

## Determinants of Firm-Customer Relationship Quality: An Empirical Investigation Using SEM Technique

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### ABSTRACT

*The aim of the study is to develop and empirically test a conceptual model that demonstrates the determinants of firm-customer relationship quality in the Bangladeshi mobile telecom sector. To test the theoretical model, 630 customers subscribed to different mobile operators in Bangladesh were surveyed. Structural equation modeling was applied to investigate the associations between the constructs in the model. The findings of the study reveal that of the different underpinnings of relationship marketing (RM), communication was the only underpinning having direct, nonetheless, negative impact on firm-customer relationship quality. Results further reflect that the key determinants of relationship marketing are significant predictors of overall satisfaction, which in turn impacts relationship quality.*

**Keywords:** Relationship Quality, Relationship Marketing, Mobile Telecom Sector, Structural Equation Modeling, Marketing of Services.

### Introduction

Relationship marketing has emerged over the years as an exciting area of marketing that focuses on building long-term relationships with customers and other parties (Caceres and Paparoidamis, 2007). According to Berry (1995) relationship marketing (RM) is a strategy to attract, maintain and enhance customer relationships. The emphasis is on continuous long-term relationships that leads to repeated market transaction, build loyalty and lead to profitability over the customer 'lifetime' (Ahmed and Rafiq 2002, p. 44) *per se* RM can be also

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explained as a 'transaction plus' approach for marketers. Kavali et al. (1999) points out that relationship marketing is about healthy relationships characterized by trust, equity, and commitment. Other pioneering and scholarly studies (see, for example, Crosby et al., 1990; Morgan & Hunt, 1994; Wong and Sohal, 2002, Ndubisi, 2006) have documented the following constructs namely, trust, commitment, conflict handling and communication as key underpinnings of relationship marketing.

Nonetheless, Chen et al., (2008) states that today's rapidly changing marketing environment is compelling service firms to seek more creative and flexible means for dealing with competition. Ndubisi (2007) further illustrates that only high quality firm customer relationship would deliver the needed competitive edge to gain privileged information about customers and thereby better understand their needs and serve them more satisfactorily than competition. According to Crosby et al. (1990) relationship quality (RQ) has been found to be the core of maintaining a healthy relationship between buyers and sellers. Relationship quality by different authors is explained as an overall assessment of the strength of a relationship, conceptualized as a composite or multidimensional construct capturing the different but related facets of a relationship (Crosby et al., 1990). Levitt (1986) defines relationship quality as a bundle of intangible value, which augments products or services and results in an expected interchange between buyers and sellers. Hence, one of the central issues in the area of relationship marketing discussed till date is the concept of relationship quality and its key determinants (Crosby et al., 1990; Dorsch et al., 1998; Wong & Sohal, 2002; Ndubisi, 2006; Palmatier et al., 2006; Ndubisi, 2007). This is evident from the significant number of studies relating to quality in relationship and its key antecedents that have already been carried out in the context of buyer-seller (salesperson), business to business and international marketing relationship scenarios (Crosby et al. 1990; Morgan and Hunt 1994; Naude and Buttle, 2000; Wong and Sohal, 2002; Lages et al., 2005; Holmlund 2008). In addition, few other limited streams of research have focused on exploring the key determinants and operationalization of relationship quality between the firm (service provider) and its customers (Roger and Anna, 2005; Wong and Sohal 2006; Ndubisi 2007; Chan et al., 2008).



Interestingly, studies that were carried out in the context of sales management and business to business relationship quality have attempted in operationalization of relationship quality in terms of satisfaction and trust. However, this is worrisome as Ndubisi (2007) and Wong and Sohal (2006) argued that in the context of firm (service provider) customer quality relationship, the constructs, satisfaction and trust are clearly antecedents to relationship quality; Even though few other related streams of researches have attempted to investigate the key determinants and underpinnings of firm-customer relationship quality; nonetheless, these studies have limitations of their own. For example, Wong and Sohal (2002) and Ndubisi (2004) came up with limited number of relationship marketing underpinnings impacting the quality of relationship between firm and customers. Chan et al.'s (2008) study, although identifies some key antecedents of relationship quality in the Chinese services setting context, considers trust and satisfaction as indicators of relationship quality. Ndubisi's (2006) study focuses on the overall satisfaction as a mediating variable between underpinnings of relationship marketing (RM) (namely, trust, commitment, communication, conflict handling, service satisfaction and quality) and firm-customer relationship quality (RQ). However, the study failed to show direct associations that may exist between the key determinants of relationship marketing and relationship quality. Ndubisi's (2007) study attempts to prove direct association between four primary underpinnings of relationship marketing namely trust, commitment, communication and conflict handling and firm-customer relationship quality in the Malaysian banking sector but it had its limitation in terms of not exploring overall satisfaction as a mediating variable and not considering all the underpinnings of relationship marketing that may impact firm-customer relationship quality. Given the preceding discussion relating to the gaps and limitations that are existent in previous studies it immediately opens the door for researchers to further investigate and empirically generalize the key antecedents of relationship quality in the context of firm-customer relationships. Hence, this study attempts and reflects the necessity to develop an integrated conceptual model that synthesizes and empirically tests the major antecedents of firm (service provider) customer relationship quality. Subsequently, based on existing literature on relationship marketing, a conceptual model of the key determinants and underpinnings of firm-customer relationship quality is developed and associated hypotheses are tested within the context of Bangladeshi mobile telecom sector.



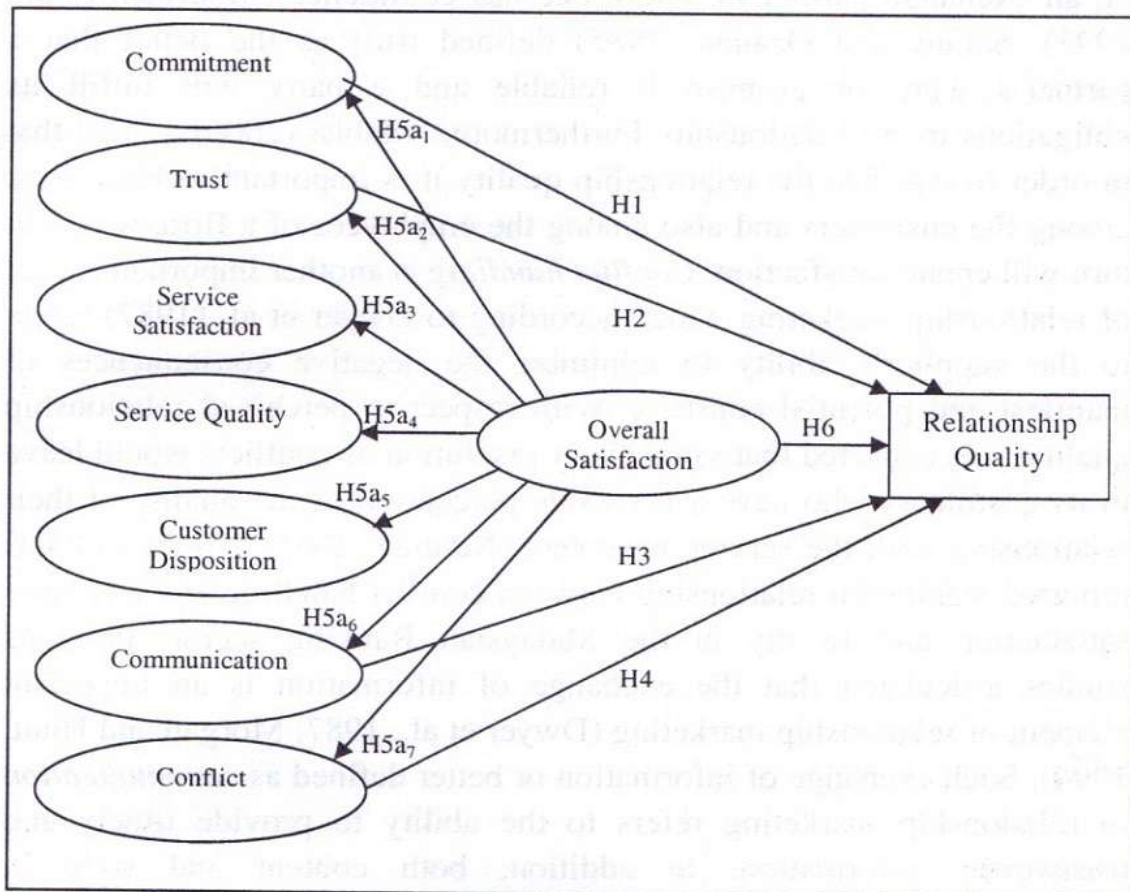
### The Study

The concept of relationship marketing (RM) has emerged within the field of services and industrial marketing (Berry, 1983; Gummesson, 1991). Previous studies mostly have chosen the service sector to investigate the antecedents of relationship quality (De Wolf et al., 2001; Wong and Sohal, 2002; Ndubisi 2007; Chan et. al, 2008). Per se, the service industry is expanding rapidly throughout the world and the contribution of service sector towards economic activities is also increasing. This phenomenon is also true for Bangladesh. In recent times the mobile telecommunication industry (currently consisting of six mobile operators namely GrameenPhone, Aktel, Banglalink, CityCell, Teletalk and Warid) is one of the major contributors in terms of revenues, employments and infrastructure development. Bangladesh's phone sector witnessed a 120 percent growth from January 2006 till now, with the numbers of users rising to 22 million from 10.8 million in 13 months (Chowdhury et al., 2006; Ratan et al., 2007) and expansion of mobile services in Bangladesh has contributed an additional US \$650 Million to GDP and created nearly 240,000 high wage jobs (Bogle, 2006). According to Ratan et al. (2007), mobile operators in Bangladesh in recent time are gradually trying to gain competitive edge by offering innovative services and leveraging firm customer relationship quality.

Consequently, based on existing relationship marketing and social psychology literatures (Crosby et al., 1990; Wong and Sohal, 2002; Grace 2005; Wong and Sohal, 2006; Ndubisi, 2006; Palmatier et al., 2006; Ndubisi 2007), an integrated conceptual model (as shown in Figure 1) depicting the key antecedents of relationship quality is formulated and tested in the context of the Bangladeshi mobile telecom sector.



**FIGURE 1. Conceptual Path Model of the Antecedents to Firm-Customer Relationship Quality**



### Theoretical Background and Research Hypotheses

According to previous studies (Crosby et al., 1990; Dwyer et al., 1987; Ndubisi, 2006, Wong and Sohal, 2006) relationship quality is a higher order construct composed of the four primary relationship-marketing underpinnings, namely commitment, trust, communication and conflict handling. *Commitment* is a factor that affects the level of relationship between a customer and an organization. Moorman et al. (1992) have defined commitment as an enduring desire to maintain a valued relationship. Wilson (1995) argues that commitment is the most common dependent variable used in buyer-seller relationship studies. Commitment, *per se* 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 (Dwyer et al., 1987; Morgan and Hunt, 1994,



Wong and Sohal, 2006). *Trust* is also considered as a dimension that precedes relationship quality. It has been defined as a willingness to rely on an exchange partner in whom one has confidence (Moorman et al., 1993). Schurr and Ozanne (1985) defined trust as the belief that a partner's word or promise is reliable and a party will fulfill its obligations in the relationship. Furthermore, Ndubisi (2006) argued that in order to enhance the relationship quality it is important to build trust among the customers and also among the employees of a firm, which in turn will create satisfaction. *Conflict handling* is another important aspect of relationship marketing which according to Dwyer et al. (1987) refers to the supplier's ability to minimize the negative consequences of manifest and potential conflicts. With respect to perceived relationship quality, it is expected that satisfactory resolution of conflicts would leave in its customers who have a favorable perception of the quality of their relationship with the service providers (Ndubisi, 2007). Ndubisi (2004) reported significant relationship between conflict handling and customer satisfaction and loyalty in the Malaysian Banking sector. Previous studies articulated that the exchange of information is an important element of relationship marketing (Dwyer et al., 1987; Morgan and Hunt, 1994). Such exchange of information or better defined as *communication* in relationship marketing refers to the ability to provide timely and trustworthy information. In addition, both content and style in communication are important in building quality relationship with customers (Crosby et al., 1990; Ndubisi and Chan, 2005).

Given the preceding discussion it can be articulated that high quality relationship can reduce customers' perceived risk, and further, trust, commitment, communication, conflict handling can enhance relationship quality. Therefore it is logical to expect association between the four primary relationship-marketing underpinnings and overall relationship quality. This is further supported by the empirical evidences cited in the studies carried out by Wong and Sohal (2006) and Ndubisi (2007). Wong and Sohal (2006) found significant association between trust, commitment, relationship strength and quality in the Australian retail environment. Ndubisi (2007) found direct and significant association between trust, conflict handling and relationship quality in the Malaysian banking sector. Empirical validity of the mentioned supposition discussed so far is sought in this paper within the proposed conceptual framework. Thus we propose that:



- H1. Commitment has significant positive impact on relationship quality
- H2. Trust has significant positive impact on relationship quality
- H3. Conflict handling has significant positive impact on relationship quality
- H4. Communication has significant positive impact on relationship quality

Due to increased market-place competition and buyer sophistication within the past 30 years, one of the key emerging themes within the realms of marketing has been that of customer satisfaction (Grace, 2005). Customer satisfaction is generally described as the full meeting of one's expectations (Oliver, 1980). The confirmation/disconfirmation theory (for example, see Churchill and Surprenant, 1982; Oliver, 1980) does not distinguish different types of expectations, and thus does not make a distinction between expectations towards the core service and expectations towards the supplier providing the service. Nowadays the expectations from a product or service, incorporates both and this is very much suitable for telecom companies where interaction with the customers is essential. In addition to expectations towards the core services, customers are may also have expectations towards the service providers regarding their communication, commitment, conflict handling and trust. Furthermore, prior studies (Selnes, 1998; Ndubisi and Chan, 2005 and Ndubisi, 2006) have also revealed that service providers can impact relationship quality by satisfying them 'in-deed' comprising of elements such as commitment, trust and conflict handling and 'in-speech' comprising of the relationship marketing underpinning communication. Therefore, in view of the literature, the following hypotheses are proposed:

- H5a<sub>1</sub>: Commitment is a significant indicator of overall satisfaction
- H5a<sub>2</sub>: Trust is a significant indicator of overall satisfaction
- H5a<sub>6</sub>: Communication is a significant indicator of overall satisfaction
- H5a<sub>7</sub>: Conflict handling is a significant predictor of overall satisfaction

In addition, Ndubisi's (2006) relationship quality antecedent model reveals that service quality and service satisfaction are also elements of the behavioral (in-deed) dimension that leads to overall satisfaction with



the services provided by Malaysian Banks. According to Gronroos (1984), service quality is a perceived judgment, resulting from an evaluation process where customer compares their expectations with the service they perceive to have received. Through research conducted by Morgan and Piercy (1992), it was found that both the core outcome aspects and the process aspects of the service delivery leads to satisfaction and is based on an evaluation of the service encounter. The perceived quality of the functional and the technical service dimensions including tangible and intangible dimensions of the total offering could influence the level of customer (service) satisfaction (Gronroos, 1988).

Grace (2005) defines "consumer disposition toward satisfaction" (CDS) as *the consumer's general tendency to be sufficiently satisfied with the purchase and consumption of the goods and services they utilize*. Furthermore, Grace (2005) demonstrates that CDS is not another expression of customer satisfaction, but rather it represents an individual consumer characteristic, thus exerting influence on the consumer's cognitive and emotive reactions (customer satisfaction). CDS further gives insights into why some customers are easily satisfied while others are not (Zeithaml et al., 1993; Grace, 2005). Therefore, beyond the total offerings, dimension of service providers in terms of 'in-deed' and 'in-speech' perspectives there is a necessity to explore if another dimension in the form of consumers' 'personal trait/disposition' impacts overall satisfaction. Furthermore, prior studies (Gronroos, 1988; Morgan and Piercy, 1992; Ndubisi and Chan, 2005) reveal that service provider's total offering in terms of all the elements of 'in-deed' and 'in speech' dimensions influences overall satisfaction, which in turn influences or leverages quality of relationship between firms and customers (Ndubisi, 2006). Therefore, against these backdrops it can be proposed that:

H5a<sub>3</sub>: Service satisfaction is a significant indicator of overall satisfaction

H5a<sub>2</sub>: Service quality is a significant indicator of overall satisfaction

H5a<sub>6</sub>: Consumer disposition towards satisfaction (personal trait) is a significant indicator of overall satisfaction

H6: Overall customer satisfaction has significant positive impact on relationship quality



## Research Method

### Sample and Data Collection Procedure

The sample of customer responses was drawn using a cluster sampling technique from Dhaka, the capital city of Bangladesh. Based on residential area based segments, the city was divided into major residential areas such as Banani, Gulshan, Uttara, Mohammadpur, Mirpur and Farmgate. From each of the major residential areas a neighborhood shopping centre having, at least one mobile service shop, was chosen as the interview site. Then, a mall intercept survey method was utilized by four research assistants recruited from a private university. The interviews were conducted at different times of the day for duration of 15 days to every 2nd person (above 18 years of age and active subscriber of any one of the mobile phone operators) until the 250th interview was completed in each of the selected shopping centers. Among all collected data set of 700 respondents, 630 were found satisfactory for data analysis. Occasional missing data on variables was handled by replacing them with the mean similar to the method used in Turkilmaz and Ozkan (2007) study. Ndubisi's (2005) study argues that if relationship quality varies among service providers it might confound results while interpreting the antecedents of firm customer relationship quality. Therefore for the purpose of our study we conducted ANOVA analysis to test if consumer perception varied among the six mobile operators firm customer relationship quality. ANOVA results showed no statistical differences among the various mobile operators with respect to relationship quality ( $F=2.92$ ; sig. =0.53), thus inferring absence of confounding effect.

The sample consisted of 59.4 percent male and 40.6 percent female respondents. In terms of age, 17.1 percent of the respondents were between 18 and 26 in years, 31.6 percent between 26 and 34, 20.5 percent between 35 and 43, 18.3 percent between 44 and 51, 12.5 percent above age of 51 and 13.7 above 38 years. 34.9 percent of the respondents had income range below 10000 Bangladeshi Taka (BDT) per month. 27.9 percent had income range between 10001 and 20000 (BDT), 11.7 percent between 20001 and 30000 (BDT), 6.2 percent between 30001 and 40000 (BDT) and 19.2 percent above the income range of 40000 (BDT). The sample comprised of different professional people including



15.1 percent students, 11.7 percent housewives, 55.9 percent employed in different jobs from the private service sector, 6.8 percent government employees and 10.5 percent businessmen. In terms of contractual agreement/relationship with the operators 66.3 percent of the respondents were pre-paid users and the rest that is, 33.7 percent post paid subscribers.

### **Measurement Instrument**

An instrument (questionnaire) of 41 items was administrated in order to empirically investigate the hypotheses pertaining to the conceptual meta-model representing the antecedents of relationship quality. The questionnaire items for the sub constructs communication, conflict handling, trust, commitment, communication, service satisfaction and quality were adapted basically from the study conducted by Ndubisi (2006), Wong and Sohal (2006) and Ndubisi (2007) in the Malaysian banking sector. As far as the relationship quality construct was concerned it was derived from Oliver (1980) and Wong and Sohal's (2006) study. Items relating to consumer disposition towards satisfaction (CDS) was adapted from Grace's (2005) study. Some of the wordings were changed in the adapted items so that the constructs were relevant to the mobile telecommunication sector. Individual items representing each of the constructs along with their overall internal consistency and factor loadings results (using principal component approach and varimax rotation) are shown in the Table 1. All items were measured on a five point likert type scale with 5= strongly agree and 1= strongly disagree. The questionnaire also included various socio-demographic questions.



**TABLE 1. Factor and Reliability Analysis**

Construct and Items	Factor Loadings	Reliability Estimates
<i>Service satisfaction (SS)</i>		0.78
I am happy with my mobile phone operator's/company's services	0.69	
I have good experience with my mobile phone operator's services	0.71	
I am pleased with what the mobile operator does for me.	0.56	
The mobile operator's services are satisfactory	0.56	
<i>Relationship quality (RQ)</i>		0.79
I have good relationship with my mobile company/operator	0.70	
My relationship with the mobile operator is as per expectation	0.65	
My relationships with the operator meet my goal	0.50	
<i>Commitment (CMT)</i>		0.81
Mobile operator offers personalized services to meet customer needs	0.75	
The mobile operator is flexible when its services are changed	0.81	



The mobile operator is flexible in serving my needs	0.80	
<i>Trust (TRS)</i>		0.76
The mobile phone company is concerned about security of my calls	0.57	
The operator's words and promises are reliable	0.54	
Employees of the operator shows respect to customers	0.53	
I have confidence in the operators' services	0.55	
<i>Quality (QL)</i>		0.76
Operator has adequate knowledge about telecommunication services	0.77	
The operator has adequate knowledge about the market trend	0.76	
The operator shows professionalism in its services	0.70	
My operator meets or fulfils my expectation	0.56	
<i>Communication (COM)</i>		0.79
Operator provides timely information regarding any services change	0.74	
Operator provides accurate information about changes in call rates	0.81	



The operator provides information on its new services	0.76
<i>Conflict handling (CFH)</i>	0.72
The operator tries to avoid potential conflicts	0.73
Operator has ability to openly discuss solutions when problems arise	0.73
The operator tries to solve conflicts before they create problems	0.74
<i>Consumer Disposition (CDS)</i>	0.70
Usually I am pleased with my mobile operating company	0.71
More often, I am a satisfied consumer of my mobile operator's services and products	0.71
I generally find the mobile operator's services I buy don't live up to my expectations	0.56
Quite often I am dissatisfied with my purchases from my mobile operating company.	0.50
Overall, I am usually satisfied with the purchase that I make from my mobile operating company	0.66

KMO = 0.911, Total variance = 65.67 %

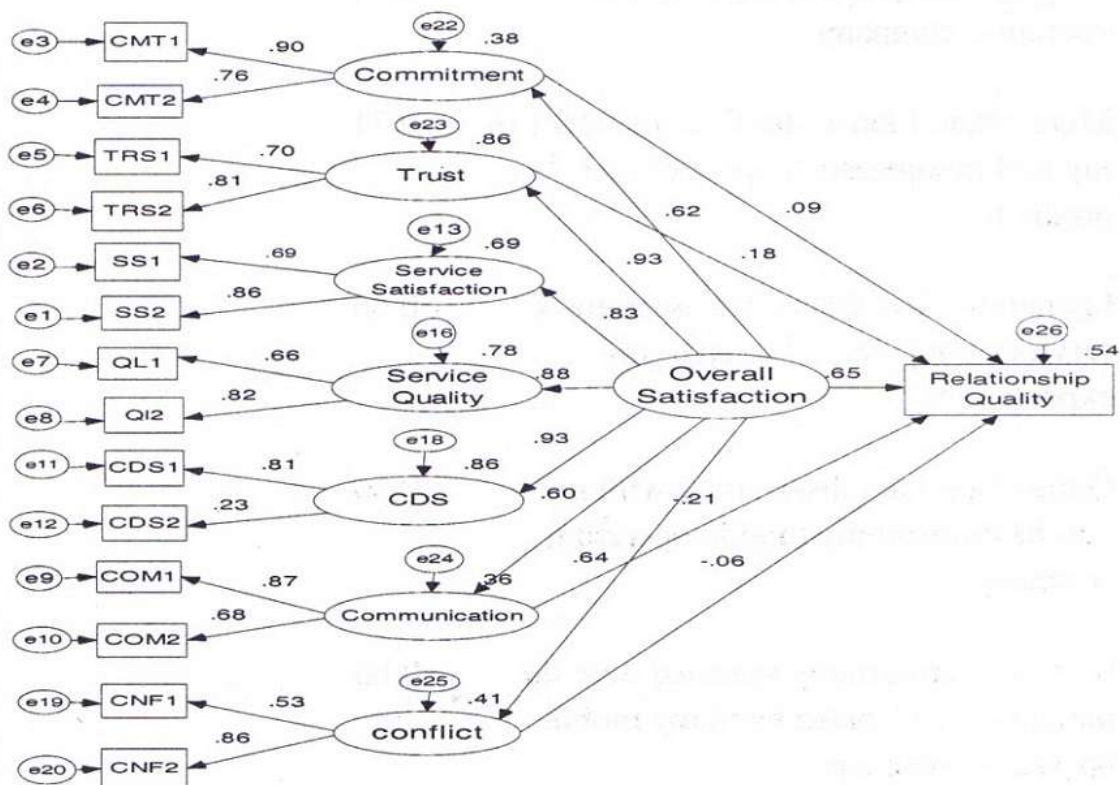


## Analysis and Results

### Modeling and Hypothesis Testing

A confirmatory factor (CFA) analysis using AMOS 7 software was carried out on the model (i.e. the structural equation modeling) to test the hypothesis developed based on the conceptual framework of the antecedents of relationship quality (Nguyen, 2007). To assess the model fit and construct validity, the overall model chi-square ( $\chi^2$ ), the goodness of fit index (GFI), the adjusted goodness of fit index (AGFI), confirmatory fit index (CFI), the Tucker-Lewis Index (TLI), root mean square (RMR) and root mean square of approximation (RMSEA) values were used (Hair et al., 1998; Wang and Chen, 2004). The structural equation model was treated as shown in Figure 2, using the maximum likelihood method (ML) as the results of MLE correspond to events that are likely to occur based on the observed variance-covariance matrix.

**FIGURE 2. The Structural Equations Model**



Furthermore, in order to retain complexity and enhance the robustness of the overall model fit, a partial disaggregation technique was adopted to explain the various underpinnings of relationship



marketing impacting the higher order constructs namely overall satisfaction, which in turn affects relationship quality (Wong and Merrilees, 2007; Ferdous and Towfique, 2008). The technique was applied as it combines items into composites to reduce higher levels of random error, yet it retains the advantages of structural equations and is capable of dealing with data problems (Bagozzi and Heatherton, 1994; Wong and Merrilles, 2007). In addition, Wong and Merriless (2007) and Ferdous and Towfique (2008) argues that a partial disaggregation approach, in which constructs are represented by subsets of test items, has been found to lead to more interpretable and meaningful results. Consequently, in order to accomplish the partial disaggregation items related to the different first order latent factors of the second order construct, overall satisfaction and relationship marketing was randomly aggregated so that two combined indicators instead of several items/indictors explained the first order latent variables considered in the study. Relationship quality was taken as the observed variable in the structural model and three items explaining the construct firm customer relationship quality was aggregated by averaging of scores into a composite relationship quality score.

The structural equation modeling results indicate that the meta-model has good fit to the data, with GFI=0.944, AGFI= 0.916, TLI= 0.934, CFI=0.950, RMR=0.037 and RMSEA=0.061. The chi-square value was 263.07 with 79 degrees of freedom and p value less than 0.01. However, as the sample size becomes more than 200, the chi-square test becomes sensitive and its significance test less reliable (Hair et al., 1998; Wong and Merrilees, 2007). Considering, the complexity of the model and the sample size of 630 ( $n > 200$ ) in our study and all other fit index showing acceptability values, the structural model shows good fit of the data (Hair et al. 1998, Chan and Cui, 2004; Nguyen, 2007; Wong and Merrilees, 2007; Ferdous and Towfique, 2008).

Table 2 shows the unstandardized path estimates, critical ratio (standard error) and p values of the relationship quality model. Overall satisfaction accounted for 53.7 percent variance in explaining firm customer relationship quality. All the path (unstandardized) estimates as shown in Table 1 have critical ratios (equivalent to t values) over acceptable value of 1.96 (Hair et al., 1998, Nguyen, 2007). As predicted by hypotheses, first order latent variables namely communication, trust,



commitment, conflict handling, consumer disposition, service satisfaction and quality are found to significantly predict the second order construct overall satisfaction, which in turn significantly influences relationship quality (H6). Communication (H4) was the only construct which showed direct but negative significant association with firm-customer relationship quality in the Bangladeshi mobile telecom sector. Hence, it indicates that an incremental unit change in communication among consumers in the Bangladeshi mobile telecommunication sector results in 0.205 unit decrease in firm customer relationship quality. This is an interesting result of the study since the findings reflect that, on the one hand, communication has significant direct negative effect on relationship quality, but on the other hand, it has a positive effect on the overall customer satisfaction which in turn has positive effect on relationship quality. Hence, it indicates that mobile service operators should give more importance on delighting customers via communication and then translate customers' satisfaction into long lasting quality relationship between the two parties involved.

**TABLE 2. Unstandardized Structural Paths for the Proposed Meta-Model**

Hypotheses	Estimate	C.R.	p-value
H1 Commitment → Relationship Quality	0.336	1.864	0.062
H2 Trust → Relationship Quality	0.336	0.934	0.348
H3 Communication → Relationship Quality	-0.436	-4.269	0.000
H4 Conflict Handling → Relationship Quality	-1.011	-1.232	0.218
H5a <sub>1</sub> Commitment → Overall Satisfaction	1.076	9.916	0.000
H5a <sub>2</sub> Trust → Overall Satisfaction	1.344	13.641	0.000
H5a <sub>3</sub> Service Satisfaction → Overall Satisfaction	0.781	13.452	0.000
H5a <sub>4</sub> Service Quality → Overall Satisfaction	1.319	13.452	0.000
H5a <sub>5</sub> Consumer Disposition → Overall Satisfaction	0.448	4.833	0.000
H5a <sub>6</sub> Communication → Overall Satisfaction	0.772	8.784	0.000
H5a <sub>7</sub> Conflict Handling → Overall Satisfaction	1.028	11.113	0.000
H6 Satisfaction → Relationship Quality	1.791	3.017	0.003



### **Univariate Analysis**

Univariate analysis was further carried out to check if relationship quality differed across different demographics considered for the purpose of this study. To examine these differences independent sample t-test and one-way analysis of variance (ANOVA) was conducted (Ndubisi, 2006). Independent sample t-test and ANOVA revealed that there were no significant differences in relationship quality with respect to all demographics under investigation (gender, age, occupation, location and user status i.e. post or pre-paid) at a 5 percent significance level.

### **Discussions**

A study investigating and synthesizing the antecedents of relationship quality between firms (service providers) and customer has not been carried out in-depth so far especially in the context mobile telecom sector and in emerging and/or developing economies. Consequently, this paper adds to the dearth of studies on firm-customer relationship quality.

In order to empirically validate the proposed conceptual model, a structural equation modeling approach was considered. In addition, a partial dis-aggregation technique was applied to retain the complexity of the model and enhance the robustness of the model. Based on previous relationship marketing literature, various underpinnings namely trust, commitment, conflict handling, communication, consumer disposition, service satisfaction and quality were all treated as the first order latent variables. Overall satisfaction was treated as the second order latent factor and relationship quality as the observed variable.

The path results from the partially disaggregated structural equation modeling revealed that all the underpinnings of relationship marketing and consumer trait considered in this study are significant predictors of overall satisfaction, which in turn positively affect relationship quality in the mobile telecom sector of Bangladesh. The only direct and significant association was found between communication and relationship quality. The present study reveals that the different underpinnings namely commitment, trust and conflict handling are mediated by how consumers are overall satisfied before they have any considerable impact on relationship quality in the mobile telecom sector. Even though



communication has significant impact on relationship quality, from a practical point of view organizations should emphasize on first satisfying customers and then turn customer satisfaction into positive relationship quality.

Results from the univariate analysis revealed that there were no significant differences in relationship quality with respect to all demographics under investigation namely gender, age, education, occupation, location and user status.

### **Managerial Implications**

This study has provided some important managerial implications for marketing practitioners to better understand and manage customer relationships especially in the mobile telecommunication sector. A key implication for mobile industry is operators should emphasis on building trust, keeping promise, resolving conflicts, maintain quality performance (in-deed) and communicate with an outside-in-approach (in-speech) so that consumers are satisfied with the operators' services. Such strategic approach according to the findings of this study should in turn help the mobile operators/service providers to strengthen the quality of relationship with the subscribers/consumers. Furthermore, it is also necessary for service organizations to realize that consumer satisfaction will vary depending on their individual trait or disposition toward satisfaction (personal trait). Hence mobile operators need to tailor their service offering as much as possible so that ultimately it affects the expressed satisfaction level of consumers, which in turn positively impacts relationship quality.

The rather surprising finding in this study concerning direct and negative significant path between communication and firm-customer relationship quality should be taken with lot of importance by practitioners in the Bangladeshi mobile telecom sector. In the recent years, most of the media time and space have been consumed and occupied by the mobile telecom companies in the Bangladeshi market. Most consumers are overloaded with TV commercials sponsored by the telecom companies. In addition, even consumers subjected to the print media are being cluttered with print advertisements belonging to the mobile operators. By doing so, these mobile operators are compelling the subscribers to often misjudge the basics of communication in positive



relationship building, such as means providing trusted information on services, fulfilling consumer promises, and providing information if delivery problem occurs. As a result the messages sent by the telecom operators are decoded with a negative impression among the mobile subscribers. Thus it is high time that management of these mobile operators designs communication programs that are well accepted by subscribers and subsequently contributes in 'delighting' customers so that they ultimately strengthens relationship quality between service providers and customers.

### Conclusions and Future Research Direction

The results of this study need to be viewed in light of its limitations. First, the proposed conceptual model was tested only in the mobile telecommunication sector of Bangladesh, an LDC. Thus findings cannot be generalized to other service sectors and for other economies. Therefore, it is necessary for testing the model in other services sectors and in other countries. Second, the study only tested for the antecedents of relationship quality. Future studies may also focus on the consequences of relationship quality such as purchase intention, loyalty, and so on, giving researchers and practitioners a meta-analytic view of the antecedents and consequences of relationship quality.

### AUTHOR NOTES

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