variables or indicators do in fact measure what was believed to be their underlying construct. The model was modified so that the final model would be theoretically meaningful as well as statistically acceptable. This also ensured that the final relationship marketing quality measurement model represented the theoretical model of interest for the study. After assessing the overall model, the psychometric properties of each latent construct were evaluated separately by examining the completely standardised loading, the error variance, the construct reliability, and the variance extracted. Figure 3.1 shows an illustration of this study's measurement model.

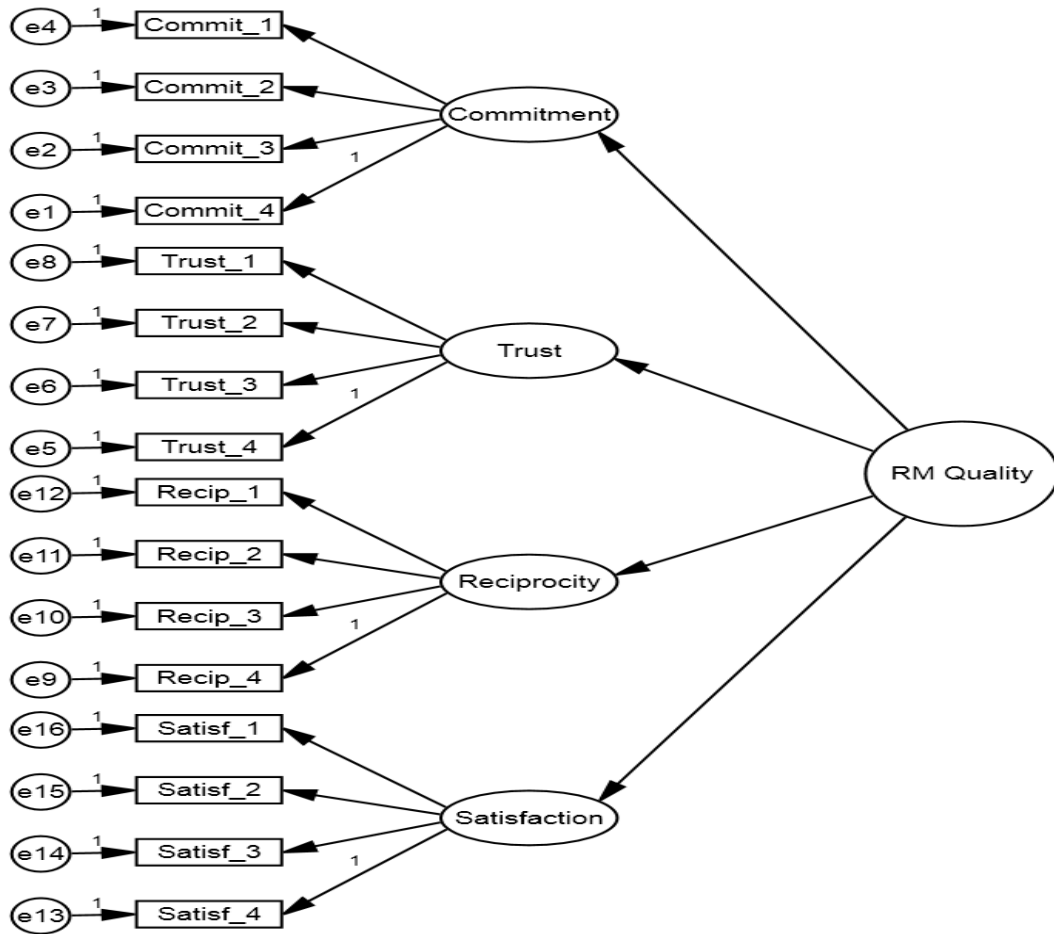


Figure 3.1: Illustration of Relationship Marketing Quality Measurement Model

In Figure 3.1 representing the relationship marketing quality measurement model, the unobserved variables/factors (commitment, trust, reciprocity norms and satisfaction) are represented by oval while the observed variables or indicators as they appear in questionnaire items are represented by rectangles. Relationship marketing quality is a higher order construct that is operationalized by the four unobserved variables. The single-headed arrows in the Figure represent linear dependencies indicating the extent to which one variable is dependent on another. The error terms enclosed in small circles and represented by (e) are the measurement errors associated with the observed variables and residual errors associated with the latent variables.

3.9.4.2.2 Structural Model

The structural model is an extension of multiple regression in that it involves various multiple regression models or equations that are estimated simultaneously. This provides a more effective and direct way of modeling mediation, indirect effects, and other complex relationship among variables. In this model, structural relations among observed (vs. latent) variables are modeled (Hoyle, 1995). Structural relations are hypotheses about directional influences or causal relations of multiple variables (how independent variables affect dependent variables). Hence, path analysis (or the more generalized SEM) is sometimes referred to as causal modeling. Because analyzing interrelations among variables is a major part of SEM and these interrelations are hypothesized to generate specific observed covariance (or correlation) patterns among the variables, structural equation modeling is also sometimes called covariance structure analysis (Lei & Wu, 2007).

In this thesis, in line with the recommendations of Anderson and Gerbing (1988), the structural model was estimated in the second stage after fixing the measurement model in the first stage. In this regard, confirmatory factor analysis using maximum likelihood estimation method was performed (Anderson & Gerbing, 1988; Kline, 2005). Following this, the paths or causal relationships between the underlying theoretical latent constructs were specified in the structural model and the coefficients (parameter values) for each of the research hypotheses examined. Specifically, each estimated path coefficient was tested for its respective statistical significance in terms of the hypothesised relationships, while including standard errors and calculated *t*-values (Hair *et al.*, 2006). Further details about the SEM process are discussed in the next chapter. The structural model is illustrated in Figure 3.2.

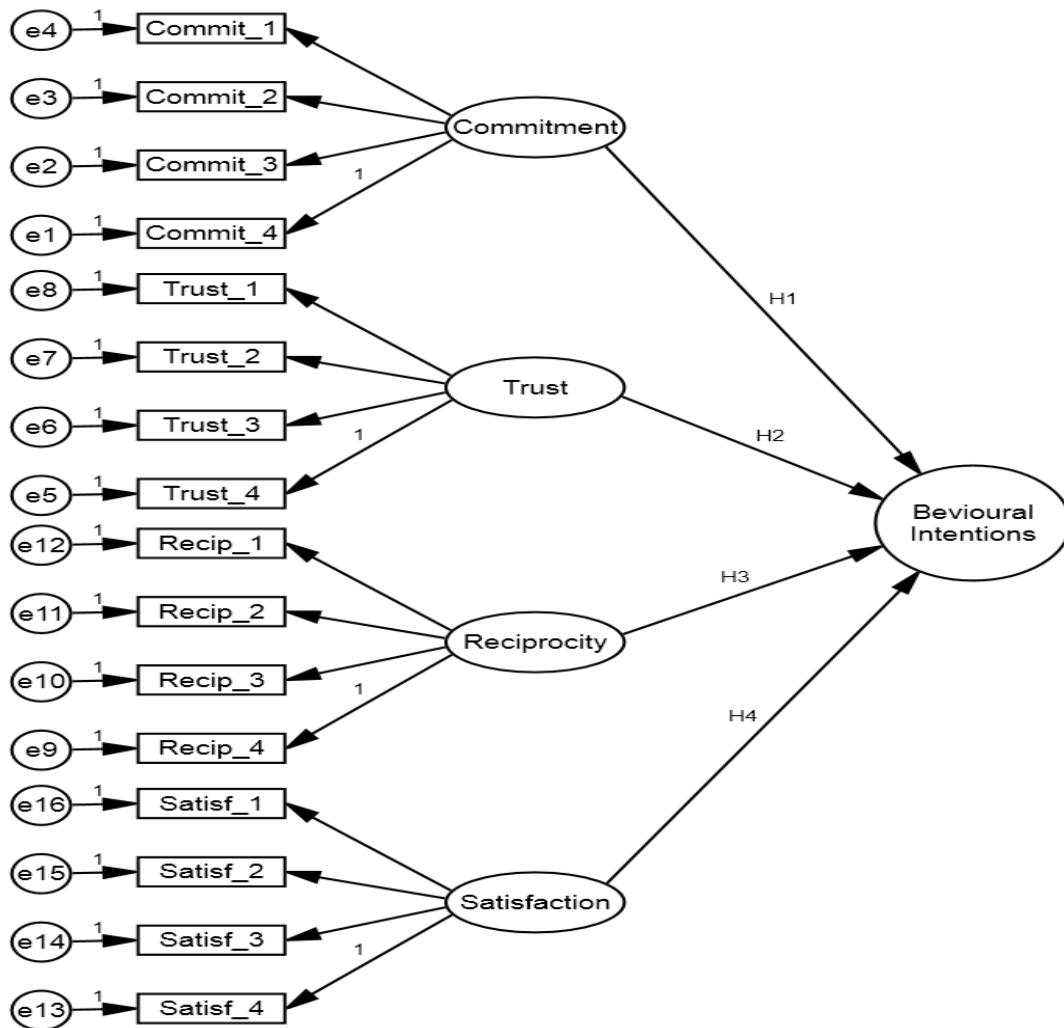


Figure 3.2: Illustration of Structural Model

3.9.4.2.3 Evaluation of Model Fit

In structural equation modelling, fit indices establish whether, overall, the model is acceptable, that is, whether the model fits the data or not. If the model is acceptable, a researcher then establishes whether specific paths are significant. Whilst many indices are produced during SEM, there is no agreement among scholars as to which fit indices should be reported. Anderson and Gerbing (1988) suggest that researcher may assess how well the specified model fits the data with one or more overall goodness-of-fit

indices. Kline (2005) recommends at least four such indices while Hair *et al.* (2006) and Holmes-Smith (2006) recommend the use of at least three fit indices by including one in each of the categories of model fit: absolute; incremental; and parsimonious. In this thesis, the fit indices that are most commonly used in marketing research to evaluate models in which the three categories are reflected were adopted as described below.

Absolute fit indices: Absolute fit indices do not use an alternative model as a base for comparison. They are simply derived from the fit of the obtained and implied covariance matrices and the maximum likelihood minimization function. Absolute fit indices provide an indication of how well the proposed theory fits the data (McDonald & Ho, 2002). The fit indices in this category that were adopted in evaluating model fit in this study are the Chi-squared test, Root Mean Square Error of Approximation (RMSEA) and Goodness of Fit Index (GFI).

The Chi-square is considered as the most important measure of overall fit (Bollen, 1989), whose value assesses the magnitude of discrepancy between the sample and fitted covariance matrices (Hu & Bentler, 1999). A good fitting model provides a insignificant chi-square result at a 0.05 threshold (Barrett, 2007). However, chi-square is not a very good fit index in practice under many situations because it is affected by the following factors (1) sample size: larger samples produce larger chi-squares that are more likely to be significant, while small samples may be too likely to accept poor models (Bentler & Bonnet, 1980; Joreskog & Sorbom, 1993). (2) Chi-square is affected by the distribution of variables. Highly skewed and kurtotic variables increase chi-square values. This has to do with the multivariate normality assumption that we will discuss later in the class (McIntosh, 2006). (3) There may be some lack of fit because of omitted variables. Omission of variables may make it difficult to reproduce the correlation (or covariance) matrix perfectly. However, the relative/normed chi-square (χ^2/df) has been adopted to minimise the impact of sample size on the model chi-square (Wheaton, *et al.*, 1977), with a recommended value ranging between 2.0 and 5.0 (Tabachnick & Fidell, 2007; Wheaton *et al.*, 1977).

The RMSEA assists in correcting the tendency of chi-square to reject specified models by taking into account errors of approximation in the population, and relaxes the stringent requirement that the model holds exactly in the population. While Holmes-Smith *et al.* (2006) recommend that RMSEA should be less than 0.05, MacCallum and Browne (1993) suggest a value of up to 1.0 as reasonable. However, it has been found that a value ranging from .05 to .08 is commonly acceptable (Hair *et al.*, 2006).

The GFI calculates the proportion of variance that is accounted for by the estimated population covariance (Tabachnick & Fidell, 2007). The GFI measure indicates the relative amount of variance and covariance together explained by the model (Byrne, 1989). The GFI value is calculated by comparing the discrepancy value for the model under test to the discrepancy value for a saturated version of the model which is counted as representing a 100% fit (or 1.0). However, this measure is not adjusted for degrees of freedom (Hair *et al.*, 2006). Its value ranges from 0 (indicating a poor fit) to 1 (indicating a perfect fit), where a recommended level of acceptance is .90 (Hair *et al.*, 2006).

Incremental fit indices - Incremental (comparative) fit indices provide a comparison between the proposed model and the null model (Hair *et al.*, 2006). These indices do not use the chi-square in its raw form but compare the chi-square value to a baseline/null model. The null hypothesis is that all variables are uncorrelated (McDonald and Ho, 2002). While several incremental fit indices exist including the Adjusted Goodness-of-Fit Index (AGFI), Normed Fit Index (NFI) and the Non-Normed Fit Index (NNFI) or Tucker Lewis Index (TLI), in this study, only TLI was reported due to its ability to provide a non-biased indication of model fit at all sample sizes (Finch & West, 1997).

Most of the incremental fit indices are computed by using ratios of the model chi-square and the null model chi-square and degrees of freedom for the models. All of them have values that range between approximately 0 and 1.0. Some of these indices are “normed” so that their values cannot be below 0 or above 1 (NFI, CFI), while others are considered

“nonnormed” because, on occasion, they may be larger than 1 or slightly below 0 (TLI, IFI). The TLI combines a measure of parsimonious into a comparative index between the proposed or hypothesized and null models, resulting in values ranging from 0 (not fit at all) to 1 (perfect fit). In the past, these indexes have generally been used with a conventional cut-off in which values larger than .90 are considered good fitting models (Hair *et al.*, 2006).

Parsimonious Fit Measures: These fit indices are relative fit indices that are adjustments to most of absolute and incremental fit indices. The adjustments are to penalize models that are less parsimonious, so that simpler theoretical processes are favoured over more complex ones. Parsimonious fit indices reported in this study are the Comparative Fit Index (CFI) and Incremental Fit Index (IFI).

The CFI takes into account sample size and performs well even when sample size is small (Tabachnick & Fidell, 2007). It assumes that all latent variables are uncorrelated (null/independence model) and compares the sample covariance matrix with this null model. Values for CFI range between 0.0 and 1.0 with values closer to 1.0 indicating good fit. A cut-off criterion of $CFI \geq 0.90$ was adopted for this study (Hu & Bentler, 1999). This index is one of the most popularly reported fit indices due to being one of the measures least effected by sample size (Fan *et al.*, 1999). The IFI is used to compare a restricted model with a full model using a baseline null model (Byrne, 2001). The values of the IFI range from zero to 1.00, with higher values indicating a better model fit to the data just like CFI, a value of IFI greater than 0.90 is was adopted in this study.

Table 3.3 shows provides a summary of the model fit indices and their levels of acceptance adopted in this study

Table 3.2: Summary of Model Fit Indices and Levels of Acceptance

Name of Goodness-of-Fit Measure	Level of acceptance
Absolute Fit Measures	
Chi-square (χ^2) of estimate model	p>0.05
χ^2/df	<5.0
Root mean square error of approximation (RMSEA)	<0.08
Goodness-of-fit Index (GFI)	0.90 or greater
Incremental Fit Measures	
Tucker Lewis Index (TLI)	0.90 or greater
Parsimonious Fit Measures	
Comparative Fit Index (CFI)	0.90 or greater
Incremental Fit Index (IFI)	0.90 or greater

3.9.5 Statistical Methods for Hypotheses Testing

As already discussed, the properties of the four relationship marketing quality constructs were tested through a rigorous SEM process in AMOS 23.0. For behavioural intentions, a summated scale was used during hypothesis testing. Thus, the relationships between the four constructs of relationship marketing quality and behavioural intentions and the four sets of hypotheses in the proposed structural model were tested using through the maximum likelihood (ML) method in AMOS 23.0 (Anderson & Gerbing, 1988; Bentler, 1983; Byrne, 1998). Hypothesis testing was achieved during the second stage (structural model) of the two-stage structural equation modelling as already discussed (further details in the next chapter).

SEM is designed to evaluate how well a proposed conceptual model containing observed indicators and hypothetical constructs explains or fits the collected data (Bollen, 1989; Hoyle, 1995). It also provides the ability to measure or specify the structural relationships among sets of unobserved (latent) variables or factors, while describing the amount of unexplained variance (Byrne, 1998; Hoyle, 1995). The hypothetical model in this study was designed to measure structural relationships among the unobserved constructs that are set up on the basis of relevant theories and prior empirical research and results. Therefore, the SEM procedure was considered an appropriate method for testing the proposed structural model and hypotheses for this study. Nevertheless, further correlation utilizing the Pearson's Product Moment Correlation (PPMC) was conducted on summated scales for the constructs to provide more evidence on the relationships. In addition, multi-regression analysis was applied to depict the contributory extent of each independent variable (commitment, Trust, reciprocity and Satisfaction) towards the dependent variable (Behavioural intentions) as below: -

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

Y = Independent variable (Behavioral Intentions)

β_0 = Constant term

β_1, \dots, β_4 = regression coefficients of the independent variables

$X_1 \dots X_4$ = the independent variables (commitment, Trust, reciprocity and Satisfaction respectively)

ϵ = error term, disturbance term, or noise.

3.9.6 Data Presentation

All analysed data in this study was packaged and presented in table formats that adhered to American Psychological Association's table formats (APA, 2010). The statistical results were interpreted, explained and discussed in line with the theoretical and conceptual foundations of the study. Generally, the main data results were organized as per the specific objective areas of the study.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

Building on the literature review, the conceptual framework postulated a higher order marketing relationship quality construct with four dimensions, namely relational commitment, relational trust, reciprocity norms and satisfaction. The positive influence of relationship marketing quality on customer behavioural intentions was also hypothesized. The methodology chapter then outlined how data was collected in order to test the conceptual model and relationship marketing quality-behavioural intentions hypothesis. This chapter analyses, presents and discusses the data gathered during the execution of the research methodology enabling this thesis move towards meeting its research objectives. Noticeably, to understand the influence of relationship marketing quality constructs on customer behavioural intentions.

The chapter consists of three main sections. The first explores the raw data via descriptive statistics. Exploratory factor analysis is done to identify the underlying latent variables/factors, followed by confirmatory factor analysis to verify the relationship marketing quality measurement scales' dimensionality and assess their psychometric properties and finally, structural equation modeling (SEM) for path analysis. The details include the results of the reliability analysis, convergent validity, and discriminant validity for testing whether the constructs are appropriate for further analysis. The second section of the chapter applies the measurement scales to assess relationship marketing quality's influence on customer behavioural intentions by developing models with five main constructs of relationship marketing quality measurement scale and the behavioural intentions scale. In the last section, the study's hypotheses postulated in Chapter One are tested and discussed.

4.2 Response Rate

A total of 350 questionnaires were issued to prospective respondents containing simplified and precise questions which had been revised upon pilot testing and ambiguity expunged before they could be administered. The researcher and research assistant made an effort to secure respondents consent to fill the questionnaire. However, not all questionnaires were received back. Out of 350 questionnaires dispatched, 334 were received back which represented 95.42% response rate.

4.3 Respondents' Background Information

Background information collected from the study sample and used to describe sample characteristics included sex, age, nationality, level of education, type of account operated and number of years of operating the particular account and average transactions performed by the respondent in a month. Table 4.1 shows the sample's background characteristics.

In terms of nationality, the sample was predominantly Kenyan (91%) with only 9% reporting non-Kenyan nationality status. A total of 197 representing 59% of the respondents were male while 137 (41%) were female. Age-wise, the largest percentage of the sample was made up of respondents (32.6%) in the range of 35-44 age bracket, 29% were aged between 25 and 34 years, 17.7% fell in the age category 45-54 years, 15.6% were aged up to 25 years while 5.1% were aged 55 years and above.

Fundamentally, the sample reported higher levels of education with 31.1% reporting having attained a bachelor's university degree, 24.6% college diploma, 16.2% had secondary level education, 12.6% had attained master's degrees while 6.9% had PhD degrees. A paltry 8.7% had attained primary level education (KCPE).

Approximately 43% of the respondents operated current accounts compared to 39% who operated savings accounts and 13% who operated current accounts. Another 5% indicated that they operated "other" unspecified account types. The number of years the respondents had operated their respective accounts varied from less than a year (14.7%) to over ten years, (16.2%), with the largest percentage (41.6%) having operated their accounts for 1-5 years and 27.5% for between 6 and 10 years. In terms of number of bank transactions performed by the respondents in a month, slightly more than half of the sample (51.2%) had up to 10 transactions, 22.5% had 10-20 transactions, 15% performed 20-30 transactions while those who performed over 30 transactions formed 11.4% of the sample.

Table 4.1: Sample Background Characteristics

Sample Characteristic	Response Category	Frequency	Percentage
Sex of respondent	Male	197	59.0
	Female	137	41.0
	Total	334	100.0
Age of respondent	Up to 25 years	52	15.6
	25-34 years	97	29.0
	35 - 44 years	109	32.6
	45 - 44 years	59	17.7
	55 years and above	17	5.1
	Total	334	100.0
Education level of respondent	Primary (KCPE)	29	8.7
	Secondary (KCSE)	54	16.2
	Diploma	82	24.6
	Bachelor's Degree	104	31.1
	Master's Degree	42	12.6
	PhD	23	6.9
	Total	334	100.0
Type of account operated by respondent	Savings	129	38.6
	Current	144	43.1
	Corporate	45	13.5
	Other	16	4.8
	Total	334	100.0
Number of years respondent has operated bank account	Less than 1 year	49	14.7
	1-5 years	139	41.6
	6-10 years	92	27.5
	Over 10 years	54	16.2
	Total	334	100.0
Average transactions performed by respondent in a month	Up to 10 transactions	171	51.2
	10-20 transactions	75	22.5
	20 - 30 transactions	50	15.0
	Over 30 transactions	38	11.4
	Total	334	100.0

4.4 Results of Descriptive Analysis of the Study Variables

In this section, the results of descriptive data analysis on the study variables are elaborated in detail. First, the data was explored via descriptive statistics (mean and standard deviations) of all the scale items of the constructs. Second, tests of assumptions of parametric data (tests of normality and interval data) were conducted to help familiarise the researcher with the data and provide early normality indications. Third, reliability analyses of the four preliminary subscales of relationship marketing quality and the customer behavioural intentions' scale were performed with the objective being to purify each measure by removing 'garbage' items. Next, discriminant and convergent validity of the measures through exploratory factor analysis and confirmatory factor analysis are conducted to obtain the final measurement scales for relationship marketing quality constructs. The entire process of data analysis through structural equation modeling (SEM) using SPSS21/Amos23 is also described. In addition, the proposed measurement model is tested by fit indices to determine whether the proposed measurement models and data fit together well. Last, an alternative measurement model developed through re-specification is also discussed.

4.4.1 Descriptive Analysis of Observed Variables

The study as initially conceptualized had two main variables, relationship marketing quality and customer behavioural intentions. Based on the theoretical and empirical literature reviewed, relationship marketing quality was conceptualized as a multidimensional construct comprising relational commitment, relational trust, relational reciprocity norms and relational satisfaction. In this section, the descriptive statistics in form of means and standard deviations of the four initial subscales of relationship marketing quality and customer behavioural intentions are presented and discussed.

4.4.1.1 Relational Commitment Subscale

The initial relational commitment subscale comprised 8 questionnaire items. The items were derived from extensive theoretical and empirical review of literature and conceptually described the consumer's enduring desire to continue a relationship with a service provider based on their liking or positive attitude towards the service provider as postulated by De Wulf *et al.* (2001).

The scale was measured on a 1-5 point continuum, ranging from strongly disagree (1) to strongly agree (5). The distribution of the means and standard deviations per subscale item was as shown in Table 4.2.

Table 4.2: Means and Standard Deviations of the Relational Commitment Subscale Items

Item No.	Questionnaire item description	N	Mean	Std. Dev
Commit_1	The relationship I have with this bank is something that I am very committed to	334	3.14	1.254
Commit_2	The relationship I have with this bank is very important to me	334	3.40	1.071
Commit_3	The relationship I have with this bank is something I really care about	334	3.43	1.042
Commit_4	The relationship that I have with this bank deserves my maximum effort to maintain	334	3.46	1.024
Commit_5	I plan to maintain a long-term relationship with this bank	334	3.44	1.124
Commit_6	I feel emotionally attached with this bank	334	3.22	1.239
Commit_7	I continue to do business with this bank because I like being associated with them	334	3.41	1.105
Commit_8	I continue to do business with my bank because I genuinely enjoy my relationship with them	334	3.40	1.157

Descriptive analysis of the scale data revealed that the scale item with the highest mean was "The relationship that I have with this bank deserves my maximum effort to maintain" with a mean of 3.46 (SD=1.024). Conversely, the scale item with the lowest mean was " The relationship I have with this bank is something that I am very committed to" which had a mean score of 3.14 (SD=1.254). The average mean for the relational commitment subscale was 3.363.

4.4.1.2 Relational Trust Sub-scale

The 9-item relational trust subscale of relationship marketing quality measured the consumers' confidence in the service provider's reliability and integrity, rooted in the consumers' perceptions of trustworthiness (De Wulf, *et al.*, 2001). The means and standard deviations of the study participants' responses on the 9-point relational trust subscale of relationship marketing quality were as shown in Table 4.3.

Table 4.3: Means and Standard Deviations of the Relational Trust Subscale Items

Item No.	Questionnaire item description	N	Mean	Std. Dev
Trust_1	I know what to expect when I go into this bank	334	3.47	1.164
Trust_2	This bank's employees are very honest and truthful.	334	3.31	1.114
Trust_3	This bank's employees can be trusted completely	334	3.43	1.002
Trust_4	This bank's employees have high integrity	334	3.50	.995
Trust_5	This bank is honest about any problems experienced	334	3.43	1.107
Trust_6	This bank is trustworthy	334	3.50	1.114
Trust_7	This bank is concerned about my welfare	334	3.36	1.174
Trust_8	When I confide my problems to staff of this bank, I know they will respond with understanding	334	3.46	1.249
Trust_9	I can count on this bank to consider how their actions affect me		3.45	1.137

As the figures in Table 4.3 show, the means for relational trust subscale items ranged from 3.5 (highest) to 3.31 (lowest). The highest mean of 3.5 was shared by the scale items "This bank's employees have high integrity" (SD=0.995) and "This bank is trustworthy" (SD=1.114). On the contrary, the lowest mean was related to the subscale item "This bank's employees are very honest and truthful" (mean =3.31, SD=1.114). The overall mean for the relational trust subscale was 3.434. The items largely reflected the consumers' willingness to rely on the service provider in whom they had confidence and in the belief that the service provider's word or promise is reliable and that they do fulfill their obligations in the relationship as described by Palmatier (2008).

4.4.1.3 Relational Reciprocity Norms Sub-scale

Relational reciprocity norms subscale comprised 8 questionnaire items. As described by Lacey *et al.* (2007), reciprocity norms subscale items focused on the participants' perceptions of felt obligation to do good towards the relational partner on the basis of their past behavior, manifested in feelings of emotional appreciation (gratitude) for a service supplier's extra benefits. Table 4.4 shows the means and standard deviations of the participants' responses to the relational reciprocity norms subscale.

The results of descriptive analysis of data related to the relational reciprocity norms subscale as presented in Table 4.4 showed that the means ranged from 3.26 (lowest) to 3.51 (highest). The highest mean was related to the subscale item "I assume that mutual benefits are what defines my relationship with this bank" (SD=1.182). The lowest mean related to subscale item "This bank seem willing to invest in my growth as a customer, even when it does not currently benefit from me" (SD=1.192). On average, the 8-item relational reciprocity norms subscale had a mean of 3.413.

Table 4.4: Means and Standard Deviations of the Relational Reciprocity Norms Subscale Items

Item No.	Questionnaire item description	N	Mean	Std. Dev
Recip_1	This bank’s employees would recognize me as a customer, even if I cannot make more transactions at present	334	3.29	1.240
Recip_2	This bank seem willing to invest in my growth as a customer, even when it does not currently benefit from me.	334	3.26	1.192
Recip_3	The employees of this bank would do something for me without any strings attached.	334	3.43	1.196
Recip_4	This bank's employees take care of me in ways that exceed my contribution to the bank	334	3.44	1.110
Recip_5	I assume that over time, my bank as well as myself benefit from our relationship	334	3.44	1.085
Recip_6	I assume this bank is interested in my well-being in the same way as I am interested in its business well-being	334	3.44	1.113
Recip_7	In the long run, I assume that mutual benefits will even out in my relationship with this bank	334	3.49	1.128
Recip_8	I assume that mutual benefits are what defines my relationship with this bank	334	3.51	1.182

4.4.1.4 Relational Satisfaction Sub-scale

The 7-item relational satisfaction subscale measured the participants' positive affective appraisal and judgment of the service providers' performance compared to the customers' expectations and service experience. The descriptive results were as shown in Table 4.5.

Table 4.5: Means and Standard Deviations of the Relational Satisfaction Subscale Items

Item No.	Questionnaire item description	N	Mean	Std. Dev
Satisf_1	My choice to use this bank for my financial needs was a wise one	334	3.36	1.171
Satisf_2	I am always delighted with this bank's services	334	3.45	1.108
Satisf_3	I think I did the right thing when I decided to use this bank	334	3.49	1.028
Satisf_4	I am happy with the quality of the relationship I have with this bank	334	3.54	1.018
Satisf_5	I am happy with the efforts this bank is making towards regular customers like me	334	3.60	1.099
Satisf_6	I am satisfied with the relationship I have with this bank	334	3.46	1.114
Satisf_7	Overall, I am satisfied at this bank	334	3.60	1.088

The results of descriptive analysis of relational satisfaction subscale data as presented in Table 4.5 revealed that the means for the subscale items ranged 3.36 (lowest) to 3.60 (highest). The lowest mean was for the subscale item "My choice to use this bank for my financial needs was a wise one" (SD=1.171). The highest mean of 3.60 was co-shared by the items "I am happy with the efforts this bank is making towards regular customers like me" (SD=1.099) and "Overall, I am satisfied at this bank" (SD=1.088). On the whole, the 7-item subscale had an average mean of 3.5.

4.4.4.5 Behavioural Intentions Scale

Customer behavioural intentions was the main dependent variable for the current study. The final BI scale comprised 7 scale items that focused on verbal indications by the participants based on their individual future intentions (James, 2007) to perform given behaviours. The BI measurement scale was based on a similar 5-point likert scale as the relationship marketing quality scale, ranging from strongly disagree (1) to strongly agree (5). The results were as presented in Table 4.6.

Table 4.6: Means and Standard Deviations of the Behavioural Intentions Measurement Scale Items

Item No.	Questionnaire item description	N	Mean	Std. Dev
Behav_1	I would always say positive things about this bank to other people.	334	3.37	1.115
Behav_2	I intend to continue banking with this bank even if other banks were to provide similar services at a lower cost	334	3.43	.986
Behav_3	I would recommend this bank to other people	334	3.50	.996
Behav_4	I intend to remain with this bank for as long as I need banking services	334	3.58	.988
Behav_5	I am willing to put in extra effort to stay with this bank	334	3.55	1.072
Behav_6	As a customer of this bank, I feel that I am prepared to pay more for their high quality services	334	3.52	1.081
Behav_7	I intend to increase the number of services/products that I use in this bank	334	3.65	1.054

The results of descriptive analysis of the participants' responses on the BI measurement scale indicated that the means highest mean was related to the scale item "I intend to increase the number of services/products that I use in this bank" with a mean of 3.65 (SD=1.054). The item with the lowest mean was "I would always say positive things about this bank to other people" with a mean of 3.37 (SD=1.115). Overall, the average mean for the BI measurement scale was 3.51.

4.4.2 Testing Assumptions of Parametric Data

Statistical techniques such as exploratory and confirmatory factor analysis are based on parametric data as outlined by Field (2005). Normality tests were conducted on the relationship marketing quality related items to check parametric data assumptions.

The normality assumption for each relationship marketing quality item was tested via inspection of histograms and Q-Q plots in addition to the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk (S-W) tests. The use of a combination of strategies to test for normality assumption is that whereas a histogram is subjective, K-S and S-W tests are sensitive to the size of the sample: with a large sample even small deviations from normality will be reported as significant. Consequently, Field (2013) advises that when reviewing statistical tests of normality, it is always important to plot the data as well and try to make an informed decision about the extent of non-normality based on converging evidence rather than over-reliance on statistical tests such as Kolmogorov-Smirnov and Shapiro-Wilk.

Both Kolmogorov-Smirnov and Shapiro-Wilk test the null hypothesis that the data come from a normally-distributed population. The alternate hypothesis is that the sample data come from a population that is not normally distributed. If the results of either test are significant ($p < 0.05$) rejecting the null hypothesis means rejecting the assumption of normality for the distribution (Pallant, 2013). Thus, as Table 4.7 shows, all items for both K-S and S-W tests were significant i.e. $p < 0.000$.

Table 4.7: Assessment of Normality of Data using Kolmogorov-Smirnov (K-S)

Questionnaire Items	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Commit_1	.154	333	.000	.908	333	.000
Commit_2	.193	333	.000	.907	333	.000
Commit_3	.263	333	.000	.885	333	.000
Commit_4	.235	333	.000	.896	333	.000
Commit_5	.217	333	.000	.895	333	.000
Commit_6	.221	333	.000	.898	333	.000
Commit_7	.216	333	.000	.902	333	.000
Commit_8	.178	333	.000	.905	333	.000
Trust_1	.282	333	.000	.870	333	.000
Trust_2	.237	333	.000	.898	333	.000
Trust_3	.225	333	.000	.898	333	.000
Trust_4	.200	333	.000	.898	333	.000
Trust_5	.219	333	.000	.899	333	.000
Trust_6	.206	333	.000	.899	333	.000
Trust_7	.179	333	.000	.903	333	.000
Trust_8	.225	333	.000	.886	333	.000
Trust_9	.241	333	.000	.892	333	.000
Satisf_1	.212	333	.000	.898	333	.000
Satisf_2	.211	333	.000	.903	333	.000
Satisf_3	.205	333	.000	.901	333	.000
Satisf_4	.249	333	.000	.889	333	.000
Satisf_5	.227	333	.000	.885	333	.000
Satisf_6	.181	333	.000	.902	333	.000
Satisf_7	.248	333	.000	.882	333	.000
Recip_1	.231	333	.000	.888	333	.000
Recip_2	.234	333	.000	.897	333	.000
Recip_3	.244	333	.000	.883	333	.000
Recip_4	.184	333	.000	.902	333	.000
Recip_5	.206	333	.000	.904	333	.000
Recip_6	.210	333	.000	.901	333	.000
Recip_7	.227	333	.000	.895	333	.000
Recip_8	.226	333	.000	.887	333	.000

a. Lilliefors Significance Correction

These results implied that the scale items were not normally distributed. However, this data was not consistent with the Normal Q-Q plots for all the 32 relationship marketing quality items where the actual (observed) values followed the straight line, that is expected (normal) values (Hair *et al.*, 2010), indicating that the data came from a normally distributed population.

Whilst the K-S and S-W tests indicated that the scale items did not follow a normal distribution it should be noted that it is unusual for Likert scales to follow a normal distribution as outlined by Malthouse (2001) and Nunally (1978). In addition, Field (2005) argues that it is not uncommon to obtain significant results in large samples when only small normality deviations exist. The sample for this study was 334, yet Hair *et al.* (2010) considers samples in excess of 200 as 'large'. Given these arguments and based on the results of the Normal Q-Q plots, it was assumed that the data came from a population with normal distribution, thus assumption of normality was met.

4.4.3 Reliability Analysis

Reliability is one of the indicators of convergent validity (Hair *et al.*, 2010). High reliability shows that internal consistency exists, indicating that measures can represent the same latent construct. Thus, reliability analysis in this study involved calculating item to total correlations and coefficient alpha (Churchill, 1979). This analysis was conducted for each of the four subscales of relationship marketing quality measurement scale and the behavioural intentions scale with the objective being to purify the construct measures by removing 'garbage' items. Items with a Corrected Item-Total correlation of lower than 0.4 on the hypothesized factor were candidates for deletion (Gliem & Gliem, 2003; Hair *et al.*, 2010). Table 4.8, Table 4.9, Table 4.10 and Table 4.11 show the subscale item analysis for relational commitment, relational trust, relational reciprocity norms and relational satisfaction respectively while Table 4.12 shows the item analysis for behavioural intentions. Coefficient alpha figures are also included to provide reliability estimates.

Table 4.8: Relational Commitment - Item-Total Statistics

Item No.	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Commit_1	23.75	36.193	.507	.397	.888
Commit_2	23.49	35.128	.720	.595	.866
Commit_3	23.46	35.997	.666	.612	.871
Commit_4	23.43	37.081	.584	.535	.878
Commit_5	23.45	34.878	.699	.593	.867
Commit_6	23.67	34.306	.660	.551	.872
Commit_7	23.48	34.701	.729	.734	.864
Commit_8	23.49	34.413	.712	.712	.866

Relational Commitment Cronbach's $\alpha = 0.886$

Table 4.9: Relational Trust - Item-Total Statistics

Item No.	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Trust_1	27.45	54.482	.342	.240	.935
Trust_2	27.61	49.079	.730	.608	.909
Trust_3	27.49	50.317	.732	.657	.909
Trust_4	27.42	49.722	.785	.701	.906
Trust_5	27.49	48.707	.763	.637	.907
Trust_6	27.43	48.467	.774	.693	.906
Trust_7	27.56	47.676	.781	.742	.905
Trust_8	27.46	46.615	.794	.820	.904
Trust_9	27.47	48.244	.771	.743	.906

Relational Trust Cronbach's $\alpha = 0.919$

Table 4.10: Relational Reciprocity Norms - Item-Total Statistics

Item No.	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Recip_1	24.01	45.162	.655	.506	.930
Recip_2	24.03	44.765	.718	.556	.925
Recip_3	23.86	44.534	.731	.593	.924
Recip_4	23.86	44.410	.810	.693	.918
Recip_5	23.86	44.860	.797	.677	.919
Recip_6	23.86	43.767	.857	.784	.914
Recip_7	23.81	44.548	.784	.734	.920
Recip_8	23.79	44.420	.749	.666	.922

Relational Reciprocity Norms Cronbach's $\alpha = 0.931$

Table 4.11: Relational Satisfaction - Item-Total Statistics

Item No.	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Satisf_1	21.13	29.272	.604	.529	.915
Satisf_2	21.04	28.071	.767	.670	.897
Satisf_3	21.00	28.172	.830	.716	.891
Satisf_4	20.95	29.015	.750	.630	.899
Satisf_5	20.88	27.899	.790	.673	.894
Satisf_6	21.02	28.093	.760	.709	.897
Satisf_7	20.89	29.234	.668	.576	.907

Relational Satisfaction Cronbach's $\alpha = 0.913$

Table 4.12: Behavioural Intentions- Item-Total Statistics

Item No.	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Behav_1	21.23	24.415	.591	.466	.886
Behav_2	21.18	24.690	.664	.549	.877
Behav_3	21.10	23.682	.774	.684	.864
Behav_4	21.03	23.852	.760	.663	.865
Behav_5	21.05	23.774	.693	.548	.873
Behav_6	21.09	23.785	.684	.566	.874
Behav_7	20.95	24.326	.648	.514	.879

Behavioural Intentions Cronbach's $\alpha = 0.890$

Based on the above decision rule that items with a Corrected Item-Total correlation of lower than 0.4 on the hypothesized factor be deleted from a measurement scale (Gliem & Gliem, 2003; Hair *et al.*, 2010), only one item on the relational trust subscale (Trust_1) with Corrected Item-Total correlation of .342 was dropped from the subscale. On the other hand, early scale reliability estimates were very encouraging given that they exceeded Cronbach's $\alpha = 0.7$ (Zikmund *et al.*, 2010; Bartee *et al.*, 2004; Tabachnick *et al.*, 2001). Nevertheless, the relational commitment, relational reciprocity norms and relational satisfaction scales with Cronbach's $\alpha = 0.919$, $\alpha = 0.931$ and $\alpha = 0.913$ respectively perilously exceeded 0.9 (Netemeyer *et al.*, 2003), which potentially indicated a level of item redundancy within these subscales, in spite of George and Mallery (2003) providing that Cronbach's α greater than .9 indicates excellent reliability. Whilst increasing the value of alpha is partially dependent upon the number of items in the scale, notably, this has diminishing returns (Gliem & Gliem, 2003).

4.4.4 Exploratory Factor Analysis

The next stage in the measurement scale modification process involved using exploratory factor analysis (EFA) to reveal construct dimensionality of the relationship marketing quality measurement model. EFA is used to determine the number of latent variables that are needed to explain the correlations among a set of observed variables. The latent variables are referred to as factors, and the observed variables are referred to as factor indicators (Asparouhov & Muthen, 2009a). Exploratory factor analysis built on initial reliability analyses and helped 'pool' items into underlying factors.

Extant literature provides varied exploratory factor analysis sample size guidance. Thus, the suitability of the sample size was considered prior to exploratory factor analysis. Tabachnick and Fidell (2001) advocate sample sizes of 300, while Gorsuch (1983) and Hoelter (1983) advocate for sample sizes of 200. One of the pioneers of scaling literature, Nunally (1978) recommends having a participant to items ratio of 10:1, while Hair *et al.* (2010) consider a minimum ratio of 5:1 as appropriate. For this study with a final sample size of 334 and 39 questionnaire items measuring the constructs, the data set was considered on the whole suitable for exploratory factor analysis. Nevertheless, this decision was corroborated by subsequent exploratory factor analysis tests.

Initially, an R-Matrix (Appendix V) was produced to identify items with consistently high (multicollinearity) or low (singularity) correlations. The Pearson's Product Moment correlation coefficient was used given that the Normal Q-Q plots as described earlier had indicated normality in the distribution of data. Inspection of the correlation matrix revealed that all the 36 items of the relationship marketing quality measurement scale correlated with each other, at least $r = .3$ with a large number of the other items (Davies *et al.*, 2004; Walsh & Beatty, 2007). However, no potential multicollinearity was observed in the correlation matrix. Based on these indications, no items were dropped (Davies *et al.*, 2004; Field, 2005) since both singularity and multicollinearity were not considered an issue.

Upon establishing that each item was correlated with a large number of other items as the literature advocates, the second stage involved checking the suitability of the dataset for exploratory factor analysis by running Bartlett's Test of Sphericity and calculating the Kaiser-Meyer-Olkin (KMO) statistic on the 32 items of the relationship marketing quality measurement model. Bartlett's Test of Sphericity provided a significant value of 9088.374 ($p < 0.000$, $df = 496$). The KMO for the overall data set provided gave a result of 0.917 (Table 4.13) against the recommended minimum of 0.5, which was regarded as 'meritorious' (Kaiser, 1974). These statistics indicated that item correlations were compact, hence factor analysis should produce distinct and reliable factors.

Table 4.13: KMO and Bartlett's Test for Relationship Marketing Quality Measurement Model

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.917
Bartlett's Test of Sphericity	Approx. Chi-Square	9088.374
	Df	496
	Sig.	.000

As an additional check, the anti-image correlation matrix was analyzed to assess individual items' sampling adequacy. Individual MSA for all the items as appearing in the diagonals of the anti-image correlation matrix (Appendix VI) exceeded 0.5 as required for EFA to proceed (Field, 2005). Inspection of the off diagonals revealed the vast majority of item correlations were below 0.1 which again indicated the suitability of the data for exploratory factor analysis. Consequently, all the measurement items were included in exploratory factor analysis.

The next step after determining the suitability of the data set for factor analysis involved selecting the most suitable factorial method. There are mainly two types of factor analysis, Principal Components Analysis (PCA) and Common Factor Analysis. PCA is

mainly concerned with "data reduction" (Netemeyer *et al.*, 2003). Common factor analysis methods, such as principal axis factoring, unweighted least squares or maximum likelihood, is more concerned with uncovering construct "dimensionality" (Costello and Osborne, 2005). The use of common factor analysis is advocated in the scaling literature because it only analyses shared (common) variance and not unique variance (Conway & Huffcutt, 2003; Netemeyer *et al.*, 2003), thus applied in determining the nature of and the number of latent variables that account for observed variation and covariation among set of observed indicators. Guided by these postulations, and given that the objective of factoring was to reduce multiple observed variables into fewer components that summarize their variance, the relationship marketing quality measurement model was subjected to principal components analysis.

The factors were then rotated to improve the interpretability of the factor structure (Netemeyer *et al.*, 2003). Two types of rotations exist, orthogonal and oblique. Orthogonal rotations produce factors that are uncorrelated, while oblique methods allow the factors to correlate (Osborne, 2015). Traditionally, researchers have been guided to orthogonal rotation because uncorrelated factors are more easily interpretable. However, in the social sciences it is generally expected that there will be some correlation among factors, since behaviour is rarely partitioned into neatly packaged units that function independently of one another. Consequently, oblique rotation method (PROMAX) was adopted for this study.

The decision to adopt PROMAX was guided by several theoretical and practical rationale. First, using orthogonal rotation potentially results in a less useful solution where factors are correlated (Floyd & Widaman, 1995; Osborne, 2015). Remembering that EFA is an exploratory technique (not a confirmatory technique), it is important to look for the clearest solution possible which can be obtained through oblique rotation. Oblique rotations can accurately model uncorrelated and correlated factors, whereas orthogonal rotations cannot handle correlated factors as effectively.

The fact that there could be correlations between the postulated dimensions as discussed in the theoretical literature in Chapter Two provides theoretically grounded logic for using oblique rotation (Field, 2005).

Second, orthogonal methods may not suit confirmatory factor analysis as forcing zero correlation may result in model unidentification (Netemeyer *et al.*, 2003). Third, several scholars (Conway & Huffcutt, 2003; Costello & Osborne, 2005; Hair *et al.*, 1998) contend orthogonal rotation forces unrealistic solutions as it is unlikely factors will not correlate. Finally, consistent with Conway and Huffcutt (2003) oblique rotation gave the most interpretable solution.

There is no widely preferred method of oblique rotation; all tend to produce similar results (Fabrigar *et al.*, 1999), and it seems generally fine to use the default settings in software packages. Common oblique rotations include direct oblimin, quartimin, and promax. However, Direct Oblimin was not used because no factors were found at the end of the rotated matrix (rotation failed to converge). When rotation was done using PROMAX, each of the factors produced contained more than three items, which was consistent with Ding *et al.* (1995) suggestion that the final factor should have no fewer than three items because this increases the chances of obtaining infeasible solutions whilst Hair *et al.* (2010) note that reliability estimates can only be obtained if the latent variable has two or more indicators.

Finally, in identifying the underlying factors, the following decision rules were used as advised by Conway and Huffcutt (2003): first, factors needed latent root criterion (Eigen value) of 1.0 was used for factor inclusion and a factor loading of > 0.50 used as a benchmark to include individual items for each factor (Kaiser, 1960). Second, the number of factors extracted should account for over 50% of the variance explained (Hair *et al.*, 2010). The scree plot for the factor extraction is shown in Figure 4.1.

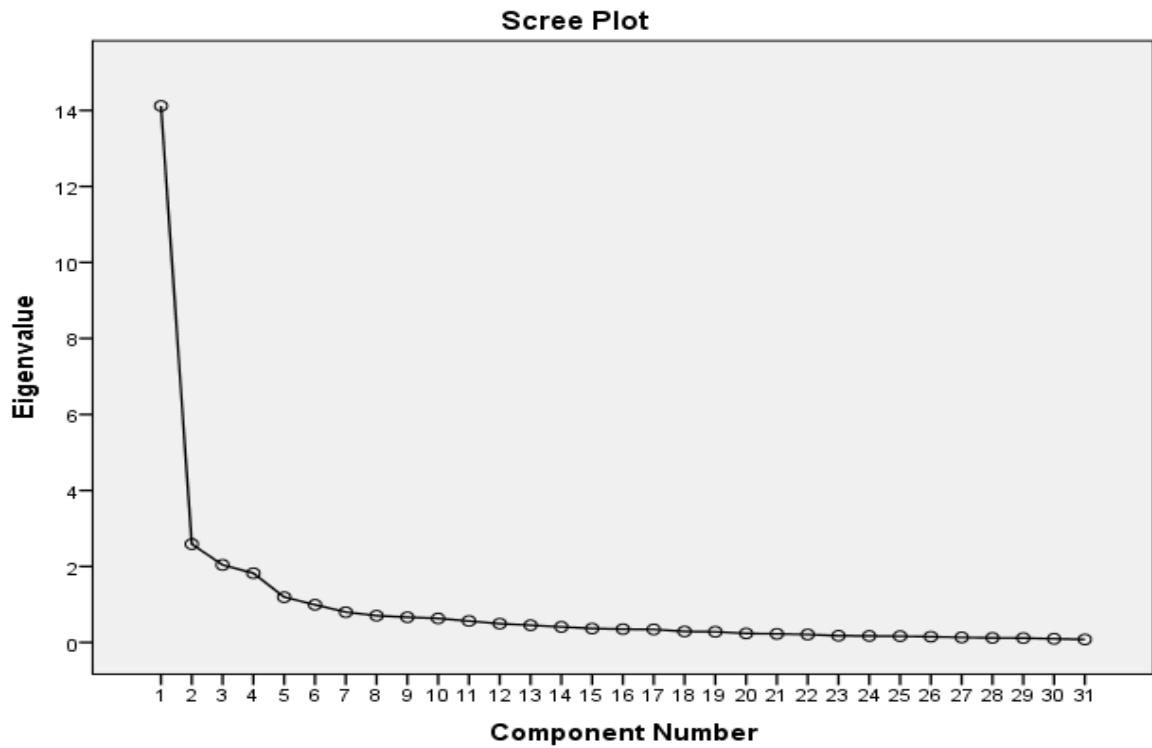


Figure 4.1: Scree Plot for Exploratory Factor Analysis

From the initial pool of 31 items of the relationship marketing quality measurement scale, the resulting exploratory factor analysis produced a five factor solution accounting for 70.2% of the variance as shown in Table 4.14.

Table 4.14: Exploratory Factor Analysis, Factor Loadings, Eigen Values, Variance Extracted and Cronbach’s Alpha of Relationship Marketing Quality

		Factor Loadings				Communalities
		Reciprocity Norms	Trust Satisfaction	Normative commitment	Affective commitment	
Recip_7	In the long run, I assume that mutual benefits will even out in my relationship with this bank	.911				0.745
Recip_4	This bank's employees take care of me in ways that exceed my contribution to the bank	.895				0.749
Recip_6	I assume this bank is interested in my well-being in the same way as I am interested in its business well-being	.886				0.806
Recip_8	I assume that mutual benefits are what defines my relationship with this bank	.841				0.692
Recip_5	I assume that over time, my bank as well as myself benefit from our relationship	.804				0.749

Recip_3	The employees of this bank would do something for me without any strings attached.	.801	0.660
Recip_2	This bank seem willing to invest in my growth as a customer, even when it does not currently benefit from me.	.653	0.626
Recip_1	This bank's employees would recognize me as a customer, even if I cannot make more transactions at present	.621	0.606
Trust_2	This bank's employees are very honest and truthful.	.871	0.687
Trust_4	This bank's employees have high integrity	.806	0.733
Trust_5	This bank is honest about any problems experienced	.793	0.692
Trust_6	This bank is trustworthy	.769	0.712
Trust_3	This bank's employees can be trusted completely	.752	0.726
Trust_7	This bank is concerned about my welfare	.718	0.744
Trust_9	I can count on this bank to consider how their actions affect me	.695	0.740
Trust_8	When I confide my problems to staff of this bank, I know they will respond with understanding	.693	0.785

Satisf_1	My choice to use this bank for my financial needs was a wise one	.925		0.657
Satisf_2	I am always delighted with this bank's services	.920		0.756
Satisf_3	I think I did the right thing when I decided to use this bank	.871		0.792
<hr/>				
Satisf_4	I am happy with the quality of the relationship I have with this bank	.734		0.680
Satisf_5	I am happy with the efforts this bank is making towards regular customers like me	.729		0.737
Satisf_6	I am satisfied with the relationship I have with this bank	.630		0.672
Satisf_7	Overall, I am satisfied at this bank	.485		0.548
Commit_7	I continue to do business with this bank because I like being associated with them		.839	0.787
Commit_5	I plan to maintain a long-term relationship with this bank		.831	0.733

Commit_8 I continue to do business with my bank because I genuinely enjoy my relationship with them				.732		0.707
Commit_6 I feel emotionally attached with this bank				.701		0.665
Commit_3 The relationship I have with this bank is something I really care about					.763	0.728
Commit_1 The relationship I have with this bank is something that I am very committed to					.743	0.582
Commit_4 The relationship that I have with this bank deserves my maximum effort to maintain					.709	0.616
Commit_2 The relationship I have with this bank is very important to me					.550	0.649
<i>Eigen Value</i>	14.118	2.589	2.040	1.822	1.193	
<i>% of Variance</i>	45.54%	8.35%	6.58%	5.88%	3.85%	
<i>Cronbach's α</i>	0.931*	0.935*	0.913*	0.881*	0.815*	

Extraction Method: Principal Component Analysis; Rotation Method: Promax with Kaiser Normalization; *No item to total correlation<0.03

As exploratory factor analysis and factor loading results shown in Table 4.14 indicate, all items from relational reciprocity norms subscale loaded into Factor 1. The name of the factor was retained as "relational reciprocity norms" since there was no change in structure of the observed variables on the subscale. This factor had a very high Chronbach's alpha ($\alpha = 0.93$). Factor 2 only contained items from the relational trust subscale and so the label "relational trust" was retained. Relational trust as a factor had a the highest Chronbach's alpha ($\alpha = 0.96$). Equally, all the items from the relational satisfaction literature successfully loaded into Factor 3, leading to the retention of the original label "relational satisfaction". Relational satisfaction had a Chronbach's alpha of $\alpha = 0.91$. Factor 4 contained half of the items from the relational commitment literature that gravitated around the customer's belief that staying with the bank was the right thing to do, that is, a moral obligation to remain with the bank. The factor was thus labeled "Normative relational commitment" (Meyer *et al.*, 2006). The factor had Chronbach's alpha of $\alpha = 0.88$. Finally, Factor 5 contained the other four items from the relational commitment literature that reflected a customer's emotional attachment to the bank by virtue of the relationship they enjoy with the bank. Consequently, following the definition provided by Meyer *et al.* (2006), Factor 5 was labelled "Affective relational commitment" and had a Chronbach's alpha of $\alpha = 0.82$.

All item communalities, that is the amount of variance each item can explain after rotation, were above 0.5. Consequently, given the sample size ($n=334$), this confirms that the sample was suitable for exploratory factor analysis (MacCallum *et al.*, 1999). Finally, the decision to use an oblique rotation was corroborated by the final component correlation matrix which indicated that the factors were positively and significantly correlated as shown in Table 4.15.

Table 4.15: Factor Correlations

		Factor Correlation Matrix			
		Relational Trust	Relational Satisfaction	Relational Reciprocity Norms	Normative Relational Commitment
Relational Trust	R	1			
	<i>p</i> -Value				
Relational Satisfaction	R	.661**	1		
	<i>p</i> -Value	.000			
Relational Reciprocity	R	.653**	.628**	1	
Norms	<i>p</i> -Value	.000	.000		
Normative Relational	R	.597**	.549**	.532**	1
Commitment	<i>p</i> -Value	.000	.000	.000	
Affective Relational	R	.361**	.424**	.368**	.611**
Commitment	<i>p</i> -Value	.000	.000	.000	.000

***. Correlation is significant at the 0.01 level (2-tailed).*

4.4.5 Confirmatory Factor Analysis

In the preceding section, exploratory factor analyses a description and discussion on how five dimensional relationship marketing quality solution emerged from the data. Confirmatory factor analysis (CFA) was done to verify the factor structure of the relationship marketing measurement model with the five factors identified during EFA. Consequently, CFA allowed the author to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists. Just as was the case in EFA, a range of opinions exist over a suitable sample size for confirmatory factor analysis sample size. Whereas Lei and Lomax (2005) suggest a sample sizes of 100 or more, Mulaik (2007) considers 200 as the minimum for publishable research. Thus, given a sample size of 334 for this study, the data set was considered adequate for confirmatory factor analysis.

Barrett (2007) has indicated that confirmatory factor analysis (CFA) is different from exploratory factor analysis (EFA), whose latent variables are constructed mechanically or blindly from data only by the process of eigenvalue decomposition. For confirmatory factor analysis, a researcher has to identify the number of factors existing within a set of variables and which factor each measured variable will load highly on before the final estimated results will be done. Therefore, structural equation modeling (SEM) provides a pattern for factor loadings that represent actual data, rather than the assignment of the variables to factors. Confirmatory factor analysis focuses on the idea that theory or prior knowledge is the foundation used to create latent variables. Anderson and Gerbing (1991) implied that one of the important characteristics of confirmatory factor analysis with structural equation modeling is used to facilitate theory testing.

4.4.5.1 Relationship marketing Quality Measurement Model Estimation

Based on the prior analyses (Cronbach's α and exploratory factor analysis) a five factor measurement model consisting of 31 items was estimated using Maximum Likelihood Estimation (MLE) in AMOS 23.0. MLE is the most widely used confirmatory factor analysis estimation technique (Hair *et al.*, 2010; Netemeyer *et al.*, 2003; Schermelleh-Engel *et al.*, 2003), which implies a general consensus of opinion that this is a suitable estimation method. In addition, numerous scholars have highlighted how MLE provides robust parameter estimates (Boomsma & Hoogland, 2001; McDonald & Ho, 2002; Muthen & Muthen, 2002). Consequently, following Anderson and Gerbing (1988) all the five dimensions within the relationship marketing quality measurement model were allowed to covary as shown in Figure 4.2.

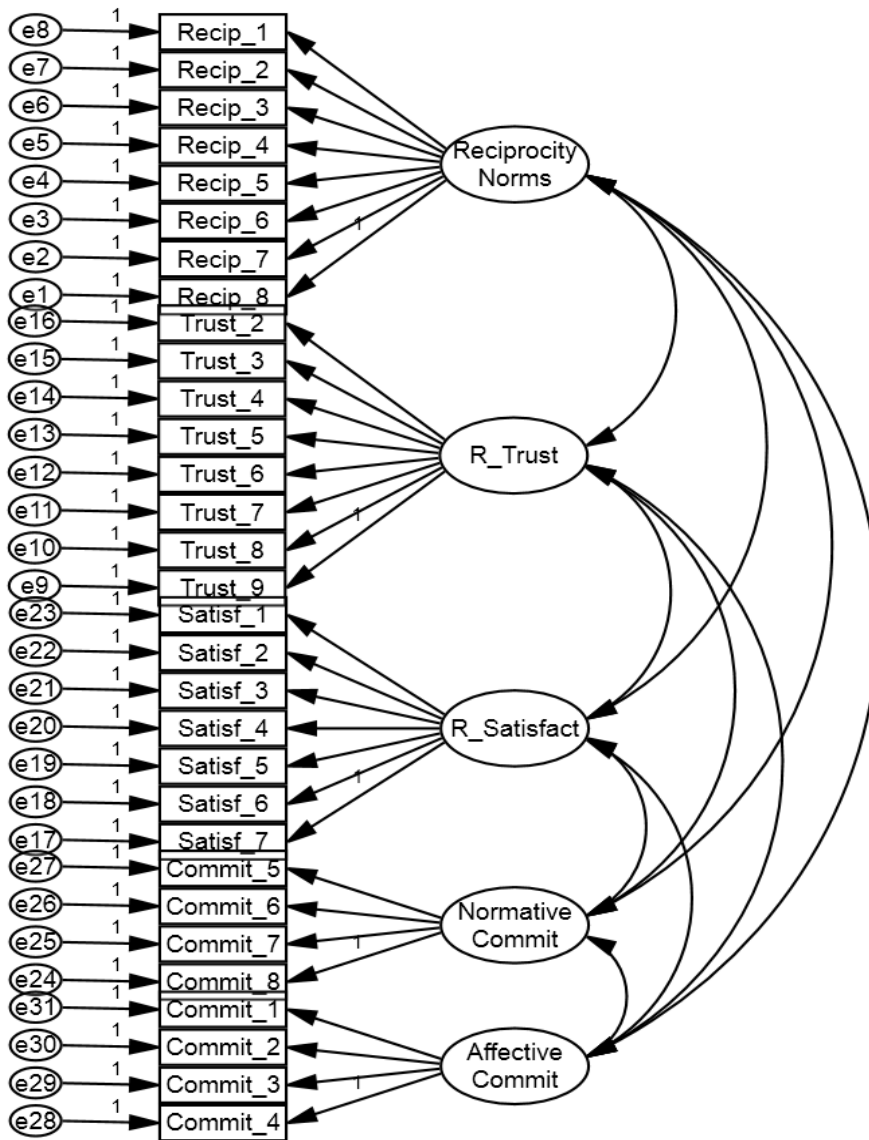


Figure 4.2: Relationship Marketing Quality Measurement Model 1

A review of fit indices for the relationship marketing quality measurement model 1 presented in Figure 3 provided the statistics shown in Table 4.16.

Table 4.16: Fit indicators for the Relationship Marketing Quality Measurement Model 1

χ^2	DF	CMIN/DA	GFI	IFI	TLI	CFI	RMSEA
2112.727	424	4.983	0.703	0.808	0.789	0.808	0.109

The fit indices in Table 4.16 revealed that the ratio of χ^2 to degrees of freedom (χ^2/df) or CMIN/DF was 4.983. This was slightly below the upper limit of 5 and above the recommended acceptable fit of χ^2/df ratio < 3.0 (Kline, 2005; Koufteros *et al.*, Vonderembse & Jayaram, 2005). The χ^2 value was significant at $p < 0.001$ ($p = 0.000$) which indicated poor model fit, suggesting that the model could not be accepted. However, since the χ^2 statistic is adversely affected by sample size (Byrne, 2001) and so should not be used in isolation, other model fit indices were examined. The GFI for the model was 0.703. IFI, TLI and CFI were 0.808, 0.789 and 0.808. These indices fell below the recommended value of 0.9 implying that the fit indices were marginally acceptable (Hu and Bentler, 1999). The RMSEA was 0.109, way above the acceptable value of < 0.08 (Hair *et al.*, 2010; MacCallum & Austin, 2002). Based on these model indices, model re-specification was inevitable.

Table 4.17 shows the Factor score weights calculated by Amos and used as the weighted sum of indicators of the latent variables (relationship marketing quality dimensions). The underlined low factor scores indicate that the related indicators would have low impact on determining the meaning of their factors, and which were detrimental to the model fit indices as already highlighted.

Table 4.17: Factor Score Weights of the Initial CFA

Item	Normative commitment	Affective commitment	Trust	Satisfaction	Reciprocity Norms
Commit_1		<u>0.088</u>			
Commit_2		<u>0.19</u>			
Commit_3		0.316			
Commit_4		0.205			
Commit_5	0.117				
Commit_6	0.121				
Commit_7	0.34				
Commit_8	0.236				
Trust_2			<u>.053</u>		
Trust_3			<u>.063</u>		
Trust_4			<u>.092</u>		
Trust_5			<u>.084</u>		
Trust_6			.099		
Trust_7			.113		
Trust_8			.125		
Trust_9			.107		
Satisf_1				<u>0.045</u>	
Satisf_2				<u>0.096</u>	
Satisf_3				0.157	
Satisf_4				0.117	
Satisf_5				0.128	
Satisf_6				<u>0.099</u>	
Satisf_7				<u>0.07</u>	
Recip_1					<u>0.042</u>
Recip_2					<u>0.06</u>
Recip_3					<u>0.058</u>
Recip_4					0.108
Recip_5					0.119
Recip_6					0.198
Recip_7					0.109
Recip_8					<u>0.085</u>

4.4.5.1 Model Re-specification

Model re-specification proceeded in an iterative manner. Decisions to remove parameters were based on both the data (modification indices/standardized residuals) and theory. Modification indices (Appendix VII) were analyzed to identify cross loading items (Sin *et al.*, 2005b; Yoo & Donthu, 2001) whilst if 5% or more of the standardized residuals had values of greater than 2.58 the items were deleted from the model (Hair *et al.*, 2010). Nevertheless, Factor score weights already presented in Table 4.17 in the preceding section showed that there were no significant cross-loadings. A decision to delete an item from the model was made in tandem with theory ((Hair *et al.*, 2010; McDonald & Ho, 2002) to avoid sample specific modifications being made that could capitalize on chance (Markland, 2007).

Guided by the above rationale items Commit_1 and Commit_2 (Affective Commitment); Commit_4 (Normative commitment); Trust_2, Trust_3, Trust_4 and Trust_5 (Relational Trust); Satisf_1, Satisf_2, Satisf_6 and Satisf_7 (Relational Satisfaction); Recip_1, Recip_2, Recip_3 and Recip_8 (Reciprocity Norms) were removed from the model. With these parameters freed, Relationship Marketing Quality Measurement Model 2 was estimated as presented in Figure 4.3.

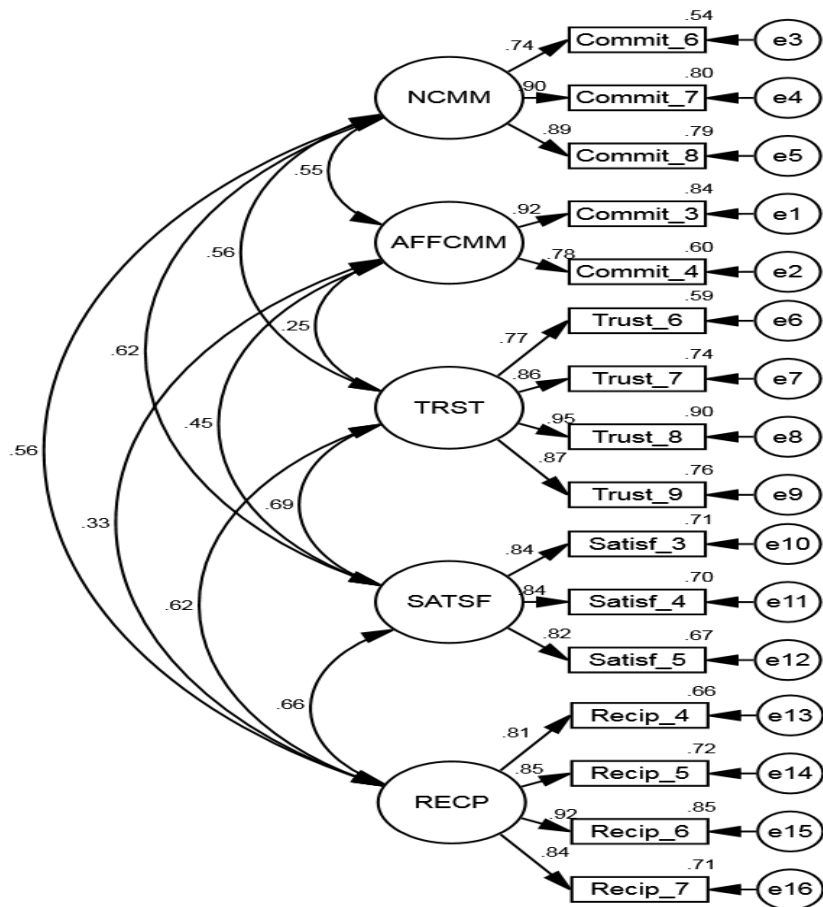


Figure 4.3: Relationship Marketing Quality Measurement Model 2

The fit indices for the Relationship Marketing Quality Measurement Model 2 were as shown in Table 4.18.

Table 4.18: Fit indicators for the Relationship Marketing Quality Measurement Model 2

χ^2	DF	CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
280.383	94	2.983	0.907	0.954	0.941	0.954	0.077

Relationship marketing quality Measurement Model 2 demonstrated a significant improvement in fit over Measurement Model 1. The fit indices in Table 4.18 revealed that the ratio of χ^2 to degrees of freedom (χ^2/df) or CMIN/DF was 2.983, a significantly improved from 4.983 for Measurement Model 1. Although the χ^2 value was significant at $p < 0.001$, other model fit indices suggested a good fitting model that could not be rejected. The GFI for the model was 0.907. IFI, TLI and CFI were 0.954, 0.941 and 0.954 respectively. Given that the recommended values for the indices had been achieved, the model indicated acceptable fit (Hu & Bentler, 1999). The RMSEA was acceptable at 0.077 ($p = 0.0000$). Consequently, Relationship Marketing Quality Measurement Model 2 was regarded as the best model. Standardised item loadings on their postulated dimensions ranged from 0.738 to 0.919 (Table 4.19) while the smallest t-value was 11.069 ($p = 0.001$) which indicated highly significant item loadings (Table 4.20).

Table 4.19: Standardized Item Loadings

Item		Dimension	Estimate
Commit_3	<---	Affective Commitment	.919
Commit_4	<---	Affective Commitment	.777
Commit_6	<---	Normative Commitment	.738
Commit_7	<---	Normative Commitment	.895
Commit_8	<---	Normative Commitment	.887
Trust_6	<---	Trust	.769
Trust_7	<---	Trust	.857
Trust_8	<---	Trust	.947
Trust_9	<---	Trust	.872
Satisf_3	<---	Satisfaction	.844
Satisf_4	<---	Satisfaction	.836
Satisf_5	<---	Satisfaction	.821
Recip_4	<---	Reciprocity Norms	.812
Recip_5	<---	Reciprocity Norms	.850
Recip_6	<---	Reciprocity Norms	.921
Recip_7	<---	Reciprocity Norms	.843

Table 4.20: Unstandardised Item Loadings – Coefficients, Standard Errors and t-Values

Item		Dimension	Estimate	S.E.	t-Value	P
Commit_3	<---	Affective Commitment	1.000			
Commit_4	<---	Affective Commitment	.830	.075	11.069	***
Commit_6	<---	Normative Commitment	1.000			
Commit_7	<---	Normative Commitment	1.083	.068	16.033	***
Commit_8	<---	Normative Commitment	1.123	.070	15.931	***
Trust_6	<---	Trust	1.000			
Trust_7	<---	Trust	1.174	.068	17.174	***
Trust_8	<---	Trust	1.380	.071	19.316	***
Trust_9	<---	Trust	1.156	.066	17.533	***
Satisf_3	<---	Satisfaction	1.000			
Satisf_4	<---	Satisfaction	.979	.055	17.658	***
Satisf_5	<---	Satisfaction	1.038	.060	17.254	***
Recip_4	<---	Reciprocity Norms	1.000			
Recip_5	<---	Reciprocity Norms	1.024	.056	18.233	***
Recip_6	<---	Reciprocity Norms	1.137	.056	20.377	***
Recip_7	<---	Reciprocity Norms	1.055	.059	18.008	***

4.4.6 Psychometric Properties of Relationship Marketing Quality Measurement Model (2)

The relationship marketing quality measurement scale's psychometric properties were assessed in the form of convergent / discriminant validity following the procedures put forth by Fornell and Larcker (1981) and Hai *et al.* (201) and composite reliability as proposed by Fornell and Larcker (1981).

4.4.6.1 Composite Reliability

Composite reliability (CR) is a measure of the overall reliability of a collection of heterogeneous but similar items (Fornell & Larckers, 1981). Composite reliabilities were estimated to assess the internal consistency of the five relationship marketing quality subscales after confirmatory factor analysis. For each dimension of relationship marketing quality, the relevant AMOS output was substituted into Fornell and Larker's (1981) composite reliability formula:

$$CR = \frac{(\text{Sum of Standardised Loadings})^2}{(\text{Sum of Standardised Loadings})^2 + (\text{Sum of Indicator Measurement Error})}$$

Based on the final model, CR for each dimension was calculated manually by computing formulas given by directly substituting the values from AMOS output using the Microsoft Excel 2007. Consequently, the relationship marketing quality subscales' composite reliabilities were as presented in Table 4.21.

Composite reliabilities for the relationship marketing quality dimensions were above the recommended level of 0.6 (Bagozzi & Yi, 1988) as follows: Affective relational commitment (0.96); Normative Commitment (0.98); Relational Trust (0.99); Relational Satisfaction (0.98) and; Relational Reciprocity Norms (0.99).

Table 4.21: Composite Reliabilities for Relationship Marketing Quality Dimensions

Affective Commitment	Standardised Factor Loading	Indicator Measurement Error
Commit_3	0.92	0.072
Commit_4	0.78	0.058
Σ	1.70	0.13
$\Sigma(\text{Standard factor loading})^2$	2.88	
Composite reliability	0.96	
Normative Commitment	Standardised Factor Loading	Indicator Measurement Error
Commit_6	0.74	0.06
Commit_7	0.90	0.04
Commit_8	0.89	0.04
Σ	2.52	0.14
$\Sigma(\text{Standard factor loading})^2$	6.35	
Composite reliability	0.98	
Relational Trust	Standardised Factor Loading	Indicator Measurement Error
Trust_6	0.77	0.04
Trust_7	0.86	0.03
Trust_8	0.95	0.03
Trust_9	0.87	0.03
Σ	3.45	0.13
$\Sigma(\text{Standard factor loading})^2$	11.87	
Composite reliability	0.99	
Relational Satisfaction	Standardised Factor Loading	Indicator Measurement Error
Satisf_3	0.84	0.03
Satisf_4	0.84	0.03
Satisf_5	0.82	0.04
Σ	2.50	0.11
$\Sigma(\text{Standard factor loading})^2$	6.26	
Composite reliability	0.98	
Relational Reciprocity Norms	Standardised Factor Loading	Indicator Measurement Error
Recip_4	0.81	0.04
Recip_5	0.85	0.03
Recip_6	0.92	0.03
Recip_7	0.84	0.04
Σ	4.41	0.13
$\Sigma(\text{Standard factor loading})^2$	19.44	
Composite reliability	0.99	

4.4.6.2 Convergent Validity

Evidence of convergent validity was obtained in three ways. First, via the Average Variance Extracted (AVE) for each factor. Fornell and Larcker (1981) notes that a researcher may conclude that the convergent validity of the construct is adequate, even though more than 50% of the variance is due to error. Consequently, substituting the AMOS output into Fornell and Larcker's (1981) formula for AVE:

$$\text{AVE} = \frac{\text{Sum of Squared Standardised Loadings}}{\text{Sum of Squared Sum Standardised Loadings} + \text{Sum of Indicator Measurement Error}}$$

Via substitution of AMOS output Table 4.22 highlights how the AVE for each subscale was calculated.

The results presented in Table 4.22 show that all AVE's are greater than 0.5 which indicates the relationship marketing quality scale's convergent validity (Fornell & Larcker, 1981).

The second convergent validity test involved determining if each indicator's estimated pattern coefficient on its posited underlying construct factor is significant (greater than twice its standard error) (Anderson & Gerbing, 1988). In other words, convergent validity can be provided by the t-value for each item being significant (i.e. >1.96). The smallest test statistic for each (item) regression coefficient was 11.069 (p=0.001) as already presented in Table 4.20. This, again, supports convergent validity.

Table 4.22: Average Variance Extracted for Relationship Marketing Quality Subscales

Affective Commitment	Squared Standardised Factor Loading	Indicator Measurement Error
Commit_3	0.84	0.072
Commit_4	0.60	0.058
Σ (Squared Standard factor loading)	1.45	0.13
Average Variance Extracted	0.92	
Normative Commitment	Squared Standardised Factor Loading	Indicator Measurement Error
Commit_6	0.54	0.06
Commit_7	0.80	0.04
Commit_8	0.79	0.04
Σ (Squared Standard factor loading)	2.13	0.14
Average Variance Extracted	0.94	
Relational Trust	Squared Standardised Factor Loading	Indicator Measurement Error
Trust_6	0.59	0.04
Trust_7	0.73	0.03
Trust_8	0.90	0.03
Trust_9	0.76	0.03
Σ (Squared Standard factor loading)	2.98	0.13
Average Variance Extracted	0.96	
Relational Satisfaction	Squared Standardised Factor Loading	Indicator Measurement Error
Satisf_3	0.71	0.03
Satisf_4	0.70	0.03
Satisf_5	0.67	0.04
Σ (Squared Standard factor loading)	2.09	0.1
Average Variance Extracted	0.95	
Relational Reciprocity Norms	Squared Standardised Factor Loading	Indicator Measurement Error
Recip_4	0.66	0.04
Recip_5	0.72	0.03
Recip_6	0.85	0.03
Recip_7	0.71	0.04
Σ (Squared Standard factor loading)	2.94	0.14
Average Variance Extracted	0.95	

Finally, all standardised factor loadings were greater than 0.5 (Table 4.21). In fact, the smallest standardized factor loading was 0.74, which again indicates convergent validity (Steenkamp & Trijp, 1991).

4.4.6.3 Discriminant Validity

Evidence of discriminant validity was assessed by comparing squared pairwise correlations and the corresponding AVEs for each pair of dimensions. Fornell and Larcker (1981) highlight how pairwise correlations between factors obtained from the final model are compared with the average variance extracted estimates for each possible pair of dimensions. Discriminant validity is obtained when variance extracted estimates are greater than the square of the correlations for each pair of dimensions (Sin *et al.*, 2005b; Venable *et al.*, 2005). Table 4.23 shows the dimension correlations (squared) and AVE for pairs of correlation.

Table 4.23: Discriminant Validity Test - Dimension Correlations (Squared) & AVE for Pairs of Correlation

Dimensions		Correlation Estimate	Squared Pairwise Correlations	Lowest AVE for Dimension Correlation	
SATSF	<-->	RECP	0.66	0.44	0.95 (SATSF/RECP)
TRST	<-->	SATSF	0.69	0.47	0.95 (SATSF)
AFFCMM	<-->	TRST	0.25	0.06	0.92(AFFCMM)
AFFCMM	<-->	NCMM	0.55	0.30	0.92(AFFCMM)
TRST	<-->	RECP	0.62	0.38	0.95(RECP)
NCMM	<-->	TRST	0.56	0.31	0.94(NCMM)
AFFCMM	<-->	RECP	0.33	0.11	0.92(AFFCMM)
NCMM	<-->	RECP	0.56	0.31	0.94(NCMM)
AFFCMM	<-->	SATSF	0.45	0.20	0.92(AFFCMM)
NCMM	<-->	SATSF	0.62	0.39	0.94(NCMM)

As Table 4.23 highlights, all pairs of dimensions of relationship marketing quality measurement scale had higher AVEs than their corresponding squared pairwise correlations. This indicated high discriminant validity the relationship marketing quality measurement scale.

4.4.7 Final Relationship Marketing Quality Measurement Scale

With reliability and validity of the scale established in the preceding sections, Table 4.24 presents the dimensions and items that were considered and adopted as this thesis' final relationship marketing quality measurement scale, which was subsequently used to examine the relationship between relationship marketing quality and customer behavioural intentions.

Table 4.24: Final Relationship Marketing Quality Measurement Scale

Dimension	Item Number	Items
Relational Affective Commitment	Commit_3	The relationship I have with this bank is something I really care about
	Commit_4	The relationship that I have with this bank deserves my maximum effort to maintain
Relational Normative Commitment	Commit_6	I feel emotionally attached with this bank
	Commit_7	I continue to do business with this bank because I like being associated with them
	Commit_8	I continue to do business with my bank because I genuinely enjoy my relationship with them
Relational Trust	Trust_6	This bank is trustworthy
	Trust_7	This bank is concerned about my welfare
	Trust_8	When I confide my problems to staff of this bank, I know they will respond with understanding
	Trust_9	I can count on this bank to consider how their actions affect me
Relational Satisfaction	Satisf_3	I think I did the right thing when I decided to use this bank
	Satisf_4	I am happy with the quality of the relationship I have with this bank
	Satisf_5	I am happy with the efforts this bank is making towards regular customers like me
Relational Reciprocity Norms	Recip_4	This bank's employees take care of me in ways that exceed my contribution to the bank
	Recip_5	I assume that over time, my bank as well as myself benefit from our relationship
	Recip_6	I assume this bank is interested in my well-being in the same way as I am interested in its business well-being
	Recip_7	In the long run, I assume that mutual benefits will even out in my relationship with this bank

4.5 Relationship Marketing Quality and Customer Behavioural Intentions

Having developed the final relationship marketing quality measurements scale through robust scaling procedures and established its psychometric properties in the preceding section, this section uses the full structural model to reveal the influence of relationship marketing quality on customer behavioural intentions. Whilst the measurement model is concerned with measuring the constructs, the structural model is concerned with testing the relationships between constructs. However, before the structural model could be estimated, it was necessary to consider how relationship marketing quality was conceptualised as a second order construct and the causality of the model's indicators.

4.5.1 Relationship Marketing Quality as a Second Order Construct

Before estimating the full structural model, relationship marketing quality was conceptualised as a second order construct for two reasons. First, it was not possible to estimate the final measurement model with customer behavioural intentions given that endogenous variables should not be correlated in a structural model (Byrne, 2001). Secondly, exploring a higher order conceptualisation was warranted because of the positive and highly significant factor correlations (Anderson & Gerbing, 1988) (Table 4.25).

Hence, given relationship marketing quality is a multidimensional construct, it was considered appropriate to conceptualise it as a second order construct. As Figure 4.4 outlines, the first order constructs relate to the measurement model (factors / indicators) whilst the second order construct is relationship marketing quality.

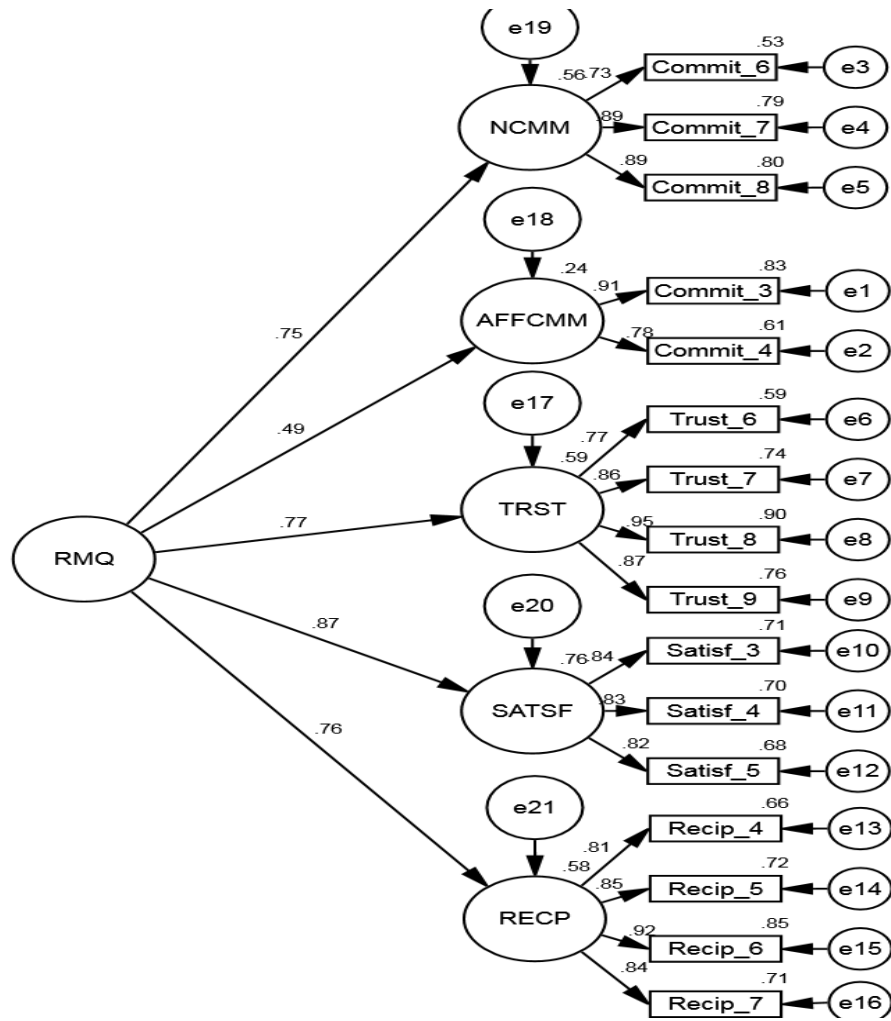


Figure 4.4: Conceptualizing Relationship Marketing Quality as Second Order Construct

When conceptualized as a second order construct relationship marketing quality provides acceptable levels of model fit as shown in Table 4.26.

Table 4.26: Fit indicators for the Relationship Marketing Quality as Second Order Construct

χ^2	DF	CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
321.59	99	2.983	0.90	0.945	0.933	0.945	0.082

As can be noted from the fit indices in Table 4.26, the second order model's fit indices were satisfactory and largely consistent with the first order model though with very marginal variations.

4.5.2 Influence of Relationship Marketing Quality on Customer Behavioural Intentions

The full structural model for the influence of relationship marketing quality on customer behavioural intentions was estimated using Maximum Likelihood Estimation as shown in Figure 4.5.

The fit between the measurement and structural model marginally and insignificantly degraded in some indicators while improving in others as shown in Table 4.27.

Table 4.27: Fit Indicators for the Relationship Marketing Quality and Customer Behavioural Intentions - The Full Structural Model

χ^2	DF	CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
344.95	114	3.026	0.90	0.944	0.933	0.944	0.078

Generally, the fit indices in Table 4.27 show that the structural model provided broadly satisfactory fit indices: ratio of χ^2 to degrees of freedom (χ^2/df) or CMIN/DF was 3.026; The GFI=0.90. IFI, TLI and CFI were 0.944, 0.933 and 0.944 respectively. The RMSEA was acceptable at 0.078 ($p=0.0000$).

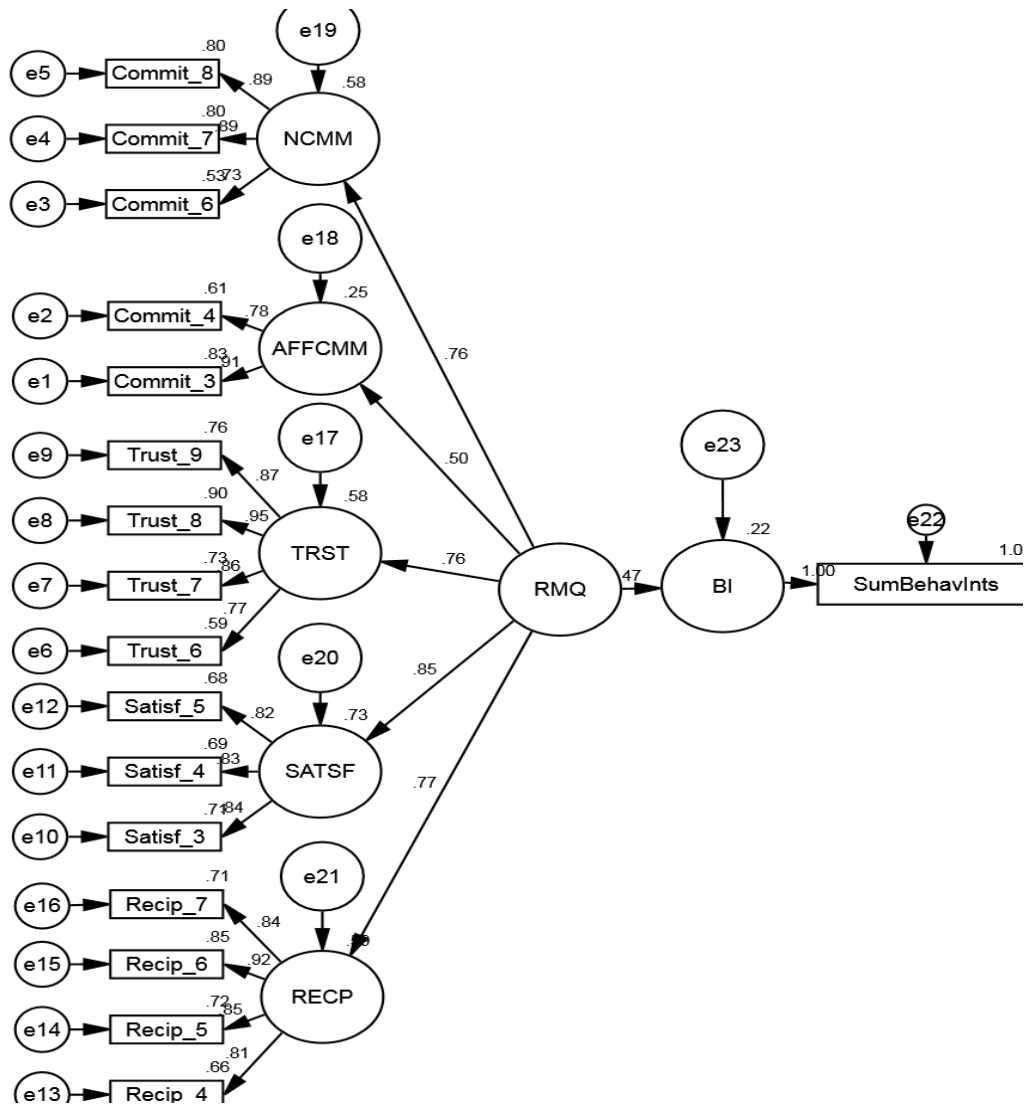


Figure 4.5: Relationship Marketing Quality and Customer Behavioural Intentions - The Full Structural Model

Several modification indices for the structural model highlighted areas where the model fit could be improved. However, it was considered implausible to implement such modifications given that changes in the structural model can produce changes in the parameter estimates for the measurement model, which would in turn affect the empirical meaning of the constructs as outlined in the relationship marketing quality measurement model (Ping, 2004). Nevertheless, from an overall perspective, the structural model fit indices were considered acceptable and so the coefficient and significance levels for the influence relationship marketing quality had on customer behavioural intentions was reviewed and the related statistics presented in Table 4.28.

Table 4.28: Influence of Relationship Marketing Quality on Customer Behavioural Intentions

Unstandardised Estimate	Standard Error	t-value	Significance
0.483	0.062	7.813	$p < 0.001$

As Table 4.28 indicates, relationship marketing quality has a positive and significant influence on customer behavioural intentions.

4.5.3 The Contribution of Each dimension to Relationship Marketing Quality

With the positive and highly significant influence relationship marketing quality has on customer behavioural intentions, established the next stage was to identity the relative contribution each dimension made to driving customer behavioural intentions. Table 4.29 illustrates the relative contribution each dimension makes to relationship marketing quality.

Table 4.29: Unstandardised Factor Loadings for Dimensions of Relationship Marketing Quality

			Estimate	Standard Error	t-value	Significance
Relational Normative commitment	<---	Relationship marketing quality	1.000			
Relational Affective Commitment	<---	Relationship marketing quality	.512	.077	6.615	***
Relational Trust	<---	Relationship marketing quality	.962	.088	10.879	***
Relational Satisfaction	<---	Relationship marketing quality	.981	.088	11.192	***
Relational Reciprocity Norms	<---	Relationship marketing quality	.923	.086	10.772	***

*** p<0.001

The AMOS output in Table 4.29 show that first, all the dimensions make a positive and highly significant contribution to relationship marketing quality. Secondly, it appears that all dimensions make a comparable contribution to operationalising the relationship marketing quality construct. However, relational affective commitment tends to play a marginally less influential role than human relational trust, relational satisfaction and

relational reciprocity norms. However, given the significance levels and small coefficient difference this would not be considered a substantive finding. Data could not be obtained for normative relational commitment as this parameter was constrained to one.

4.6 Hypotheses Testing

In this section, the hypotheses postulated in Chapter One were tested and discussed. The hypotheses consists of relationships between variables which have been tested by previous studies in different contexts. The purpose of testing these hypotheses was to validate the previous findings in the context of this study. To test the hypotheses, a combination of analytical techniques were employed so as to reach conclusions on the relationships between relationship marketing quality constructs and behavioural intentions based on converging evidence. These analytical techniques included estimation of the structural model in AMOS 23 through maximum likelihood estimation, and inferential analysis in SPSS 23 via correlation analysis, regression analysis and analysis of variance (ANOVA). For inferential analysis in SPSS, summated scales of the validated relationship marketing quality and behavioural intentions measurement scales were used in conducting the analytical procedures during hypotheses testing.

The competing structural model was estimated with the aim of testing the postulated hypotheses presented in Chapter one of this thesis. These hypotheses were represented in four causal paths showing the relationships between customer behavioural intentions and relational commitment (H1), relational trust (H2), relational reciprocity norms (H3) and relational satisfaction (H4). Thus, the competing structural model (Figure 4.6) was estimated using Maximum Likelihood Estimation and the path coefficients, standardized beta values, t-values and levels of significance for each causal path examined.

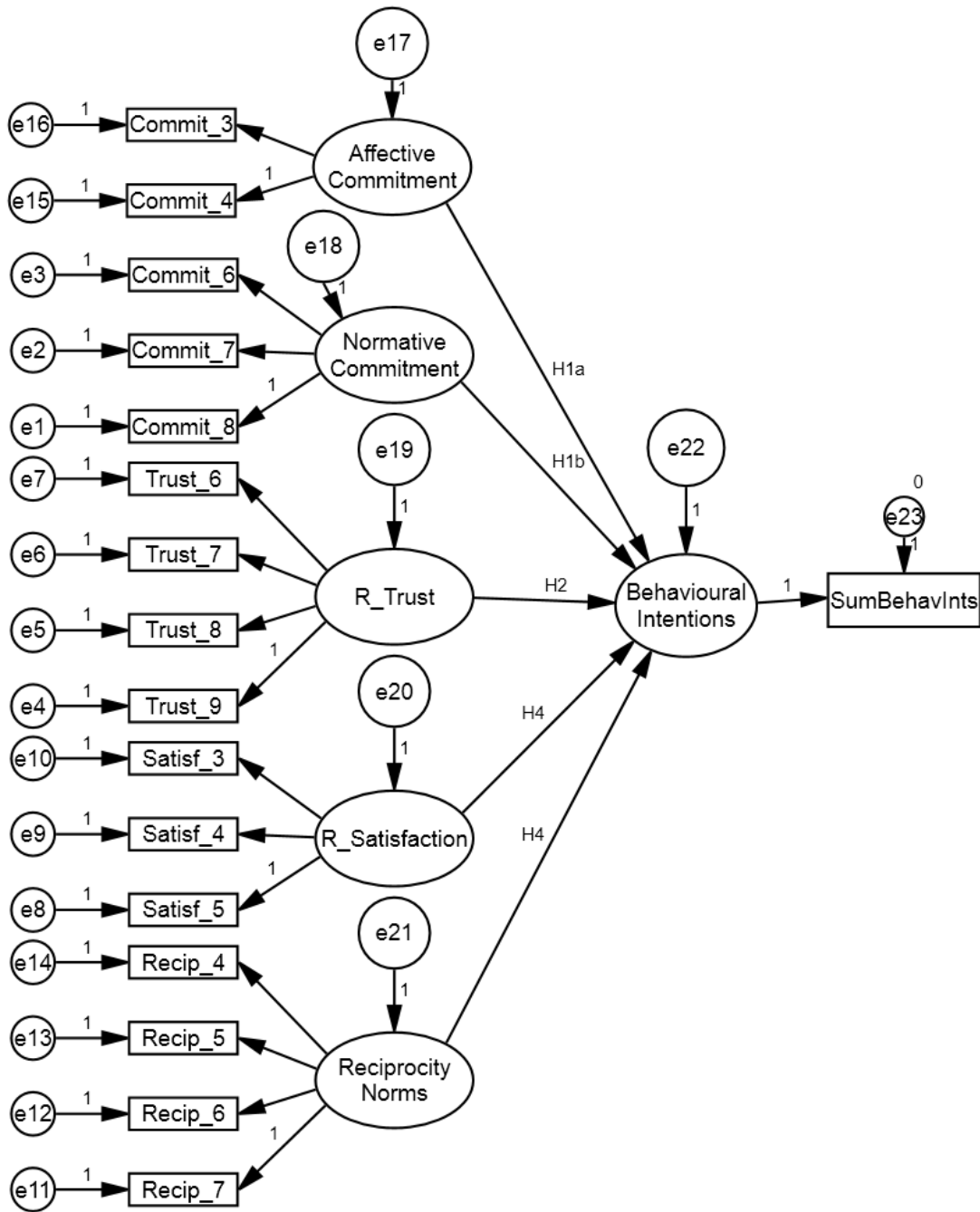


Figure 4.6: Competing Structural Model

The model's goodness-of-fit statistics are reported in Table 4.30. The hypothesised path results are reported in Table 4.31 to test the stated hypotheses.

Table 4.30: Fit Indicators for the Relationship Marketing Quality and Customer Behavioural Intentions - The Competing Structural Model

χ^2	DF	CMIN/DF	GFI	IFI	TLI	CFI	RMSEA
499.28	115	4.341	0.911	0.923	0.920	0.923	0.071

The fit indices in the table show marginal degradation of fit from the full structural model presented earlier. Regardless of the marginal degradation, the fit indices for the competing structural model were perfectly within acceptable levels. Consequently, the path coefficients and their levels of significance and t-values were reviewed in an effort to determine the direct effects of individual relationship marketing constructs on customer behavioural intentions. The results are presented in Table 4.32.

The SEM findings were evaluated on the basis of estimated path coefficient (standardized β) value, the associated *t*-value or critical ratio (C.R) and the level of significance (p-value). Following the recommendations of Bryne (2001), the significance of the relationships between relationship marketing quality constructs and customer behavioural intentions was based on *t*-value greater than or equal to 1.96 and p-value $\leq .05$. Nevertheless, the SEM findings were corroborated with converging evidence from inferential analysis of the relationships via correlation, regression and analysis of variance. These findings are discussed in the sub sections that follow after Table 4.32.

Table 4.32: SEM Output for Hypothesized Path Relationships in the Competing Structural Model

Hypotheses	Paths	Std (β)	Std Error	t- value	p- value	Results*
H0₁: Relational commitment has no statistically significant effect on customer behavioural intentions	Behavioural Intentions <---	0.246	.040	4.476	.000	HA ₁ Supported, H0 ₁ Rejected
HA₁: Relational commitment has a statistically significant effect on customer behavioural intentions	Normative Commitment					
	Behavioural Intentions	0.120	.054	2.114	.035	
	Affective Commitment					
H0₂: Relational trust has no statistically significant effect on customer behavioural intentions	Behavioural Intentions <---	0.163	.041	3.052	.002	HA ₂ Supported H0 ₂ Rejected
HA₂: Relational trust has a statistically significant effect on customer behavioural intentions	R_Trust					
H0₃: Relational reciprocity norms have no statistically significant effect on customer behavioural intentions	Behavioural Intentions <---	0.140	.043	2.595	.009	HA ₃ Supported H0 ₃ Rejected
HA₃: Relational reciprocity norms have a statistically significant effect on customer behavioural intentions	Reciprocity Norms					
H0₄: Relational satisfaction has no statistically significant effect on customer behavioural intentions	Behavioural Intentions <---	0.016	.047	2.292	.007	HA ₄ Supported H0 ₄ Rejected
HA₄: Relational satisfaction has a statistically significant effect on customer behavioural intentions	R_Satisfaction					

***Results Supported at Significance Level: $p \leq .001$ and $p \leq .05$**

4.6.1 Relational Commitment and Customer Behavioural Intentions

The first set of hypotheses examined the relationship between relational commitment and customer behavioural intentions. Thus, the null and alternative hypotheses were stated as:

H0₁: Relational commitment has no statistically significant effect on customer behavioural intentions in Kenya

HA₁: Relational commitment has a statistically significant effect on customer behavioural intentions in Kenya

As the SEM results in Table 4.32 indicate, the direct path coefficient between normative commitment and customer behavioural intentions was significant with estimated β value = 0.246, t -value = 4.476 and $p = 0.000$. In addition, the path coefficient between affective commitment and customer behavioural intentions was also significant ($\beta = 0.120$; t -value = 2.114; $p = 0.035$). Overall, these results provided support for HA₁, that relational commitment has a statistically significant effect on customer behavioural intentions. To validate these results, the correlations between these two dimensions of relational commitment and customer behavioural intentions were examined by conducting the Pearson's Product Moment Correlation analysis. The results were as presented in Table 4.33.

Table 4.33: Correlation between Relational Commitment and Customer Behavioural Intentions

		Relational Normative Commitment	Relational Affective Commitment	Customer Behavioural Intentions
Relational Normative Commitment	Pearson Correlation	1	.491**	.403**
	Sig. (2-tailed)		.000	.000
	N		334	334
Relational Affective Commitment	Pearson Correlation		1	.272**
	Sig. (2-tailed)			.000
	N			334

** . Correlation is significant at the 0.01 level (2-tailed).

The correlations coefficients indicated that customer behavioural intentions are significantly correlated with both dimensions of relational commitment: Affective relational commitment ($r=0.272$; $p=0.000$; $n=334$) and Normative relational commitment ($r=0.403$; $p=0.000$; $n=334$). A multivariate linear regression analysis was carried out with customer behavioural intentions as the dependent variable and affective relational commitment and normative relational commitment as the independent variables. The model summary is presented in Table 4.34.

Table 4.34: Regression Model Summary - Relational Commitment and Customer Behavioural Intentions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.412 ^a	.169	.164	.74007	1.535

a. Predictors: (Constant), Relational Affective Commitment, Relational Normative Commitment

b. Dependent Variable: Behavioural Intentions

The model summary presented in Table 4.34 indicates an adjusted R Square value of 0.164. This indicates that 16.4 % of the variance in customer behavioural intentions is explained by both relational normative and affective commitment. ANOVA statistics for the regression model were as presented in Table 4.35.

Table 4.35: ANOVA Results for Regression Model for Relational Commitment and Customer Behavioural Intentions

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.975	2	18.487	33.755	.000 ^b
	Residual	181.289	331	.548		
	Total	218.264	333			

a. Dependent Variable: Behavioural Intentions

b. Predictors: (Constant), Relational Affective Commitment, Relational Normative Commitment

The ANOVA results indicated that the regression model was significant ($p < 0.001$) with an associated F-statistic of 33.755 (df = 333). The regression model coefficient results for the independent variables (relational normative commitment and relational affective commitment) were as shown in Table 4.36.

The standardized beta values corresponding to relational normative commitment was 0.355 (t=6.172) while that of affective relational commitment was 0.098 (t=1.698). The beta values were significant at the 0.000 level of significance, indicating that both dimensions of relational commitment have significant positive impacts on customer behavioural intentions.

Table 4.36: Regression Model Coefficients of Relational Commitment against Customer Behavioural Intentions

Coefficients ^a							
Model	Unstandardized		Standardized	T	Sig.	Collinearity	
	Coefficients		Coefficients			Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.310	.166		13.937	.000		
Relational Normative Commitment	.092	.015	.355	6.172	.000	.759	1.317
Relational Affective Commitment	.041	.024	.098	1.698	.000	.759	1.317

a. Dependent Variable: Behavioural Intentions

Overall, the R^2 value obtained for the regression model (16.4%) is acceptable for the sample size of 334 and 5% level of significance according to the guidelines provided by Hair *et al.* (2006). The converging results of SEM, PPMC and regression analysis provide converging and confirmatory evidence for hypothesis HA₁, that relational commitment has a statistically significant effect on customer behavioural intentions. Consequently, H0₁ (relational commitment has no statistically significant effect on customer behavioural intentions) was not supported, thus rejected.

The positive composite predictive relationship between relational commitment and customer behavioural intentions is in agreement with other prior studies including Ling and Wang's (2005) research in the financial services industry in Taiwan that reported that relationship commitment as a measure of relationship quality leads to greater behavioural and attitudinal loyalty to the banks; Palmatier *et al.* (2006) who found a significant relationship between relationship commitment and customer loyalty and; De Wulf *et al.* (2001) who equally found a significant relationship between relationship commitment and behavioural loyalty.

4.6.2 Relational Trust and Customer Behavioural Intentions

In this study, relational trust was measured as the consumers' confidence in the service provider's reliability and integrity based on De Wulf *et al.* (2001) definition of relationship trust. Based on extant literature on the nexus between relational trust and behavioural intentions, the second set of hypotheses predicted the relationship between relational trust and customer behavioural intentions within the study's context. Thus, second set of the null and alternative hypotheses were stated as:

H₀₂: Relational trust has no statistically significant effect on customer behavioural intentions in Kenya

H_A₂: Relational trust has a statistically significant effect on customer behavioural intentions in Kenya

Based on the SEM results presented in Table 4.32, the direct path between relational trust and customer behavioural intentions was significant (standardized β value = 0.163; t -value = 3.052; p = .002), thus providing support for H_A₂. Further inferential analysis was conducted by running the Pearson's Product Moment Correlation analysis in SPSS to determine the magnitude and direction of the correlation between the relational trust and customer behavioural intentions. The correlation matrix shown in Table 4.37 indicates that customer behavioural intentions are significantly correlated with relational trust (r = 0.252; p = 0.000; n = 334).

Table 4.37: Correlation between Relational Trust and Customer Behavioural Intentions

		Relational Trust	Behavioural Intentions
	Pearson Correlation	1	.352**
Relational Trust	Sig. (2-tailed)		.000
	N	334	334

** . Correlation is significant at the 0.01 level (2-tailed).

The positive correlation implies that customers who perceived the service provider to be trustworthy, were concerned with customers' welfare and responded to their problems with understanding while considering the effect of their actions on the customers exhibited favourable behavioural intentions towards the service provider.

A bivariate linear regression analysis was carried out with customer behavioural intentions as the dependent variable and relational trust as the independent variable. The model summary is presented in Table 4.38.

Table 4.38: Regression Model Summary - Relational Trust and Customer Behavioural Intentions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.352 ^a	.124	.121	.75899	1.757

a. Predictors: (Constant), Relational Trust

b. Dependent Variable: Behavioural Intentions

The model summary for regressing customer behavioural intentions against relational trust indicates that the adjusted R^2 value was 0.121, implying that approximately 12% of the variance in customer behavioural intentions is explained by relational trust. ANOVA results for the regression model were as presented in Table 4.39.

Table 4.39: ANOVA Results for Regression Model for Relational Trust and Customer Behavioural Intentions

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.008	1	27.008	46.883	.000 ^b
	Residual	191.256	332	.576		
	Total	218.264	333			

a. Dependent Variable: Behavioural Intentions

b. Predictors: (Constant), Relational Trust

The ANOVA results indicated that the regression model was significant ($p < 0.001$) with an associated F-statistic of 46.883 ($df = 333$). The regression model coefficient results for the independent variables (relational normative commitment and relational affective commitment) were as shown in Table 4.40.

Table 4.40: Regression Model Coefficients of Relational Trust against Customer Behavioural Intentions

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.582	.143		18.105	.000		
	Relational Trust	.068	.010	.352	6.847	.000	1.000	1.000

a. Dependent Variable: Behavioural Intentions

The standardized beta value for relational trust was 0.352 ($t=6.847$), which was significant at the 0.000 level of significance. This indicated that relational trust has a significant positive impact on customer behavioural intentions. Again, the 12% R^2 value for the regression model is acceptable following the guidelines provided by Hair *et al.* (2006). A consolidation and comparison of the SEM, PPMC and regression results largely provided confirmatory evidence for the existence of a statistically significant relationship between relational trust and customer behavioural intentions. Following such evidence, the null hypothesis (H_{02} - relational trust has no statistically significant effect on customer behavioural intentions) was proved to have not been empirically supported by this study, thus rejected at this point.

These results validated prior empirical findings by Shamdasani and Balakrishnan (2000), Kim *et al.* (2001), Ling and Wang's (2005) and Lin and Ding (2005) all of which reported relational trust as a correlate of positive customer behavioural intentions.

4.6.3 Relational Reciprocity Norms and Customer Behavioural Intentions

Relational reciprocity norms in this study focused on returning customers perceptions of reciprocal benefits between themselves and their service provider. The hypothesized relationship between relational reciprocity norms and customer behavioural intentions

based on reviewed theoretical and empirical literatures was captured in the following set of hypotheses.

H0₃: Relational reciprocity norms have no statistically significant effects on customer behavioural intentions in Kenya

HA₃: Relational reciprocity norms have statistically significant effects on customer behavioural intentions in Kenya

The SEM results showed that the direct path between relational reciprocity norms and customer behavioural intentions was significant with estimated standardized β coefficient value of 0.140 (t -value = 2.595; p -value = 0.009).

The validated relational reciprocity measurement subscale of had four items whose summated score was used in the analysis at this stage. As a matter of procedure, the first step involved conducting correlation analysis between relational reciprocity norms and customer behavioural intentions using the Pearson's Product Moment Correlation analysis. The correlation analysis results were as presented in Table 4.41.

Table 4.41: Correlation between Relational Reciprocity Norms and Customer Behavioural Intentions

		Relational Reciprocity Norms	Behavioural Intentions
Relational Reciprocity Norms	Pearson Correlation	1	.345**
	Sig. (2-tailed)		.000
	N	334	334

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients in Table 4.38 indicate that customer behavioural intentions are significantly correlated with relational reciprocity norms ($r=0.345$; $p=0.000$; $n=334$). This indicates that customer perceptions of stronger reciprocity norms with a marketing

relationship with the service leads to favourable behavioural intentions towards the service provider on the part of the customer.

A bivariate linear regression was conducted, where customer behavioural intentions (dependent variable) was regressed against relational reciprocity norms as the independent variable. The model summary is presented in Table 4.42.

Table 4.42: Regression Model Summary - Relational Reciprocity Norms and Customer Behavioural Intentions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.345 ^a	.119	.116	.76112	1.641

a. Predictors: (Constant), Relational Reciprocity Norms

b. Dependent Variable: Behavioural Intentions

The adjusted R^2 for the model was 0.116, indicating that 11.6% of the variance in customer behavioural intentions is explained by relational reciprocity norms. ANOVA results for the regression model were as presented in Table 4.43.

Table 4.43: ANOVA Results for Regression Model for Relational Reciprocity Norms and Customer Behavioural Intentions

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	25.933	1	25.933	44.766	.000 ^b
1	Residual	192.331	332	.579		
	Total	218.264	333			

a. Dependent Variable: Behavioural Intentions

b. Predictors: (Constant), Relational Reciprocity Norms

As the ANOVA results in Table 4.40 indicate, the regression model was significant ($p < 0.001$) with an associated F-statistic of 44.766 ($df = 333$). The regression model coefficient results for relational reciprocity norms were as shown in Table 4.44.

Table 4.44: Regression Model Coefficients of Relational Reciprocity Norms against Customer Behavioural Intentions

Model	Coefficients ^a						
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.545	.151		16.846	.000		
Relational Reciprocity Norms	.070	.011	.345	6.691	.000	1.000	1.000

a. Dependent Variable: Behavioural Intentions

The standardized beta value for relational reciprocity norms in the regression model was 0.345 ($t=6.691$). The beta value was significant at the 0.000 level, indicating that relational reciprocity norms have significant positive effect on customer behavioural intentions. As was the case with earlier regression models, the R^2 value obtained for this regression model (11.6%) is acceptable for the sample size of 334 and 5% level of significance as highlighted by Hair *et al.* (2006).

Based on the convergence of the results from SEM, PPMC and regression analysis, there was confirmatory evidence to support hypothesis HA₃, that relational reciprocity norms have a statistically significant effect on customer behavioural intentions. The null hypothesis H0₃ (relational reciprocity norms have no statistically significant effect on customer behavioural intentions) was not therefore empirically supported by the results of this study, thus rejected.

4.6.4 Relational Satisfaction and Customer Behavioural Intentions

Based on the definitions of several authors (Hsieh & Hiang, 2004; Leverin & Liljander, 2006; Parsons, 2002; Payne & Holt, 2001; Verhoef *et al.*, 2002), relational satisfaction was measured by incorporating items that measured the participants' positive affective appraisal and judgment of the service providers' performance compared to the customers' expectations as well as service experience. Theoretical and empirical literature reviews led to the hypothetical propositions below:

H0₄: Relational satisfaction has no statistically significant effect on customer behavioural intentions in Kenya

HA₄: Relational satisfaction has a statistically significant effect on customer behavioural intentions in Kenya

The path coefficient between relational satisfaction customer behavioural intentions from the SEM results (Table 4.32) was significant (estimated $\beta = 0.016$; t -value = 2.292; p -value = .007). These results were further validated through correlation and regression analysis. The summated scale for relational satisfaction was subsequently used at this stage of data analysis. The correlation between relational satisfaction and customer behavioural intentions was examined using the Pearson's Product Moment Correlation to determine whether the two variables were significantly related to each other or not.

The correlation analysis results in Table 4.45 indicate that customer behavioural intentions are significantly correlated with relational satisfaction ($r = 0.314$; $p = 0.000$; $n = 334$). The positive correlation indicates that customers who expressed satisfaction with the kind of relationship they had with their service providers harbored favourable behavioural intentions towards the service provider.

Table 4.45: Correlation between Relational Satisfaction and Customer Behavioural Intentions

		Relational Satisfaction	Behavioural Intentions
Relational Satisfaction	Pearson Correlation	1	.314**
	Sig. (2-tailed)		.000
	N	334	334

** . Correlation is significant at the 0.01 level (2-tailed).

A bivariate linear regression analysis was carried out with customer behavioural intentions as the dependent variable and relational satisfaction as the independent variable. The model summary is presented in Table 4.46.

Table 4.46: Regression Model Summary - Relational Satisfaction and Customer Behavioural Intentions

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.314 ^a	.098	.096	.76994	1.683

a. Predictors: (Constant), Relational Satisfaction

b. Dependent Variable: Behavioural Intentions

When behavioural intentions was regressed against relational satisfaction, the model summary for indicated that the adjusted R^2 value was 0.096. This indicated that 9.6% of the variance in customer behavioural intentions is explained by relational satisfaction. ANOVA results for the regression model were as presented in Table 4.47.

Table 4.47: ANOVA Results for Regression Model for Relational Satisfaction and Customer Behavioural Intentions

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.454	1	21.454	36.191	.000 ^b
	Residual	196.810	332	.593		
	Total	218.264	333			

a. Dependent Variable: Behavioural Intentions

b. Predictors: (Constant), Relational Satisfaction

ANOVA results presented in Table 4.47 indicated that the regression model was significant ($p < 0.001$) with an associated F-statistic of 36.191 (df = 333). The regression model coefficient results for relational satisfaction were as shown in Table 4.48.

Table 4.48: Regression Model Coefficients of Relational Satisfaction against Customer Behavioural Intentions

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
	(Constant)	2.556	.165				15.476
Relational Satisfaction	.090	.015	.314	6.016	.000	1.000	1.000

a. Dependent Variable: Behavioural Intentions

The standardized beta coefficient for relational satisfaction was 0.314 ($t=6.016$), which was significant at the 0.000 level. The implication of this result is that relational satisfaction has a significant positive effect on customer behavioural intentions. The

9.6% value for R^2 for the regression model is acceptable following the guidelines provided by Hair *et al.* (2006). Furthermore, the results provided support for the existence of a statistically significant relationship between relational satisfaction and customer behavioural intentions and consequently supported alternative hypothesis HA₄ - relational satisfaction has a statistically significant effect on customer behavioural intentions. Thus, based on the congruence of the results from SEM, PPMC and regression analysis, the null hypothesis H0₄ (relational satisfaction has no statistically significant effect on customer behavioural intentions) was not empirically supported by this study and therefore rejected.

Table 4.49: Regression Model

Model	Coefficients ^a						Collinearity Statistics	
	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Tolerance	VIF	
	B	Std. Error	Beta					
(Constant)	2.489	.166		13.97	.000			
	.092	.015	.355	6.172	.000	.759	1.317	
	.041	.024	.098	1.698	.000	.759	1.317	
Relational Commitment	.068	0.01	.352	6.68	.000	1.000	1.000	
Relational Trust	.070	.011	.345	6.691	.000	1.000	1.000	
Relational Reciprocity	.090	.015	.314	6.016	.000	1.000	1.000	
Relational Satisfaction								

Final Regression model:

$$BI = 2.489 + 0.041 RCmt + 0.068 RTr + 0.070 RRec + 0.090 RSat$$

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The previous chapter presented the findings of data analysis, discussed data analyses in the context of the literature and was guided by the four research objectives questions presented in the introductory chapter. Consequently, the discussion was concerned with the role of relationship marketing quality on customer behavioural intentions. The objective of this chapter is to provide a summary of the key findings of the study, draw conclusions and practical recommendations based on the study findings from this research.

5.2 Summary of Key Findings

The general objective of this study was to examine the role of relationship marketing quality on customer behavioural intentions in the banking sector of Kenya. Specifically, the study was designed in an empirical setting to investigate the effects of relational commitment, trust, reciprocity norms and satisfaction on customer behavioural intentions. From the results presented in chapter four, it should be noted that the study reached a total sample of 334 against the original 384 customers of commercial banks in Mombasa County of Kenya, which represented a response rate of 87%.

The sample was predominantly of Kenya nationality (91%) with only 9% being non-Kenyans. More than half (59%) of the participants male while 41% were female. In terms of age, 32.6% were 35-44 of age bracket, 29% were aged between 25 and 34 years, 17.7% fell in the age category 45-54 years, 15.6% were aged up to 25 years while 5.1% were aged 55 years and above. The sample reported higher levels of education with 31.1% being bachelor's degree holders, 24.6% college diploma graduates, 16.2% secondary education finalists, 12.6% had master's degrees while 6.9% had PhD degrees.

A paltry 8.7% had attained primary level education (KCPE). Approximately 43% of the respondents operated current accounts compared to 39% who operated savings accounts and 13% who operated current accounts. Another 5% indicated that they operated "other" unspecified account types. The modal period for which the participants had operated their respective accounts was 1-5 years as reported by 42%.

In analyzing the data related to the variables investigated in this thesis, a multitude of statistical techniques that included descriptive analysis, exploratory and confirmatory factor analysis correlation and regression analysis were adopted at different stages of the analysis based on the objective of each stage of the data analysis process. The intention of the comprehensive analysis procedures was to develop a valid relationship marketing quality measurement scale that was then used to examine the effect of relationship marketing quality dimensions of behavioural intentions of customers. Generally, the results of the study reported in this thesis indicated that the data support provided support for the hypothesised relationships between relationship marketing quality constructs and customer behavioural intentions in commercial banks in Kenya. The specific results as per the objectives of the study are discussed next.

5.2.1 Relational Commitment and Customer Behavioural Intentions

The first objective of this study was to determine the role of relational commitment on customer behavioural intentions. Subsequent to this, it was hypothesised that relational commitment would have a significant and positive impact on customer behavioural intentions. Relational commitment was operationalized in line with De Wulf *et al.* (2001) conceptualization as the consumer's enduring desire to continue a relationship with a service provider because of a liking or positive attitude, accompanied by the consumer's willingness to make efforts at maintaining the relationship. This construct was initially measured using 8 questionnaire Likert-scale items. However, through exploratory factor analysis, two dimensions of relational commitment emerged, affective and normative commitment both having 4 items.

Confirmatory factor analysis utilizing structural equation modeling confirmed 2 scale items on the affective commitment measurement scale and 3 scale items for normative commitment. Affective commitment was manifested in the customer's expression of care for their relationships with the bank a desire to put ensure maximum effort to maintain the relationship. On the other hand normative commitment was manifested as continued relationship due to strong emotional attachment to the bank augmented by favourable associations and a genuine enjoyment of the relationship. In terms of reliability, the affective commitment measurement scale had a composite reliability of 0.96 while normative commitment had 0.98.

Results of the structural model to test the research hypotheses established that the direct path coefficient between normative commitment and customer behavioural intentions was significant ($\beta = 0.246$, t -value = 4.476 and $p = 0.000$) and also the path coefficient between affective commitment and customer behavioural intentions ($\beta = 0.120$; t -value = 2.114; $p = 0.035$). These results were supported by the PPMC analysis results that indicated that customer behavioural intentions are significantly correlated with both affective commitment ($r=0.272$; $p=0.000$; $n=334$) and normative commitment ($r=0.403$; $p=0.000$; $n=334$). Further, linear regression results with the two dimensions of relational commitment as predictors and customer behavioural intentions as the response variable indicated that the regression model was significant ($p < 0.001$) with an associated F -statistic of 33.755 ($df = 333$). Normative commitment had $\beta = 0.355$ ($t=6.172$) affective relational commitment had $\beta=0.098$ ($t=1.698$) which were all significant at the $p = 0.000$. Based on this evidence, the null hypothesis H_{01} (relational commitment has no statistically significant effect on customer behavioural intentions) was not supported, thus rejected in favour of the alternative hypothesis H_{A1} .

5.2.2 Relational Trust and Customer Behavioural Intentions

The second objective of the study was to establish the effect of relational trust on customer behavioural intentions. Relational trust conceptualized as the consumers' confidence in the service provider's reliability and integrity and measured using 9 scale

items in the original measurement scale. Exploratory factor analysis discarded one item and retained 8 items, but only 4 items were confirmed in CFA through SEM. The retained items expressed the customers' confidence that their respective banks were trustworthy, concerned about my welfare which can be exhibited in the banks' response to the customers' problems whenever they confide in the banks' staff, and integrity in terms of considering how their actions affect the customer. The 4-item relational trust measurement scale had strong psychometric properties as evidenced by a composite reliability of 0.99 and convergent validity (AVE) of 0.96.

Results of the competing structural model after SEM estimation using maximum likelihood estimation showed that the direct path between relational trust and customer behavioural intentions was significant (standardized β value = 0.163; t -value = 3.052; p = .002). Further inferential analysis through PPMC analysis in SPSS corroborated the relationship, indicating that customer behavioural intentions are significantly correlated with relational trust ($r = 0.252$; $p = 0.000$; $n = 334$). To augment these, a multivariate regression model with relational trust as predictor and customer behavioural intentions as response variables was significant ($p < 0.001$) with an associated F -statistic of 46.883 ($df = 333$), and the standardized beta value for relational trust was 0.352 ($t=6.847$), which was significant at the 0.000 level of significance. Based on this convergence in the results, there was confirmatory evidence that relational trust positively affects customer behavioural intentions. Thus, the null hypothesis (H_{02} - relational trust has no statistically significant effect on customer behavioural intentions) was proved to have not been empirically supported by this study, thus rejected in favour of the alternative hypothesis HA_2 .

5.2.3 Relational Reciprocity Norms and Customer Behavioural Intentions

The third objective of the study was to examine the effect of relational reciprocity norms on customer behavioural intentions. Reciprocity norms were operationalized as a set of socially accepted rules in the exchange relationship between the bank and its customers, in which a party extending a resource to the other party obligates the latter to return the

favour. The construct was measured using on an 8- item measurement scale from the generalized and balanced reciprocity scales by Wu *et al.* (2006). While EFA retained the 8-item single factor structure of reciprocity norms measurement scale, only four items were confirmed in the final measurement scale through SEM in CFA. The scale had very strong psychometric properties with a composite reliability of 0.99 and convergent validity (AVE) of 0.95. The most critical elements of reciprocity norms were reflected in the banks' employees taking care of the customer beyond the customers' contribution to the bank, perception of mutual benefits between the customer and the bank which is also captured in common pursue for each partner's well-being.

Hypothesis testing results via SEM showed that the direct path between relational reciprocity norms and customer behavioural intentions was significant ($\beta = 0.140$; t -value = 2.595; p -value = 0.009). PPMC results revealed that customer behavioural intentions are significantly correlated with relational reciprocity norms ($r=0.345$; $p=0.000$; $n=334$). The regression results after regressing customer behavioural intentions against relational reciprocity norms showed that the regression model was significant ($p < 0.001$) with an associated F-statistic of 44.766 ($df = 333$). The standardized beta value for relational reciprocity norms in the regression model was 0.345 ($t=6.691$). The beta value was significant at the 0.000 level, confirming that relational reciprocity norms have significant positive effect on customer behavioural intentions. Consequently, based on the convergence of the results from SEM, PPMC and regression analysis, there was confirmatory evidence to support hypothesis HA₃, that relational reciprocity norms have a statistically significant effect on customer behavioural intentions. The null hypothesis H0₃ was rejected.

5.2.4 Relational Satisfaction and Customer Behavioural Intentions

The fourth and final objective of the study was to determine the effect of relational satisfaction on customer behavioural intentions in Kenya's banking sector. Relational satisfaction was operationalized as consumers' overall affect-based evaluation of the relationship with the commercial bank and measured on a 7-item measurement scale.

The EFA retained the 7-item single factor relational satisfaction measurement scale but only 3 factors were confirmed during CFA. The final 3-item relational satisfaction measurement scale had a composite reliability of 0.98 and convergent validity (AVE) of 0.95. Relational satisfaction is manifested when a customer feels that they made the right decision to use the services of a given bank due to the quality of the relationships they cultivate with the bank, which makes the customer happy especially when the customer feels that the bank makes efforts to ensure long term relationships with regular customers.

On the effect of relational satisfaction on customer behavioural intentions, path coefficient between relational satisfaction and customer behavioural intentions based on SEM results was significant ($\beta = 0.016$; t -value = 2.292; p -value = .007). PPMC results also showed that customer behavioural intentions are significantly correlated with relational satisfaction ($r = 0.314$; $p = 0.000$; $n = 334$). When behavioural intentions was regressed against relational satisfaction, the regression model was significant ($p < 0.001$) with an associated F -statistic of 36.191 ($df = 333$), while the standardized beta coefficient for relational satisfaction was 0.314 ($t=6.016$; $p = 0.000$). Thus, based on the congruence of the results from SEM, PPMC and regression analysis, the null hypothesis $H0_4$ (relational satisfaction has no statistically significant effect on customer behavioural intentions) was not rejected.

5.3 Conclusions

Through an elaborate research execution strategy, this study successfully investigated the role of relationship marketing quality on the behavioural intentions of customers in commercial banks in Kenya. As conceptualized in the study's conceptual framework that was informed by relationship marketing quality theories, the study confirms that relationship marketing quality is a multi-dimensional construct that has, as its core components, commitment, trust, satisfaction and reciprocity norms. In addition, the study empirically confirms that as was expected, relationship marketing quality is an important driver of customer behavioural intentions in the banking services sector in

Kenya. Specifically, the study draws the following conclusions based on the findings herein

The results of the study confirm that relational commitment is a multi-dimensional construct with affective and normative dimensions as its antecedents, and that the two dimensions reinforce each other through dyadic, positive interrelationships. Further, the study establishes that these two dimensions of relational commitment are significant and positive predictors of favourable customer behavioural intentions and that generally, relational commitment has a direct predictive impact on favourable customer behavioural intentions in the financial sector. Looked at as a whole, the findings of this study confirm some basic views in the area of relationship marketing that, consistent with both theory (Morgan & Hunt, 1994) and many other studies, relational commitment supports the development of long-term marketing relationships that have potential to reinforce favourable behavioural intentions.

The study shows that trust is built in exchange relationships when customers have confidence the service provider is trustworthy, concerned about their welfare which can be exhibited in the service provider's response to customers' problems whenever they confide in the staff of the service provider and show of integrity on the part of the service provider in terms of considering how their actions affect the customer. Consequently, the study confirms and concludes that relational trust has a significant, positive effect on customers' behavioural intentions. The incremental variance in the overall behavioural intentions towards the service provider can be explained by the customer's cumulative belief that the bank is trustworthy, concerned about his/her welfare, the bank's staffs' ability to respond to the customers' confided problems with understanding and that the service provider would consider how their actions affect the customer. Therefore, customers' trust in an exchange relationship is a critical element that defines relationship quality.

Reciprocity norms have been proved to be strong in relationships that are punctuated by mutual reciprocation of benefits in an exchange relationship. The findings of the current study have confirmed that partners in an exchange relationship must be seen to be concerned about the welfare of the other partner and go an extra mile to be seen as taking care of the other partner beyond the partner's contribution to the relationship. When the norms of reciprocity are strengthened, there is a very high likelihood that they will cultivate positive behavioural intentions as established in the current study. Thus, it is worthwhile to conclude that relational reciprocity norms positively affect customer behavioural intentions.

Finally, the study concludes that relational satisfaction is a significant predictor of customer behavioural intentions, positively affecting customers' behavioural intentions in relation to the service provider. Customers' satisfaction with an exchange relationship is defined by enhanced when the customer feels that they their decisions to engage in an exchange relationship was well informed arising from positive evaluations of relationship quality. The perceived quality of the relationship is enhanced when the customer feels that efforts are made by the service provide to ensure long term relationships with regular customers, which is a reflection the value attached to the exchange relationship. These makes the customer happier and satisfied with the relationship, which drives customer loyalty to the service provider, re-purchase intention, willingness to pay premium for the services over others and a tendency to recommend the service provider to other people around the customer such as close friends and relatives

5.4 Recommendations

This study makes significant contribution to both the practice of marketing and marketing literature, having empirically brought to the fore the relationships between relationship marketing quality dimensions and customer behavioural intentions, which are the determinants of ultimate customer behaviour. Thus, based on the findings of the study and the attendant conclusions, the following recommendations are made.

Marketing relationship practitioners and marketing scholars alike are advised to focus their attention on enhancing aspects of relational commitment as identified in this study, that drive crucial customer behaviours. Marketing managers and relationship managers must look for ways to build identification and commitment in their marketing efforts. Whilst it must be noted by marketers that such conditions take time to be developed, it should be appreciated that the conditions can only be developed if the organization seeks to deliver value to its customers through its relationship management efforts hence emphasis should be put on investing in marketing relationships. At the same time, marketers must recognize that their relationship management efforts could build both affective and normative commitment. Affective commitment is the foundation on which relationships are built.

Having established that relational trust is hinged on the basic foundation of trustworthiness and benevolence, service managers should begin to focus on these dimensions of customer trust in marketing relationships. Strategies for building trustworthiness, supported by customer loyalty as a desirable outcome, can be seen as a method for creating a competitive advantage for service organisations. Such competitive strategies could be implemented based on the service provider's resources and overall business objectives. Organisations could either apply some of the antecedents or all of them; for example, they could schedule regular staff training on the specific factors that were thought to be important by their customers.

Generalized and balanced norms of reciprocity have been shown to enhance positive behavioural intentions among customers. These yield practical implications for relationship marketing managers on how they can enhance exchange relationships to enable their organizations leverage on positive behavioural intentions that are as a result of strong norms of reciprocity. Thus, relationship marketing managers must base their relational exchanges with customers on the aspects of generalized and balanced reciprocity if they hope to enhance customers' positive behavioural intentions and

contribute to organizational performance, which is hinged on positive behavioural intentions among customers.

Relationship marketing managers must invest in activities with the exchange relationships, that enhance customers' feeling of satisfaction. This can be achieved by showing interest in what the customer value most in an exchange relationship so that aspects of quality of service can be positively evaluated by the customer. When this is done meticulously, it has potential reinforce the customer's choice and pride in their choice of the service provider, which becomes an asset in so far as positive customer behavioural intentions are concerned. As such, enhanced organizational performance becomes inevitable.

5.5 Areas for Further Research

This thesis has developed a model that provides an effective relationship marketing quality measurement that future researchers could benefit from. As a starting point, given that the results of this study can only be generalized to the banking sector and in B2C markets, future research could apply the relationship marketing quality measurement scale to other service sectors and also to B2B markets. This suggests a need for more cross-functional research to identify whether similar scenarios would obtain. Future researchers are encouraged to explore whether the proposed model of this thesis holds in business-to-business contexts.

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APPENDICES

Appendix I: Letter of Introduction

Benedict Mutuku

P.O Box,

Mombasa.

Dear Respondent,

Re: Relationship Marketing Quality and Behavioural Intentions

This questionnaire seeks to collect data that will be used to analyze the **role of relationship marketing quality on customer behavioural intentions in Kenya**. You have been selected by chance from among the customers of this bank to assist in providing the required information, since your views are considered important to this study.

I therefore kindly request you to answer the questions in the attached questionnaire as honestly as possible as per the guidelines indicated. Note that your answers to this questionnaire will be used for purposes of research only.

Thank you.

Yours faithfully,

Benedict Mutuku

Appendix II: Research Questionnaire

Introduction and Consent

The purpose of this questionnaire is to collect data relating to the role of relationship marketing quality on customer behavioural intentions in Kenya. You are hereby requested to complete this questionnaire. Note that any information given with respect to this request shall be treated with strict confidentiality and will only be used for the purpose of this research only.

SECTION 1: BIODATA

1. You consider yourself as:

Male

Female

2. Please write the name of your **MAIN** bank

3. To which of the following age groups do you belong?

Up to 25 Years

25-34 Years

35-44 years

45-54 Years

55 and above

4. What is your nationality?

Kenyan

Non-Kenyan

5. Please indicate your highest level of education completed as at now:
- Primary level (KCPE)
 - Secondary Level (KCSE)
 - Diploma
 - Bachelor's Degree
 - Masters Degree
 - PhD
 - Other (Specify_____)
6. What type of account do you operate with your **MAIN** bank? (Tick all that apply)
- Savings
 - Current
 - Corporate
 - Other (Specify_____)
7. For how many years have you operated your account(s) above in your **MAIN** bank?
- Less than 1 year
 - 1-5 years
 - 6-10 years
 - Over 10 years
8. Now, thinking about your financial transactions in your **MAIN** bank in the **past 12 months**, on average, how many transactions do you perform in a month that involve you interacting with the employees of the bank?
- Up to 10 transactions
 - 10 - 20 transactions

€ 20 - 30 transactions

€ Over 30 transactions

9. Which of the following categories represents your average monthly income?

€ Less than Ksh. 50,000

€ Ksh. 50,000 - 100,000

€ Ksh. 100,001- 150,000

€ Ksh. 150,001 - 200,000

€ More than Ksh. 200,000

SECTION 2: RELATIONSHIP MARKETING QUALITY

2A: Commitment

The statements in the table below show what you feel about your relationship with this bank. Read the statements carefully then rate the extent to which you agree with each of the statements by circling the number in the column to the right after carefully reading the statements.

Key: Strongly disagree (1); Disagree (2); Not sure (3); Agree (4); Strongly agree (5)

<i>My relationship to this specific bank . . .</i>	Strongly disagree	←————→			Strongly agree
	1	2	3	4	5
1. The relationship I have with this bank is something that I am very committed to	1	2	3	4	5
2. The relationship I have with this bank is very important to me	1	2	3	4	5
3. The relationship I have with this bank is something I really care about	1	2	3	4	5
4. The relationship that I have with this bank deserves my maximum effort to maintain	1	2	3	4	5
5. I plan to maintain a long-term relationship with this bank	1	2	3	4	5
6. I feel emotionally attached with this bank	1	2	3	4	5
7. I continue to do business with this bank because I like being associated with them	1	2	3	4	5
8. I continue to do business with my bank because I genuinely enjoy my relationship with them	1	2	3	4	5

2B: Trust

Now these questions are about what you think about the interactions you have with your bank and its employees. Please rate how much you agree or disagree with each statement by circling one number on each line.

Key: Strongly disagree (1); Disagree (2); Not sure (3); Agree (4); Strongly agree (5)

Statement	Strongly disagree	←	→	Strongly agree
1. I know what to expect when I go into this bank	1	2	3	4 5
2. This bank's employees are very honest and truthful.	1	2	3	4 5
3. This bank's employees can be trusted completely	1	2	3	4 5
4. This bank's employees have high integrity	1	2	3	4 5
5. This bank is honest about any problems experienced	1	2	3	4 5
6. This bank is trustworthy	1	2	3	4 5
7. This bank is concerned about my welfare	1	2	3	4 5
8. When I confide my problems to staff of this bank, I know they will respond with understanding	1	2	3	4 5
9. I can count on this bank to consider how their actions affect me	1	2	3	4 5

2C: Satisfaction

In this part, these statements related to your satisfaction with the relationship you have with your bank. Please rate how much you agree or disagree with each statement by circling one number on each line.

Key: Strongly disagree (1); Disagree (2); Not sure (3); Agree (4); Strongly agree (5)

<i>My relationship to this specific bank . . .</i>	Strongly disagree	←	→	Strongly agree
1. My choice to use this bank for my financial needs was a wise one	1 5	2	3	4
2. I am always delighted with this bank's services	1 5	2	3	4
3. I think I did the right thing when I decided to use this bank	1 5	2	3	4
4. I am happy with the quality of the relationship I have with this bank	1 5	2	3	4
5. I am happy with the efforts this bank is making towards regular customers like me	1 5	2	3	4
6. I am satisfied with the relationship I have with this bank	1 5	2	3	4
7. Overall, I am satisfied at this bank	1 5	2	3	4

2D: Reciprocity Norms

In this part, these statements related to your perceptions of your bank and the interactions you have with it. Please rate how much you agree or disagree with each statement by circling one number on each line.

Key: Strongly disagree (1); Disagree (2); Not sure (3); Agree (4); Strongly agree (5)

Statement	<div style="display: flex; justify-content: space-between; align-items: center;"> Strongly disagree ← → Strongly agree </div>				
1. This bank's employees would recognize me as a customer, even if I cannot make more transactions at present	1	2	3	4	5
2. This bank seem willing to invest in my growth as a customer, even when it does not currently benefit from me.	1	2	3	4	5
3. The employees of this bank would do something for me without any strings attached.	1	2	3	4	5
4. This bank's employees take care of me in ways that exceed my contribution to the bank	1	2	3	4	5
5. I assume that over time, my bank as well as myself benefit from our relationship	1	2	3	4	5
6. I assume this bank is interested in my well-being in the same way as I am interested in its business well-being	1	2	3	4	5
7. In the long run, I assume that mutual benefits will even out in my relationship with this bank	1	2	3	4	5
8. I assume that mutual benefits are what defines my relationship with this bank	1	2	3	4	5

SECTION 3: BEHAVIOURAL INTENTIONS

The statements below relate to what you intent to do in relation to your **MAIN** bank. Read the statements carefully then rate the extent to which you agree with each of the statements by circling the number in the column to the right after carefully reading the statements.

Key: Strongly agree (1); Agree (2); Not sure (3); Disagree (4); Strongly disagree (5)

Statement	Strongly disagree	←	→	Strongly agree
1. I would always say positive things about this bank to other people.	1 5	2	3	4
2. I intend to continue banking with this bank even if other banks were to provide similar services at a lower cost	1 5	2	3	4
3. I would recommend this bank to other people	1 5	2	3	4
4. I intend to remain with this bank for as long as I need banking services	1 5	2	3	4
5. I am willing to put in extra effort to stay with this bank	1 5	2	3	4
6. As a customer of this bank, I feel that I am prepared to pay more for their high quality services	1 5	2	3	4
7. I intend to increase the number of services/products that I use in this bank	1 5	2	3	4
8. I expect my transactions in this bank will increase in future	1 5	2	3	4

Thank you for your participation in this survey

Appendix III: List of Commercial Banks in Kenya by Tier and Ownership

Tier	Local Banks	Foreign Banks	Banks with Government Participation
Three (Small)	<ol style="list-style-type: none"> 1. Abc 2. Charterhouse 3. Credit Bank 4. Dubai Bank 5. Equatorial 6. Fidelity 7. Giro 8. Guardian 9. Jamii Bora Bank 10. Middle East Bank 11. Oriental Commercial Bank 12. Paramount Universal 13. Trans-National 14. Victoria 	<ol style="list-style-type: none"> 15. First Community 16. Habib A.G Zurich 17. Habib Bank 18. Gulf Africa 19. Sidan 20. UBA 	<ol style="list-style-type: none"> 21. Consolidated Bank 22. Development Bank
Two (Medium)	<ol style="list-style-type: none"> 1. Chase Bank 2. Family Bank 3. Imperial Bank 4. I&M Bank 5. NIC 6. Prime Bank 	<ol style="list-style-type: none"> 7. Bank of Africa 8. Bank of Baroda 9. Bank of India 10. CFC Stanbic 11. Citibank N.A. 12. Diamond Trust Bank 13. Ecobank 14. Guaranty Bank 	<ol style="list-style-type: none"> 15. Housing Finance 16. National Bank
One (Large)	<ol style="list-style-type: none"> 1. Commercial Bank of Africa 2. Equity Bank 3. Cooperative Bank 	<ol style="list-style-type: none"> 1. Barclays Bank 2. Standard Chartered 	<ol style="list-style-type: none"> 3. Kenya Commercial Bank

Appendix IV: Reliability Test Results of the Pilot Study

Table 1: Relational Commitment (Cronbach's Alpha = 0.812)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The relationship I have with this bank is something that I am very committed to	24.64	26.608	.632	.774
The relationship I have with this bank is very important to me	24.36	28.238	.541	.789
The relationship I have with this bank is something I really care about	24.36	30.312	.488	.806
The relationship that I have with this bank deserves my maximum effort to maintain	24.50	32.852	.435	.845
I plan to maintain a long-term relationship with this bank	24.39	29.136	.548	.789
I feel emotionally attached with this bank	24.71	27.249	.526	.792
I continue to do business with this bank because I like being associated with them	24.29	26.804	.685	.768
I continue to do business with my bank because I genuinely enjoy my relationship with them	24.50	25.444	.810	.748

Table 2: Relational Trust (Cronbach's Alpha = 0.911)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I know what to expect when I go into this bank	28.43	35.587	.691	.901
This bank's employees are very honest and truthful.	28.64	37.942	.486	.914
This bank's employees can be trusted completely	28.79	36.767	.537	.912
This bank's employees have high integrity	28.68	33.782	.858	.889
This bank is honest about any problems experienced	28.61	36.766	.681	.902
This bank is trustworthy	28.57	35.810	.747	.898
This bank is concerned about my welfare	28.89	35.581	.653	.904
When I confide my problems to staff of this bank, I know they will respond with understanding	28.71	32.878	.803	.893
I can count on this bank to consider how their actions affect me	28.68	33.189	.807	.892

Table 3: Reciprocity Norms (Cronbach's Alpha =0.965)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
My choice to use this bank for my financial needs was a wise one	24.61	47.581	.813	.963
I am always delighted with this bank's services	24.89	45.062	.902	.958
I think I did the right thing when I decided to use this bank	24.71	45.841	.904	.958
I am happy with the quality of the relationship I have with this bank	24.79	47.286	.856	.961
I am happy with the efforts this bank is making towards regular customers like me	24.57	45.661	.903	.958
I am satisfied with the relationship I have with this bank	24.71	45.841	.840	.962
Overall, I am satisfied at this bank	24.75	46.639	.873	.960
This bank's employees would recognize me as a customer, even if I cannot make more transactions at present	24.96	45.813	.825	.963

Table 4: Satisfaction (Cronbach's Alpha = 0.882)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
This bank seem willing to invest in my growth as a customer, even when it does not currently benefit from me.	21.64	18.534	.661	.869
The employees of this bank would do something for me without any strings attached.	21.36	19.720	.613	.873
This bank's employees take care of me in ways that exceed my contribution to the bank	21.43	20.550	.602	.874
I assume that over time, my bank as well as myself benefit from our relationship	21.29	17.841	.876	.838
I assume this bank is interested in my well-being in the same way as I am interested in its business well-being	21.46	19.147	.858	.845
In the long run, I assume that mutual benefits will even out in my relationship with this bank	21.21	20.249	.595	.875
I assume that mutual benefits are what defines my relationship with this bank	21.18	21.041	.530	.882

Table 5: Behavioural Intentions (Cronbach's Alpha = 0.93)

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I would always say positive things about this bank to other people.	20.46	28.332	.915	.904
I intend to continue banking with this bank even if other banks were to provide similar services at a lower cost	20.75	33.157	.540	.941
I would recommend this bank to other people	20.54	28.628	.915	.905
I intend to remain with this bank for as long as I need banking services	20.54	30.480	.832	.914
I am willing to put in extra effort to stay with this bank	20.46	30.110	.776	.919
As a customer of this bank, I feel that I am prepared to pay more for their high quality services	20.71	32.286	.700	.926
I intend to increase the number of services/products that I use in this bank	20.75	30.713	.765	.920

Appendix V: Correlation Matrix for Variables

		Commi_1	Commi_2	Commi_3	Commi_4	Commi_5	Commi_6	Commi_7	Commi_8	Trust_1	Trust_2	Trust_3	Trust_4	Trust_5	Trust_6	Trust_7	Trust_8	Trust_9	Satisf_1	Satisf_2	Satisf_3	Satisf_4	Satisf_5	Satisf_6	Satisf_7	Recip_1	Recip_2	Recip_3	Recip_4	Recip_5	Recip_6	Recip_7	Recip_8		
Com mit_1	Pearson's r	1	.57 0**	.45 3**	.40 2**	.32 3**	.32 1**	.29 3**	.40 7**	.34 8**	.27 0**	.33 2**	.31 5**	.21 9**	.18 7**	.11 9*	.12 0*	.14 2**	.10 1	.20 4**	.24 3**	.16 0**	.18 6**	.28 8**	.26 3**	.30 1**	.22 7**	.18 4**	.19 8**	.24 5**	.23 0**	.17 9**	.19 0**		
	p-value		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.02 1	.02 8	.01 0	.06 4	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4
Com mit_2	Pearson's r	.57 0**	1	.58 6**	.48 6**	.61 0**	.43 3**	.54 8**	.53 9**	.39 4**	.33 4**	.33 0**	.37 8**	.30 4**	.29 3**	.26 2**	.28 0**	.27 5**	.18 9**	.36 8**	.37 1**	.32 2**	.38 3**	.35 6**	.32 8**	.30 5**	.29 7**	.23 1**	.23 6**	.30 3**	.35 9**	.30 1**	.28 2**		
	p-value	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 1	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4
Com mit_3	Pearson's r	.45 3**	.58 0**	1	.71 3**	.46 6**	.46 5**	.46 0**	.40 6**	.34 2**	.31 4**	.39 7**	.30 6**	.24 8**	.19 9**	.21 3**	.20 9**	.18 3**	.17 0**	.29 5**	.34 3**	.33 7**	.33 9**	.37 9**	.36 9**	.33 2**	.33 0**	.22 8**	.29 1**	.27 6**	.28 0**	.26 5**	.22 4**	.23 7**	
	p-value	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 2	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4
Com mit_4	Pearson's r	.40 2**	.48 6**	.71 3**	1	.45 2**	.35 9**	.38 8**	.35 3**	.27 6**	.20 6**	.30 3**	.20 5**	.18 6**	.17 1**	.25 5**	.16 4**	.13 9**	.11 4**	.28 8**	.28 7**	.28 4**	.30 8**	.30 3**	.23 9**	.25 1**	.14 7**	.19 5**	.22 0**	.24 6**	.25 1**	.15 9**	.14 1**		
	p-value	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 1	.00 2	.00 0	.00 3	.01 1	.03 7	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 7	.00 0	.00 0	.00 0	.00 0	.00 6	.00 6	
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4
Com mit_5	Pearson's r	.32 3**	.61 0**	.46 6**	.45 2**	1	.61 4**	.66 1**	.54 3**	.23 0**	.41 7**	.30 1**	.43 5**	.37 5**	.43 3**	.43 7**	.46 1**	.38 1**	.13 8*	.38 6**	.33 3**	.27 1**	.41 4**	.44 5**	.36 5**	.24 4**	.30 7**	.18 5**	.24 2**	.30 9**	.36 6**	.30 7**	.29 3**		
	p-value	.00 0	.00 0	.00 0			.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.01 2	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 1	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4
Com mit_6	Pearson's r	.32 1**	.43 3**	.46 5**	.35 9**	.61 4**	1	.63 8**	.64 9**	.19 0**	.43 1**	.44 6**	.48 6**	.41 3**	.36 5**	.43 5**	.46 8**	.47 5**	.12 8*	.29 8**	.37 8**	.35 9**	.45 9**	.48 7**	.42 2**	.37 2**	.49 9**	.39 4**	.39 8**	.37 1**	.40 5**	.37 1**	.39 0**		
	p-value	.00 0	.00 0	.00 0	.00 0			.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.01 9	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4

Com mit_7	Pearson's r	.29 3**	.54 8**	.46 0**	.38 8**	.66 1**	.63 8**	1	.80 4**	.22 5**	.37 4**	.40 8**	.46 3**	.45 2**	.44 1**	.39 3**	.44 5**	.44 0**	.23 7**	.34 6**	.41 6**	.43 3**	.52 9**	.55 0**	.42 5**	.34 1**	.38 5**	.39 0**	.45 6**	.45 1**	.44 0**	.39 4**	.40 3**				
	p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0				
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4			
	Pearson's r	.40 7**	.53 9**	.44 6**	.35 3**	.54 3**	.64 9**	.80 4**	1	.27 0**	.39 7**	.45 4**	.46 3**	.42 4**	.41 4**	.42 2**	.44 7**	.55 5**	.21 0**	.34 2**	.46 3**	.44 4**	.49 7**	.51 0**	.42 1**	.38 0**	.41 4**	.36 7**	.42 5**	.44 2**	.41 9**	.40 9**	.44 2**				
p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0				
N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4			
Trust _1	Pearson's r	.34 8**	.39 4**	.34 2**	.27 6**	.23 0**	.19 0**	.22 5**	.27 0**	1	.46 2**	.39 3**	.32 2**	.24 0**	.22 8**	.21 8**	.22 2**	.21 5**	.34 7**	.26 9**	.27 6**	.18 2**	.17 0**	.18 9**	.17 3**	.28 4**	.19 1**	.13 0**	.07 7**	.09 5**	.10 9**	.07 9**	-. 0	.07 3**			
	p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.01 0	.16 3	.08 3	.04 7	.72 1	.18 2				
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4		
	Pearson's r	.27 0**	.33 4**	.31 4**	.20 6**	.41 7**	.43 1**	.37 4**	.39 7**	.46 2**	1	.68 8**	.61 8**	.57 7**	.58 4**	.51 6**	.57 8**	.57 6**	.32 0**	.32 6**	.39 0**	.30 2**	.35 5**	.39 3**	.45 1**	.41 5**	.45 8**	.43 7**	.39 5**	.29 9**	.36 7**	.29 9**	.36 5**	.36 5**			
p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0			
N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4		
Trust _3	Pearson's r	.33 2**	.33 0**	.39 7**	.30 3**	.30 1**	.44 6**	.40 8**	.45 4**	.39 3**	.68 8**	1	.72 2**	.64 9**	.54 9**	.55 7**	.51 3**	.55 0**	.37 0**	.34 2**	.44 8**	.44 4**	.44 5**	.45 0**	.47 1**	.54 5**	.44 1**	.46 9**	.42 2**	.43 8**	.39 8**	.47 7**	.47 7**				
	p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0			
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	
	Pearson's r	.31 5**	.37 8**	.30 6**	.20 5**	.43 5**	.48 3**	.46 3**	.46 3**	.32 2**	.61 8**	.72 2**	1	.68 2**	.73 7**	.61 2**	.61 1**	.60 7**	.31 6**	.44 8**	.46 6**	.49 5**	.43 1**	.39 2**	.42 3**	.47 9**	.45 6**	.47 3**	.44 6**	.44 8**	.45 5**	.45 9**	.45 5**	.46 0**	.46 0**		
p-value	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		
N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	
Trust _5	Pearson's r	.21 9**	.30 4**	.24 8**	.18 6**	.37 5**	.41 3**	.45 2**	.42 4**	.24 0**	.57 7**	.64 9**	.68 2**	1	.66 1**	.69 9**	.62 6**	.64 6**	.34 9**	.38 7**	.47 2**	.42 8**	.50 1**	.43 1**	.44 7**	.39 3**	.52 2**	.37 6**	.48 9**	.46 5**	.41 0**	.39 3**	.42 8**				
	p-value	.00 0	.00 0	.00 0	.00 1	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0	.00 0		
	N	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4	33 4

Trust _6	Pearson's r	.187**	.293**	.199**	.171**	.433**	.365**	.441**	.414**	.228**	.584**	.549**	.737**	.661**	1	.722**	.712**	.635**	.343**	.503**	.475**	.526**	.462**	.428**	.419**	.435**	.426**	.460**	.424**	.396**	.473**	.477**	.478**		
	p-value	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	
Trust _7	Pearson's r	.119	.262**	.253**	.255**	.437**	.435**	.393**	.412**	.218**	.516**	.556**	.612**	.699**	.722**	1	.812**	.710**	.453**	.544**	.564**	.483**	.501**	.430**	.481**	.453**	.514**	.372**	.458**	.475**	.475**	.502**	.421**	.411**	
	p-value	.029	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Trust _8	Pearson's r	.120	.280**	.209**	.164**	.461**	.468**	.445**	.427**	.222**	.578**	.513**	.611**	.626**	.712**	.812**	1	.844**	.423**	.545**	.548**	.516**	.504**	.477**	.454**	.426**	.469**	.480**	.440**	.490**	.527**	.522**	.474**	.444**	
	p-value	.028	.000	.000	.003	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Trust _9	Pearson's r	.142**	.275**	.339**	.189*	.131**	.384**	.475**	.445**	.215**	.576**	.550**	.607**	.646**	.635**	.710**	.844**	1	.402**	.459**	.499**	.500**	.494**	.494**	.368**	.544**	.489**	.459**	.529**	.471**	.525**	.475**	.449**	.380**	
	p-value	.010	.000	.000	.011	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Satisf _1	Pearson's r	.101	.189**	.170**	.114*	.138*	.128*	.237**	.210**	.347**	.320**	.370**	.316**	.343**	.343**	.453**	.423**	.402**	1	.686**	.646**	.436**	.480**	.418**	.365**	.270**	.320**	.240**	.260**	.397**	.330**	.210**	.270**		
	p-value	.064	.000	.000	.037	.012	.019	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Satisf _2	Pearson's r	.204**	.368**	.295**	.288**	.386**	.298**	.342**	.342**	.269**	.326**	.344**	.387**	.502**	.544**	.459**	.686**	.742**	1	.656**	.646**	.436**	.480**	.418**	.365**	.270**	.320**	.240**	.260**	.397**	.330**	.210**	.270**		
	p-value	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Satisf _3	Pearson's r	.243**	.371**	.349**	.284**	.337**	.374**	.416**	.466**	.270**	.390**	.446**	.467**	.475**	.564**	.549**	.496**	.647**	.742**	1	.715**	.686**	.436**	.480**	.418**	.365**	.270**	.320**	.240**	.260**	.397**	.330**	.210**	.270**	
	p-value	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334
Satisf _4	Pearson's r	.160**	.322**	.337**	.284**	.271**	.359**	.434**	.444**	.182**	.300**	.444**	.498**	.425**	.526**	.485**	.516**	.500**	.436**	.657**	.712**	1	.686**	.656**	.539**	.450**	.397**	.440**	.455**	.536**	.483**	.473**	.458**	.458**	
	p-value	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	N	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334	334

Appendix VI: EFA Anti-image Correlation Matrix

	Commit_1	Commit_2	Commit_3	Commit_4	Commit_5	Commit_6	Commit_7	Commit_8	Trust_1	Trust_2	Trust_3	Trust_4	Trust_5	Trust_6	Trust_7	Trust_8	Trust_9	Satisf_1	Satisf_2	Satisf_3	Satisf_4	Satisf_5	Satisf_6	Satisf_7	Recip_1	Recip_2	Recip_3	Recip_4	Recip_5	Recip_6	Recip_7	Recip_8		
Commi	.83	-	-	-	.07	-	.22	-	-	.05	-	-	-	-	.17	-	.03	.01	-	-	.18	.16	-	-	-	.04	.12	-	-	-	.00	.10		
Commi	-	.90	-	.00	-	.16	-	-	-	.09	-	-	.08	.02	.05	-	.03	-	.03	-	-	.16	.00	.04	-	-	-	.16	.07	-	-	-		
Commi	-	-	.88	-	-	-	-	.12	-	.00	-	.03	-	.04	.10	-	.09	-	.01	-	-	-	.03	.00	-	-	.09	-	-	.00	.11	-	-	
Commi	-	.00	-	.83	-	.02	-	.00	-	.05	-	.16	.05	.01	-	.16	-	.13	-	.01	-	-	.01	.09	.02	.14	-	-	-	-	.07	.05		
Commi	.07	-	-	-	.88	-	-	.11	.05	-	.17	-	.06	-	-	-	.12	.16	-	.01	.20	.05	-	.02	.05	-	.21	.11	-	-	-	.04		
Commi	-	.16	-	.02	-	.92	-	.06	-	.04	-	.06	.23	-	-	-	.12	.01	-	.07	.01	-	.07	.01	-	-	.08	.11	.04	-	-	-		
Commi	.22	-	-	-	-	-	.88	-	-	.15	-	-	-	-	.18	-	.03	-	-	.12	.14	-	-	-	.02	.15	-	-	.01	-	-	.03	.13	
Commi	-	-	.12	.00	.11	-	-	.90	-	-	.05	.10	.02	-	.08	-	.14	.00	-	-	-	.02	.05	-	.00	.02	.06	-	.13	-	-	-	-	
Trust_1	-	-	-	-	.05	.06	-	-	.87	-	-	-	.03	.01	.06	-	-	.00	-	-	.09	.03	.07	-	-	.11	.05	.02	-	.20	-	-	-	
Trust_2	.05	-	.00	.05	-	-	.15	-	-	.91	-	.01	-	-	.17	-	-	-	.03	-	.15	.03	.00	-	-	.07	-	-	.16	-	.08	.00	-	
Trust_3	-	.09	-	-	.17	.04	-	-	-	-	.92	-	-	.14	-	.05	-	-	.17	.02	-	-	-	.06	-	-	.07	.04	.08	-	-	-	-	
Trust_4	-	-	.03	.16	-	-	-	.05	-	.01	-	.93	-	-	.03	.07	-	.08	-	-	.03	.15	-	-	.16	-	.02	-	.02	.00	.02	-	-	
Trust_5	-	-	-	.05	.06	.06	-	.10	.03	-	-	-	.95	-	-	.06	-	.04	.06	-	.08	-	.01	.03	.00	-	.10	-	.18	.00	-	-	-	
Trust_6	-	.08	.04	.01	-	.23	-	.02	.01	-	.14	-	-	.92	-	-	.01	.06	-	.05	-	-	.08	.06	-	-	.06	.20	.04	-	-	-	-	
Trust_7	.17	.02	.10	-	-	-	.18	-	.06	.17	-	.03	-	-	.89	-	.01	-	.03	-	.04	.08	.10	-	-	.26	-	.00	-	.12	.09	-	-	
Trust_8	-	.05	-	.16	-	-	.08	-	-	.05	.07	.06	-	-	.91	-	.07	-	-	.17	.02	-	-	.06	-	-	.05	.02	-	-	.13	-	-	
Trust_9	.03	-	.09	-	.12	-	.03	-	-	-	-	-	.01	.01	-	.91	-	.03	.11	-	-	.01	-	-	.24	-	-	.06	-	.05	-	.22	-	
Satisf_1	.01	.03	-	.13	.16	.12	-	.14	-	-	.08	.04	.06	-	.07	-	.84	-	-	.20	-	-	.11	.07	-	-	.14	-	.08	.03	-	-	-	
Satisf_2	-	-	.01	-	-	.01	.12	.00	.00	.03	.17	-	.06	-	.03	-	-	.03	-	.92	-	-	.05	-	.00	.13	.01	.06	-	-	-	.05	-	
Satisf_3	-	-	-	.01	.01	-	.14	-	-	-	.02	-	.05	-	-	.11	-	-	.94	-	-	.02	-	.08	.04	-	-	-	.02	.05	.07	-	.07	
Satisf_4	.18	-	-	-	.20	.00	-	-	.15	-	.08	-	.04	-	-	.20	-	-	-	.92	-	-	.06	-	.09	-	-	-	.13	-	.00	-	-	
Satisf_5	.16	-	.03	-	.05	-	-	-	.09	.03	-	.03	-	-	.08	-	.01	-	-	-	.94	-	.00	-	-	.17	-	.08	-	.01	.09	-	-	
Satisf_6	-	.16	.00	.01	-	-	-	.02	.03	.00	-	.15	.01	-	.10	-	-	-	.05	.02	-	-	.90	-	-	-	.13	-	-	.22	-	-	-	
Satisf_7	-	.00	-	.09	.02	.07	-	.05	.07	-	.06	-	.03	.08	-	.12	-	.11	-	-	.06	.00	-	.93	-	-	.05	-	.10	-	-	-	-	
Recip_1	-	.04	-	.09	.14	-	.15	.00	-	.07	-	.16	-	-	.18	-	-	.00	.04	.09	-	-	-	-	.93	-	-	.07	.00	-	-	.08		
Recip_2	.12	-	-	-	.21	-	.02	.11	-	-	.07	-	.10	-	.26	-	-	.13	-	-	-	.17	-	-	-	.90	-	-	-	-	.06	.04		
Recip_3	-	.16	-	-	.11	.08	-	.06	.05	-	.04	.02	-	.06	-	.05	.06	.14	.01	-	-	.13	.05	.07	-	-	.93	-	-	-	-	-	-	
Recip_4	-	.07	.00	-	-	.11	.01	-	.02	.16	.08	-	-	.20	.00	.02	-	.06	-	-	.08	-	-	.08	-	-	-	.94	-	-	-	-	-	
Recip_5	-	-	.11	-	-	.04	-	.13	-	-	-	.02	.18	.04	-	.05	.08	-	-	.02	.13	-	.10	-	-	-	-	-	.93	-	-	-	-	
Recip_6	.00	-	-	.07	-	-	.03	-	.20	.08	-	.00	.00	-	.12	-	-	.03	-	.05	-	.01	.22	-	-	.04	.06	-	-	-	-	.92	-	-
Recip_7	.10	-	-	.05	.04	-	.13	-	-	.00	-	.02	-	-	.09	-	.22	-	.05	.07	.00	.09	-	-	.08	.03	.04	-	-	-	-	-	.92	-

a. Measures of Sampling Adequacy(MSA)

Appendix VII: AMOS Modification Indices for Measurement Model 1

Regression Weights: (Group number 1 - Default model)

			M.I.	Par Change
Commit_1	<---	Commit_2	8.837	.160
Commit_1	<---	Trust_4	4.658	.125
Commit_2	<---	Normative_Commit	11.391	.153
Commit_2	<---	R_Trust	6.238	.116
Commit_2	<---	Commit_1	14.516	.130
Commit_2	<---	Commit_4	5.327	-.097
Commit_2	<---	Commit_5	26.030	.195
Commit_2	<---	Commit_7	10.585	.126
Commit_2	<---	Commit_8	12.285	.130
Commit_2	<---	Satisf_2	6.274	.097
Commit_2	<---	Trust_2	4.783	.084
Commit_2	<---	Trust_4	8.448	.125
Commit_2	<---	Trust_5	4.349	.081
Commit_2	<---	Trust_6	5.790	.093
Commit_2	<---	Trust_8	4.396	.072
Commit_2	<---	Trust_9	5.255	.087
Commit_2	<---	Recip_2	4.668	.078
Commit_2	<---	Recip_6	6.985	.102
Commit_2	<---	Recip_7	6.209	.095
Commit_3	<---	Commit_4	11.698	.127
Commit_3	<---	Commit_8	7.008	-.087
Commit_4	<---	Commit_2	5.475	-.089
Commit_4	<---	Commit_3	6.876	.103
Commit_4	<---	Commit_8	5.120	-.080
Commit_4	<---	Trust_4	5.844	-.099

			M.I.	Par Change
Commit_4	<---	Recip_2	6.074	-.084
Commit_4	<---	Recip_7	4.617	-.078
Commit_4	<---	Recip_8	5.322	-.080
Commit_5	<---	Affective_Commit	7.671	.171
Commit_5	<---	Commit_2	20.002	.185
Commit_5	<---	Commit_3	4.184	.087
Commit_5	<---	Commit_4	10.161	.138
Commit_5	<---	Commit_8	5.575	-.090
Commit_5	<---	Satisf_2	4.524	.085
Commit_5	<---	Satisf_4	5.331	-.100
Commit_5	<---	Trust_2	4.100	.080
Commit_5	<---	Trust_7	4.285	.078
Commit_5	<---	Trust_8	4.371	.074
Commit_5	<---	Recip_3	12.823	-.133
Commit_5	<---	Recip_4	9.494	-.123
Commit_6	<---	Trust_2	4.744	.092
Commit_6	<---	Trust_4	4.468	.100
Commit_6	<---	Trust_9	6.074	.102
Commit_6	<---	Recip_2	16.154	.159
Commit_6	<---	Recip_3	4.837	.087
Commit_7	<---	Commit_1	11.188	-.089
Commit_7	<---	Trust_2	6.012	-.073
Commit_7	<---	Trust_7	6.773	-.074
Commit_8	<---	Commit_1	6.428	.075
Commit_8	<---	Commit_3	5.149	-.081
Commit_8	<---	Commit_5	11.675	-.113
Satisf_1	<---	Affective_Commit	8.112	-.203
Satisf_1	<---	Normative_Commit	11.163	-.179

			M.I.	Par Change
Satisf_1	<---	Commit_2	4.108	-.096
Satisf_1	<---	Commit_3	4.618	-.105
Satisf_1	<---	Commit_4	6.214	-.124
Satisf_1	<---	Commit_5	11.883	-.156
Satisf_1	<---	Commit_6	17.887	-.174
Satisf_1	<---	Commit_7	6.624	-.119
Satisf_1	<---	Commit_8	10.029	-.139
Satisf_1	<---	Satisf_2	20.360	.208
Satisf_1	<---	Satisf_3	6.557	.127
Satisf_1	<---	Satisf_6	4.083	-.092
Satisf_1	<---	Satisf_7	4.592	-.100
Satisf_1	<---	Recip_7	6.161	-.112
Satisf_2	<---	Normative_Commit	4.579	-.089
Satisf_2	<---	Commit_6	6.973	-.084
Satisf_2	<---	Commit_7	7.259	-.096
Satisf_2	<---	Commit_8	7.396	-.093
Satisf_2	<---	Satisf_1	35.166	.200
Satisf_2	<---	Satisf_3	4.260	.079
Satisf_2	<---	Satisf_6	10.237	-.114
Satisf_2	<---	Satisf_7	7.449	-.099
Satisf_2	<---	Trust_3	6.819	-.103
Satisf_2	<---	Recip_2	4.944	-.074
Satisf_2	<---	Recip_3	6.637	-.085
Satisf_2	<---	Recip_4	4.893	-.079
Satisf_3	<---	Commit_7	4.019	-.059
Satisf_3	<---	Satisf_1	17.377	.115
Satisf_3	<---	Satisf_2	6.537	.075
Satisf_3	<---	Satisf_6	7.371	-.079

			M.I.	Par Change
Satisf_4	<---	Commit_1	4.150	-.057
Satisf_4	<---	Commit_5	8.931	-.093
Satisf_4	<---	Satisf_1	6.254	-.075
Satisf_4	<---	Trust_2	6.102	-.078
Satisf_4	<---	Recip_7	4.956	.069
Satisf_5	<---	Commit_7	6.937	.086
Satisf_5	<---	Satisf_6	9.194	.098
Satisf_5	<---	Recip_3	4.163	-.061
Satisf_6	<---	Normative_Commit	10.211	.132
Satisf_6	<---	Commit_1	5.083	.071
Satisf_6	<---	Commit_5	8.337	.101
Satisf_6	<---	Commit_6	9.970	.100
Satisf_6	<---	Commit_7	13.669	.132
Satisf_6	<---	Commit_8	6.525	.087
Satisf_6	<---	Satisf_1	7.278	-.091
Satisf_6	<---	Satisf_2	10.566	-.115
Satisf_6	<---	Satisf_3	4.958	-.085
Satisf_6	<---	Satisf_5	7.200	.096
Satisf_6	<---	Satisf_7	26.939	.188
Satisf_6	<---	Trust_7	4.513	-.071
Satisf_7	<---	Reciprocity_Norms	4.415	.098
Satisf_7	<---	Commit_6	4.140	.071
Satisf_7	<---	Satisf_1	5.940	-.089
Satisf_7	<---	Satisf_2	5.580	-.092
Satisf_7	<---	Satisf_6	19.551	.171
Satisf_7	<---	Trust_2	10.107	.123
Satisf_7	<---	Recip_1	10.899	.114
Satisf_7	<---	Recip_2	18.698	.156

			M.I.	Par Change
Satisf_7	<---	Recip_3	8.646	.106
Trust_2	<---	Affective_Commit	5.532	.147
Trust_2	<---	Commit_1	7.894	.100
Trust_2	<---	Commit_2	4.218	.086
Trust_2	<---	Commit_3	7.809	.120
Trust_2	<---	Satisf_4	7.941	-.124
Trust_2	<---	Trust_3	24.171	.220
Trust_2	<---	Trust_7	4.517	-.081
Trust_2	<---	Recip_5	6.050	-.102
Trust_3	<---	Affective_Commit	17.970	.234
Trust_3	<---	Commit_1	19.905	.141
Trust_3	<---	Commit_3	24.676	.188
Trust_3	<---	Commit_4	12.368	.136
Trust_3	<---	Commit_8	4.150	.070
Trust_3	<---	Trust_2	25.352	.178
Trust_3	<---	Trust_4	17.369	.165
Trust_3	<---	Trust_5	4.526	.076
Trust_3	<---	Trust_8	8.871	-.094
Trust_3	<---	Recip_1	8.007	.090
Trust_3	<---	Recip_2	10.706	.108
Trust_3	<---	Recip_4	4.012	.071
Trust_3	<---	Recip_8	6.890	.088
Trust_4	<---	Affective_Commit	6.293	.122
Trust_4	<---	Commit_1	16.892	.114
Trust_4	<---	Commit_2	7.621	.090
Trust_4	<---	Commit_3	4.922	.074
Trust_4	<---	Trust_3	23.670	.170
Trust_4	<---	Trust_6	6.962	.083

			M.I.	Par Change
Trust_4	<---	Trust_8	6.389	-.071
Trust_4	<---	Recip_1	4.883	.062
Trust_5	<---	Satisf_2	4.294	-.072
Trust_5	<---	Trust_3	6.285	.097
Trust_5	<---	Trust_8	4.654	-.067
Trust_6	<---	Commit_6	6.596	-.076
Trust_6	<---	Trust_4	8.276	.106
Trust_6	<---	Recip_2	4.559	-.066
Trust_6	<---	Recip_5	5.142	-.077
Trust_7	<---	Commit_1	8.851	-.087
Trust_7	<---	Commit_7	5.069	-.074
Trust_7	<---	Satisf_1	5.293	.072
Trust_7	<---	Satisf_2	5.252	.075
Trust_7	<---	Trust_2	9.276	-.100
Trust_7	<---	Trust_4	5.589	-.087
Trust_7	<---	Trust_8	6.838	.076
Trust_7	<---	Recip_3	9.847	-.096
Trust_8	<---	Affective_Commit	5.084	-.116
Trust_8	<---	Commit_1	11.561	-.100
Trust_8	<---	Commit_3	4.101	-.072
Trust_8	<---	Satisf_2	4.159	.068
Trust_8	<---	Trust_3	20.623	-.167
Trust_8	<---	Trust_4	10.899	-.122
Trust_8	<---	Trust_5	7.791	-.093
Trust_8	<---	Trust_7	8.120	.089
Trust_8	<---	Trust_9	20.992	.149
Trust_9	<---	Affective_Commit	4.535	-.108
Trust_9	<---	Commit_3	5.585	-.082

			M.I.	Par Change
Trust_9	<---	Commit_4	5.277	-.082
Trust_9	<---	Trust_4	4.474	-.077
Trust_9	<---	Trust_6	4.174	-.067
Trust_9	<---	Trust_8	16.187	.117
Trust_9	<---	Recip_1	6.401	-.074
Trust_9	<---	Recip_8	4.157	-.063
Recip_1	<---	Affective_Commit	7.507	.199
Recip_1	<---	Commit_1	10.310	.133
Recip_1	<---	Commit_3	8.649	.147
Recip_1	<---	Commit_4	4.220	.104
Recip_1	<---	Satisf_7	9.505	.147
Recip_1	<---	Trust_2	8.742	.138
Recip_1	<---	Trust_3	8.407	.151
Recip_1	<---	Trust_4	7.944	.147
Recip_1	<---	Trust_7	4.204	.091
Recip_1	<---	Recip_2	4.591	.094
Recip_1	<---	Recip_3	18.420	.187
Recip_2	<---	R_Trust	7.705	.136
Recip_2	<---	Commit_6	15.457	.145
Recip_2	<---	Satisf_6	6.468	.104
Recip_2	<---	Satisf_7	16.048	.168
Recip_2	<---	Trust_2	12.833	.147
Recip_2	<---	Trust_3	16.845	.187
Recip_2	<---	Trust_5	13.771	.153
Recip_2	<---	Trust_7	8.070	.110
Recip_2	<---	Trust_9	13.383	.147
Recip_2	<---	Recip_1	5.778	.088
Recip_2	<---	Recip_7	5.371	-.094

			M.I.	Par Change
Recip_3	<---	Commit_5	5.565	-.097
Recip_3	<---	Satisf_2	4.123	-.085
Recip_3	<---	Trust_2	9.190	.126
Recip_3	<---	Trust_9	4.374	.085
Recip_3	<---	Recip_1	22.677	.177
Recip_4	<---	Commit_2	5.452	-.078
Recip_4	<---	Commit_5	5.407	-.074
Recip_4	<---	Satisf_2	6.250	-.081
Recip_4	<---	Recip_2	6.255	.076
Recip_4	<---	Recip_3	5.601	.071
Recip_5	<---	R_Satisfact	4.098	.092
Recip_5	<---	Satisf_1	10.543	.095
Recip_5	<---	Satisf_3	7.244	.090
Recip_5	<---	Satisf_4	4.350	.070
Recip_5	<---	Trust_2	8.136	-.088
Recip_5	<---	Trust_6	5.527	-.072
Recip_6	<---	Satisf_2	5.344	.062
Recip_6	<---	Satisf_7	4.534	-.058
Recip_6	<---	Trust_3	6.221	-.074
Recip_6	<---	Trust_4	4.172	-.061
Recip_6	<---	Trust_5	10.869	-.089
Recip_6	<---	Recip_7	7.434	.072
Recip_7	<---	R_Satisfact	4.818	-.105
Recip_7	<---	Commit_4	4.854	-.078
Recip_7	<---	Satisf_1	10.874	-.102
Recip_7	<---	Satisf_3	6.956	-.093
Recip_7	<---	Satisf_6	11.285	-.109
Recip_7	<---	Trust_2	7.270	-.088

			M.I.	Par Change
Recip_7	<---	Recip_2	8.740	-.090
Recip_7	<---	Recip_3	4.510	-.064
Recip_7	<---	Recip_8	15.817	.122
Recip_8	<---	Trust_9	4.588	-.076
Recip_8	<---	Recip_1	4.017	-.065
Recip_8	<---	Recip_3	4.205	-.069
Recip_8	<---	Recip_7	13.092	.130

Appendix VIII: Distribution of Selected Commercial Banks by Tier and Ownership

Tier	Local Banks	Foreign Banks	Banks with Government Participation	Total
Three (Small)	3	2	1	6
Two (Medium)	3	2	1	6
One (Large)	3	2	1	6
Total	9	6	3	18