

Relationship Quality: The Role of Commitment on Customer Behavioural Intentions in Kenya's Banking Sector

Benedict Mutuku; Dr. Jane Omwenga, PhD; Dr. Mike Iravo, PhD.

1. Associate Lecturer, College of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, Mombasa Campus, P.O Box 85725-80100 , Mombasa -Kenya
3. Principal, College of Human Resource Development, Jomo Kenyatta University of Agriculture and Technology, Westland Campus-P.O Box 62000-0200, Nairobi-Kenya

ABSTRACT: *The purpose of this study was to examine the role of relational commitment on customer behavioural intentions in Kenya's banking sector. The basic research question examined was whether or not customer commitment in service relationships always leads to favourable customer behavioural intentions, as the study was the first to examine the nature of both relationship commitment and customers behavioural intentions and the inter-relationships between them within the financial services sector of a developing country such as Kenya. Thus, utilizing a descriptive survey research design and adapted measures of relational commitment and behavioural intentions on a sample of 334 bank account holders from 43 commercial bank branches in Mombasa, Kenya, the study provides empirical evidence of multi-dimensional nature of relational commitment and its positive and significant predictive impact on favourable customer behavioural intentions with respect to customer loyalty to the bank, re-purchase intention, willingness to pay a higher price for the bank's services over others and a tendency to recommend it to surrounding people. A clarion call to marketing relationship practitioners and marketing scholars is to focus their attention on enhancing customer commitment that drives crucial customer behaviours.*

Keywords: *Relational Affective Commitment; Relational Normative Commitment, Behavioural Intentions.*

1.0 INTRODUCTION

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 and 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 behaviour intentions (Nimako, 2012).

The notion that service firms must be concerned with the development and management of relationships with their customers is not new (Sheth and Parvatiyar, 2002), and relationship marketing literature recognizes the centrality of customer commitment in the development of such marketing relationships (Fullerton, 2003). In the last two decades, a significant body of relationship marketing literature has been produced on the nature of service relationships (Bansal *et al.*, 2004; Fullerton, 2003; Gruen *et al.*, 2000; Harrison-Walker, 2001). While there are many constructs of interest in the area of relationship marketing, customer commitment has emerged as perhaps the most important construct of interest in explaining important relational dependent variables (Bansal *et al.*, 2004; Morgan and Hunt, 1994). For the most part, studies have been built upon commitment as mediator hypothesis (Morgan and Hunt, 1994), that customer commitment is a key mediator in the relationship between the customer's evaluations of a firm's performance and the customer's intentions regarding the future relationship with the firm (Morgan and Hunt, 1994). Whilst this hypothesis has received significant empirical support in recent years in both business-to-business and business-to-consumer environments (e.g. Bansal *et al.*, 2004; Gruen *et al.*, 2000), the results remain inconclusive.

Marketing scholars have also recognized that commitment has multiple components and they have borrowed from the organizational behaviour literature, bringing significant insight on the nature of organizational commitment to the study of customer commitment (Bansal *et al.*, 2004; Fullerton, 2003; Gruen *et al.*, 2000; Harrison-Walker, 2001). Given that customer commitment has multiple components, it is important to recognize that the components of customer commitment may not have the same effect on behavioural outcomes such as customer loyalty. While there is ample support for the position that customer commitment facilitates the development of marketing relationships, there is also ample evidence that customers sometimes feel trapped in

marketing relationships. The basic research question examined in this paper is whether or not customer commitment in service relationships always leads to favourable customer behavioural intentions. In particular, it is important to consider the extent to which the specific components of customer commitment enhance and potentially detract from customer behavioural intentions. Hence, this study is the first to examine the nature of both relationship commitment and customers behavioural intentions and the inter-relationships between them within the financial services sector of a developing country such as Kenya.

2.0 KENYA'S BANKING SECTOR

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, which have led to proliferation of financial products, activities, and other forms of organizations that have led to unprecedented growth of the sector. According to the CBK (2014), while the sector 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, 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 Kenya's financial system is creating the need to focus more on the customer rather than the product in order to remain 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. 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. Consequently, Kenya's 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. Nevertheless, despite the robust relationship marketing strategies adopted by the commercial banks, according to KPMG (2013), the percentage of customers with bank switching intentions for Kenya stands at 11% compared to 10% in each case for Senegal, Botswana's and Uganda. This situation raises questions on the quality of relationship marketing practiced in these critical financial institutions, more so the level of relationship commitment and how it influences customers' behavioural intentions.

3.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

3.1 Morgan and Hunt's (1994) Trust-Commitment Theory

This study was underpinned by Morgan and Hunt's (1994) Trust-Commitment theory. According to Morgan and Hunt (1994), two key factors of successful marketing are relationship commitment and trust. They proposed a commitment-trust theory and created a Key Mediating Variable (KMV) model that considers relationship commitment and trust as mediating variables, between 5 prior conditions (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. Trust originated from the researches by psychologists of the influences of this concept on interpersonal relationship. Trust is taken to mean the degree of one person's confidence in another person or the relationship between them (Lewicki and Bunker, 1996) and trust as a concept 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.

3.2 Commitment

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, 2000). 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 (e.g. Shandasani & Balakrishnan, 2000; Kim & Cha, 2002; Liang & Wang, 2006; Wang *et al.*, 2006; Palmatier *et al.*, 2006) 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).

3.3 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).

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.

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). 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.

3.4 Relational Commitment and Customer Behavioural Intentions

Liang and Wang's (2006) integrative research into the financial services industry in Taiwan investigating the association between relationship quality and loyalty in banks, use commitment to measure relationship quality and report that relationship quality, as measured by commitment, resulted in greater behavioural and attitudinal loyalty to those banks. Palmatier *et al.*'s (2006) meta-analysis of the factors influencing the effectiveness of relationship marketing found a significant relationship between relationship quality commitment and customer 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) found a significant relationship between relationship quality - measured by commitment as one of the dimensions of relationship quality - and behavioural loyalty, using consumer's purchasing frequency and amount spent at one retailer as measures of 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; 2005a). Fullerton, (2005a) 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 2005b) 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 (2005a) demonstrated that continuance commitment may depress the positive effects of affective commitment to the service provider. Therefore, based on the presented empirical literature, the following four hypotheses are postulated.

H1: Relational affective commitment is significantly and positively related with relational normative commitment

H2: Relational affective commitment is significantly and positively related with customer behavioural intentions

H3: Relational normative commitment is significantly and positively related with customer behavioural intentions

H4: Overall relational commitment (affective + normative) is significantly and positively related with customer behavioural intentions

The foregoing hypothesised relationships were summarized in the conceptual model shown in Figure 1.

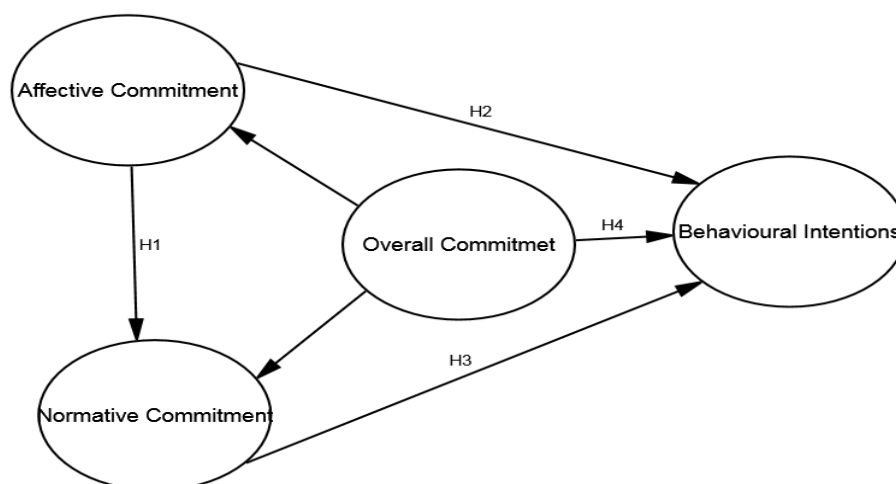


Figure 1: The Hypothesised Model and the Relationships between Constructs

4.0 RESEARCH METHODOLOGY

A cross-sectional, descriptive survey research design utilizing quantitative approaches to data collection and analysis was adopted for this study. The target population comprised 25.3 million account holders (customers) in 43 commercial banks in Kenya, while the accessible population for the study will comprised 3,625,234 active account holders in 43 commercial bank branches in Mombasa City, Kenya (Kenya Bankers Association, 2014). The sampling frame was developed from the register of active account holders in commercial banks in Kenya maintained by the CBK. 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. There were a total of 3,539,957 active accounts in the 43 commercial bank branches in Mombasa.

A representative sample of 384 respondents based on Yamane's (1967) sample calculation formula was used for the study. Stratified sampling was used to determine the commercial banks that were 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 a representative number of commercial banks picked from each tier. Probability proportionate to size sampling methods were applied in allocating the study sample to the selected commercial banks such that banks with larger populations of account holders were allocated commensurate portions of the sample. The ultimate participants in the study were picked through systematic, simple random sampling techniques.

A self-administered questionnaire that was personally delivered to the study participants through drop-off and pick-up method (DOPU) was adopted for the study. The questionnaire collected information on the biodata of the study participants alongside information that measured relationship commitment and behavioural intentions of the participants. Commitment was operationalized as affective and normative commitment measured using 8 items drawn from different previously tested scales (Morgan & Hunt, 1994; Morman *et al.*, 1992; Roberts *et al.*, 2003). On the other hand, customer behavioural intentions was measured using 8 items adapted from prior studies on behavioural intentions (Baker and Crompton, 2000; Dagger *et al.*, 2007; Gonzalez *et al.*, 2007; Kang *et al.*, 2004; Park *et al.*, 2005), reflecting behavioural and attitudinal loyalty. The all the constructs were operationalised using 5-point Likert scales, ranging from (1= strongly disagree) to (5 = strongly agree).

A pilot study was conducted on a small sample of 40 bank account holders in bank branches that did not form part of the actual sample as generally recommended by social researchers (Mugenda and Mugenda, 2007). The purpose of the pilot study was test the questionnaire and survey techniques (Kothari, 2004) and ensure that the items in the instrument were stated clearly, with the same meaning to all respondents (Mugenda & Mugenda, 2007). Pilot testing also enabled the researcher to know if the instruments were valid and that the study's design would be able to capture the required data. Similar methods to be used in the actual study were employed in the pilot study.

5.0 RESULTS AND DISCUSSION

5.1 Sample Profile

The study sample's background 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. 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.

5.2 Results of Descriptive Analysis of the Study Variables

5.2.1 Means and Stand Deviations of Relational Trust Measurement Scale

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). 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. The distribution of the means and standard deviations per subscale item was as shown in Table 1.

Table 1: Means and Standard Deviations of the Relational Commitment Subscale Items

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

5.2.2 Means and Stand Deviations of Behavioural Intentions Measurement Scale

The final BI scale comprised 7 scale items that focused on verbal indications by the participants based on their individual future favourable intentions (James, 2007) to perform given behaviours. The BI measurement scale was based on a similar 5-point likert scale, ranging from strongly disagree (1) to strongly agree (5). The results of descriptive analysis of the participants' responses on the favourable BI measurement scale (Table 2) 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.

Table 2: Means and Standard Deviations of the Behavioural Intentions Measurement Scale

Item No.	Questionnaire item description	Mean	Std. Dev
Behav_1	I would always say positive things about this bank to other people.	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	3.43	.986
Behav_3	I would recommend this bank to other people	3.50	.996
Behav_4	I intend to remain with this bank for as long as I need banking services	3.58	.988
Behav_5	I am willing to put in extra effort to stay with this bank	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	3.52	1.081
Behav_7	I intend to increase the number of services/products that I use in this bank	3.65	1.054

5.2.3 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 both the relational commitment measurement scale and the behavioural intentions scale. The objective was to identify items with a Corrected Item-Total correlation of lower than 0.4 on the hypothesized for deletion (Gliem & Gliem, 2003; Hair *et al.*, 2006). Table 3 shows the scale item analysis for relational commitment measurement scale while Table 4 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

	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: Behavioural Intentions- Item-Total Statistics

	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.*, 2006), no item was deleted from the two measurement scales since Corrected Item-Total correlation values for all the items for each scale exceeded 0.4. Additionally, early scale reliability estimates were very encouraging given that they exceeded Cronbach's $\alpha = 0.7$ (Zikmund *et al.* 2010; Tabachnick and Fidel, 2001).

5.2.4 Validity Analysis of the Relational Commitment Measurement Scale

Confirmatory Factor Analysis (CFA) was performed on the measurement model for relational commitment using Structural Equation Modeling in Analysis of Moment Structures (AMOS) 23.0 to assess and verify the unidimensionality of the measurement model in terms of the parameter estimates, the statistical significance of the parameter estimates and overall fit (Byrne, 2001). Based on the maximum likelihood estimation method in AMOS 23.0, the measurement properties (reliability and validity statistics) were evaluated for the two-factor relational commitment (R_COMMT) measurement model. First the two forms of relational commitment (Normative commitment (N_COMMT) and Affective commitment (A_COMMT)) were assessed with a single two factor measurement model. The two factors were allowed to covary in the model since they were considered to be intercorrelated. The confirmatory factor analysis resulted in a significant chi-square statistic ($\chi^2 = 202.49$, $df = 19$, $p = .000$, $N = 334$) which could be explained by the large sample size (Byrne, 2001). The GFI for the model was 0.877. The IFI, TLI and CFI were 0.881, 0.824 and 0.881. 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 0.17, way above the acceptable value of <0.08 (Hair *et al.*, 2006; MacCallum and Austin (2002). Based on these model indices, model re-specification was inevitable. Overall, these indices indicated that the measurement model did not fit the data adequately well and needed to be re-specified.

An examination of the AMOS output revealed that the item Commit_1 of the factor Affective commitment had the lowest factor loading of .597 with an R^2 value of .36, which was below the recommended minimum threshold of .50 (Steenkamp and van Trijp, 1991). The item Commit_2 had relatively high standardised residuals values, of which 5% were greater than 2.58 (Hair *et al.*, 2006), while modification indices revealed that the item appeared frequently (9 out of 23), with two modification indices associated with the item indicating that freeing up the item would improve the χ^2 by the largest margins of 25.3 and 20.8 at two separate misspecifications. On the other hand, the item Commit_5 (Normative commitment) had relatively lower standardised regression weight (.727) and a lower R^2 value of .528 compared to the other three items that loaded on the factor. The item also appeared frequently in the modification indices which was a sign of a problematic item. With these three items freed, the relational commitment measurement model was estimated as presented and all the fit indices improved. The fit indices revealed that the ratio of χ^2 to degrees of freedom (χ^2/df) or CMIN/DF was 3.76. 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 0.98. IFI, TLI and CFI were 0.99, 0.97 and 0.99 respectively. Given that the recommended values for the indices had been achieved, the model indicated acceptable fit (Hu and Bentler, 1999). The RMSEA was acceptable at 0.09 ($p = 0.0000$).

Assessment of convergent validity was conducted based on: the factor loadings of the indicators and the average variance extracted (AVE) for each factor (Fornell and Larcker, 1981). As shown in Table 5, the factor loadings vary between 0.76 and 0.92, and are all significant statistically ($p = 0.000$). The AVE values for each factor were 0.92 for affective commitment and 0.94 for normative commitment. These results show evidence of convergent validity of the measures used for these constructs. Composite reliabilities for the relational commitment dimensions were: above the recommended level of 0.6 (Bagozzi and Yi, 1988) as follows affective commitment = 0.96 and normative commitment = 0.98.

Discriminant validity of the latent variables was verified according to the procedure proposed by Fornell and Larcker (1981) by comparing the AVE values of the pair of variables (affective and normative commitment) to their squared correlation coefficient. The AVE values of the variables (0.92 and 0.94) were above the squared correlation coefficient of the pair of variables, which was 0.30. In light of these results, it may well be argued that it is possible to conclude that the two relational commitment constructs were distinct.

Table 5: Std Factor Loading, t-Values, AVE and Composite Reliability for Relational Commitmet

Construct Item	Std Factor Loading	t-Value	p-Value	AVE	Composite reliability
Affective commitment				0.92	0.96
Commit_3	0.92	10.33	.000		
Commit_4	0.77	N/A			
Normative commitment				0.94	0.98
Commit_6	0.76	15.44	.000		
Commit_7	0.90	19.88	.000		
Commit_8	0.87	N/A			

5.3 Verification of Research Hypothesis

To verify the hypotheses listed in an earlier section, the causal model was tested using the maximum-likelihood estimation procedure of Analysis of Moment Structures (AMOS) version 23.0. The results of the overall model were largely satisfactory and considered acceptable in accordance with the model's main statistics, as they indicated a good fitting model. The ratio of χ^2 to degrees of freedom (χ^2/df) or CMIN/DF was 2.44 ($\chi^2 = 17.07$, $df = 7$, $p = .017$, $N = 334$). All other fit indicators, including the "Normed Fit Index" (NFI = 0.982), the "Incremental Fit Index" (IFI = 0.989), and the "Comparative Fit Index" (CFI = 0.989) were also largely acceptable. Furthermore, the value of the indicator "root mean square error of approximation" (RMSEA) was equal to 0.066, which is below the limit of acceptability of 0.08 (Byrne, 2001). Given the acceptable fit indices for the causal model, the path coefficients were and their levels of significance were reviewed to determine the direct effects of relational commitment dimensions on customer behavioural intentions. The results of the assessment presented in Table 6 revealed that all of the hypothesized relationships described in Figure 1 were confirmed.

For the hypothesis *H1* (relational affective commitment and relational normative commitment), the AMOS output revealed that there was a positive and significant relationship between relational affective commitment and relational normative commitment, with $\beta = 0.753$ ($p = 0.000$) thus confirming the hypothesized relationship. The results indicated that the influence of relational affective commitment on customer behavioural intentions, as stated in hypothesis *H2* was confirmed with $\beta = 0.127$ ($p = 0.000$), which was also the case for the hypothesis *H3*, which puts forward the impact of relational normative commitment and customer behavioural intentions ($\beta = 0.395$; $p = 0.000$). Finally, with regard to the role of relational commitment in reinforcing favourable customer behavioural intentions as encapsulated in hypothesis *H4*, the relationship was confirmed with $\beta = 0.308$ ($p = 0.000$). The positive composite predictive relationship between relational commitment and customer behavioural intentions is in tandem 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.*'s (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.

Table 6: Regression coefficients and statistics for the causal model

Hypothesis		Path		Std β	t-Value	P-Value
<i>H1</i>	Normative Commitment	<---	Affective Commitment	.753	10.500	.000
<i>H2</i>	Behavioural Intentions	<---	Overall Commitment	.308	3.961	.000
<i>H3</i>	Behavioural Intentions	<---	Normative Commitment	.395	7.226	.000
<i>H4</i>	Behavioural Intentions	<---	Affective Commitment	.127	4.758	.000

6.0 CONCLUSION AND RECOMMENDATION

This study was aimed at investigating the role of relational commitment on customer behavioural intentions among financial services consumers within a developing economy's context. 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. The results confirmed the past findings of Ling and Wang (2005), Palmatier *et al.* (2006) and De Wulf *et al.* (2001) all of whom have reported on the strong predictive power of commitment as a dimension of relationship quality on various forms of customer behavioural intentions in different contexts and marketing relationship settings. Therefore, 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 and Hunt, 1994) and many other studies, relational commitment supports the development of long-term marketing relationships that have potential to reinforce favourable behavioural intentions.

Hence, marketing relationship practitioners and marketing scholars alike are advised to focus their attention on enhancing relational forces (customer commitment) 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 (Rigby *et al.*, 2002) 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.

REFERENCES

- Alexandris, K., Dimitriadis, N., & Markata, D. (2002). Can perceptions of service quality predict behavioural intentions? An exploratory study in the hotel section in Greece. *Managing Service Quality*, 12(4), 224-232.
- Bagozzi, R. P. & Yi, Y. (1988). On the Evaluation of Structural Equation Models. *Academy of Marketing Science*, 16, 74-94.
- Baker, D., & Crompton, J. (2000). Quality, satisfaction and behavioural intentions. *Annals of Tourism Research*, 27(3), 785-804.
- Bansal, H., Irving, G. and Taylor, S. (2004), A three-component model of customer commitment to service providers, *Journal of the Academy of Marketing Science*, 32(3), 234-50.
- Becker, H. S. (1960). Notes on the concept of commitment. *American journal of Sociology*, 32-40.
- Byrne, B. M. (2001). *Structural Equation Modelling with Amos: Basic Concepts, Applications, and Programming*. Mahwah, NJ: Erlbaum.
- Central Bank of Kenya (2014). *Annual Report (2014)*. Central Bank of Kenya, Nairobi
- Chen, C. F., & Tsai, D. C. (2007). How destination image and evaluative factors affect behavioural intentions? *Tourism Management*, 28(4), 1115-1122.
- Dabholkar, P.A., Shepherd, C.D., Thorpe, D.I. (2000). A comprehensive framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study, *Journal of Retailing*, 76(2), 139-73.
- Dagger, T. S., Sweeney, J. C., & Johnson, L. W. (2007). A hierarchical model of health service quality: Scale development and investigation of an integrated model. *Journal of Service Research*, 10(2), 123-142.
- De Wulf, K., G. Odekerken-Schroder and D. Iacobucci (2001) Investments in Consumer Relationships: A Cross-country and Cross-industry Exploration, *Journal of Marketing*, 65(4), 33-50.
- Fornell, C. & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18, 39-50.
- Fullerton, G. (2003), When does commitment lead to loyalty, *Journal of Service Research*., 5(4), 333-44.
- Fullerton, G. (2005a). The impact of brand commitment on loyalty to retail service brands. *Canadian Journal of Administrative Sciences*, 22(2), 97-110.
- Fullerton, G. (2005b). The service quality-loyalty relationship in retail services: Does commitment matter? *Journal of Retailing and Consumer Services*, 12(2), 99-111.
- Gilliland, D. and Bello, D. (2002), The two sides to attitudinal commitment: the effect of calculative and loyalty commitment on enforcement mechanisms in distribution channels, *Journal of the Academy of Marketing Science*, 30(1), 24-43.
- Gliem, J., & Gliem, R. (2003). Calculating, interpreting, and reporting Cronbach's Alpha Reliability Coefficient for Likert-type scales. *Midwest Research-to-Practice Conference in Adult, Continuing, and Community Education*. Retrieved June 6, 2015, from <http://hdl.handle.net/1805/344>
- González, M. E. A., Comesaña, L. R., & Brea, J. A. F. (2007). Assessing tourist behavioural intentions through perceived service quality and customer satisfaction. *Journal of Business Research*, 60(2), 153-160.
- Gruen, T., Summers, J. and Acito, F. (2000), Relationship marketing activities, commitment and membership behaviors in professional associations, *Journal of Marketing*, 64(3), 34-49.
- Hair Jr., J. F., Black, W. C , Babin, B. J., Anderson, R. E. & Tatham, R. L. (2006). *Multivariate Data Analysis*, (6 ed.). New Jersey: Pearson Prentice Hall.

- Harrison-Walker, J. (2001), The measurement of word-of-mouth communication and an investigation of service quality and customer commitment as potential antecedents, *Journal of Service Research*, 4(1), 60-75.
- Hu, L.T. and Bentler, P.M. (1999), Cutoff Criteria for Fit Indexes in Covariance Structure Analysis: Conventional Criteria Versus New Alternatives, *Structural Equation Modeling*, 6 (1), 1-55.
- James, W. (2007). State council for science, technology & environment Himachal Pradesh. *Quarterly ENVIS Newsletter*, A3(January-March), 1-8. Retrieved October 2, 2007, from http://www.hpervis.nic.in/newsletters/nl_mar_07.pdf
- Kang, S. S., Okamoto, N., & Donovan, H. A. (2004). Service quality and its effect on customer satisfaction and customer behavioural intentions: Hotel and ryokan guests in Japan. *Asia Pacific Journal of Tourism Research*, 9(2), 189-202.
- Kim, W. G., & Cha, Y. (2002). Antecedents and consequences of relationship quality in hotel industry. *Hospitality Management*, 21, 321-338.
- Kothari, C. R. (2004). *Research methodology. Methods and techniques*. New Delhi. New Age International (P) Limited Publishers.
- Kotler P. & Keller K. (2006). *Marketing Management*, 12th Edition, Pearson Education Inc, New Jersey.
- Ladhari, R. (2009). Service quality, emotional satisfaction, and behavioural intentions: A study in the hotel industry. *Managing Service Quality*. 19(3), 308-331
- Lee, J., Graefe, A. R., & Burns, R. C. (2004). Service quality, satisfaction, and behavioural intention among forest visitors. *Journal of Travel & Tourism Marketing*, 17(1), 73- 82.
- Lewicki, R.J., & Bunker, B.B. (1996). Developing and maintaining trust in work relationships. In R.M. Kramer & T.R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research* (pp. 114-139). Thousand Oaks, CA: Sage Publications.
- Liang, C. and Wang, W. (2006). The behavioural sequence of the financial services industry in Taiwan: service quality, relationship quality and behavioural loyalty. *The Service Industry Journal*, 26(2), 119-145.
- Lin, C., Weng, J. C. M., & Hsieh, Y. (2003). Relational bonds and customer's trust and commitment - A study on the moderating effects of web site usage. *The Services Industries Journal*, 23(3), 109-127.
- Lobo, A., Maritz, A., & Mehta, S. (2007). Enhancing Singapore travel agencies' customer loyalty: An empirical investigation of customers' behavioural intentions and zones of tolerance. *International Journal of Tourism Research*, 9(6), 485-495.
- Lovelock C. and Wirtz J. (2007). *Services Marketing: People, Technology, Strategy* (6th Ed.), Pearson Prentice Hall, New Jersey
- MacCallum, R. C., & Austin, J. T. (2000). Applications of structural equation modeling in psychological research. *Annual Review of Psychology*, 51, 201-226.
- Maingi, M.W., Wanjiru, G.T., Kitheka, S.S., Njeri, R.N. and Mwau, J.M. (2013). Financial Innovation as a Competitive Strategy: The Kenyan Financial Sector, *Journal of Modern Accounting and Auditing*, 9(7), 997-1004
- Morgan, R. M. and Hunt, S. D., (1994), The commitment-trust theory of relationship marketing, *Journal of Marketing*, 58(3), 20-38.
- Mugenda, O. M., & Mugenda, A. G. (2007). *Research methods. Quantitative and qualitative approaches*. Nairobi. Acts Press.
- Nimako, G. S. (2012). Linking Quality, Satisfaction and Behaviour Intentions in Ghana's Mobile Telecommunication Industry, *European Journal of Business and Management*; 4(7).
- Palmatier, R.W., Dant, R.P., Grewal, D. and Evans, K.R. (2006), Factors influencing the effectiveness of relationship marketing: a meta-analysis, *Journal of Marketing*, 70, 136-53.
- Park, J. W., Robertson, R., & Wu, C. L. (2005). Investigating the effects of airline service quality on airline image and passengers' future behavioural intentions: Findings from Australian international air passengers. *Journal of Tourism Studies*, 16(1), 2-11.
- Reichheld, F.F. and Schefter, P., (2000), E-Loyalty, *Harvard Business Review*, Vol.78, No. 4, pp. 105-113.

- Rigby, D. K., Reichheld, F. F., & Schefter, P. (2002). Avoid the four perils of CRM. *Harvard Business Review*, 80(2), 101–109.
- Roberts, K., S. Varki and R. Brodie (2003) Measuring the Quality of Relationships in Consumer Services: An Empirical Study, *European Journal of Marketing*, 37(1/2), 169-96.
- Shamdasani, P.N., and Balakrishnan, A.A. (2000). Determinants of Relationship Quality and Loyalty in Personalized Services, *Asia Pacific Journal of Management*, 17(3), 399–422.
- Sheth, Jagdish N. and Atul Parvatiyar, Eds. (2000) *Handbook of Relationship Marketing*, Thousand Oaks, CA: Sage Publications.
- Steenkamp, J. and van Trijp, H. (1991). The use of LISREL in validating marketing constructs. *Int. J. Res. Mark.* 8, 283–299.
- Tabachnik, B.G., & Fidell, L.S. (2001). *Using multivariate statistics*. Boston: Allyn & Bacon.
- Wang, W.-H., Liang, C.-J. and Wu, Y.-D. (2006), Relationship bonding tactics, relationship quality and customer behavioural loyalty – behavioural sequence in Taiwan information services industry, *Journal of Services Research*, 6, 31-57.
- Wilson, D. T., (1995). An integrated model of buyer-seller relationships, *Journal of the Academy of Marketing Sciences*, Vol. 23, No. 4, pp. 333-345.
- Zeithaml, V. A. Berry, L. L. and Parasuraman, A. (1996), The behavioral consequences of service quality,” *Journal of Marketing*, 60(2), 31-46.
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business research methods* (8th ed.). Mason, HO: Cengage Learning.