

Full Length Research Paper

The influence of brand equity and relationship superiority on customer commitment: A study of Africa Telecom Service Provider

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This study intends to examine in what way product and relationship superiority can impact buyer pledge in the business-to-business (B2B) setting. By aiming a Nigerian wooden merchandise producer as case study, survey questionnaires were sent with replies of 36 business consumers. The study used a theoretic basis of relationship superiority, buyer pledge (using a reformed Grönroos's exemplary of bi-dimensional service quality model containing both product and services facets) as a forerunner of relationship superiority and business pledge as a decisive dependent variable. The results of this study advocate that buyer pleasure to service supplier can be enhanced by directing on their apparent superiority on both service and product. Accordingly, buyer pledge and relationship superiority can be improved by increasing buyer pleasure. Similarly, this study strengthens the credence that relationship approval has a vital part to play in the manufacturing setting. It places forward one likely fundamental clarification of the subtle bond between approval and relationship.

Key words: Relationship quality, trust, satisfaction, commitment, brand equity.

INTRODUCTION

In a business-to-business setting, sellers and service suppliers must realize buyer exclusive features and wants. It is vital to have a tactical association organization amongst seller and business buyers (Rauyruen and Miller, 2007). Buyer relationship organization (BRO) is a significant aspect in constructing victory in the market, by frequently evolving relationship with business clients. With BRO, sellers are able to improve relationship superiority; it effects and preserves buyer obligation in the business (Rauyruen and Miller, 2007). Nevertheless, 'relationship superiority' arrests the nature of an association, which in turn affords constructive paybacks to the buyer (Henning-Thurau and Klee, 1997). In this study, relationship superiority dimensions comprise relational features (intimacy, communication, communication value and distinct maintenance) and firm features (pledge, conviction and approval). The results showed that relationship superiority swayed the pledge in both service types. Relationship superiority signifies an overall assessment of relationship strong suit and the degree to

which a relationship come across the requests and anticipations of the parties involved which is centered on an account of fruitful or fruitless meetings or proceedings (Park et al., 1986). Marketing scholars have resolved that it is around five times more costly to obtain new customers than to retain the present ones (Park et al., 1986). Hence, firms have prepared determinations to grow enduring relationships with their customers in order to generate customer pledge and viability. Relationship superiority is a mixture of pledge, approval, and conviction (Ulaga and Eggert, 2006).

Conviction is normally seen as an important component for constructing and preserving effective relationships. Also conviction is a vital relationship model constructing block and is involved in most relationship prototypes.

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Conviction is constructed when the buyer has assurance in a service supplier's dependability and truthfulness (Webb et al., 2000). Conviction is one of the most extensively scrutinized and recognized perception in relationship marketing and it has been presented to have an influence on the growth of business relationships (Zaltman 2003). Approval is a portion of how a buyer's anticipations are met and frequently has been observed as the ultimate outcome of all actions conceded through the course of buying and consumption. In fact, some scholars recommend that customer approval is a complete assessment established on the entire knowledge with a good or service over time. Most of the investigators have acknowledged buyer approval as an important feature for interactive variables and it has been generally believed among scholars as a commanding forecaster for interactive variables.

Investigation concerning pledge in the buyer-seller relationship is dominant in marketing; numerous explanations of pledge appear inside the literature. Anderson and Weitz (1992) state, "Pledge to a relationship involves a wish to grow a steady relationship, an enthusiasm to create short term losses to preserve the relationship, and an assurance in the constancy of the relationship." A number of scholars consider that pledge is a key feature in relationship. Rutherford (2007) pointed out that pledge shields the predisposition to develop a resilient relationship, the preparedness for a lasting relationship, and devising assurance in the stability of the relationship. Pledge is a lasting aspiration to uphold a treasured relationship (Zineldin and Jonsson, 2000). Buyer apparent worth (BAW) is postulated as an antecedent to relationship superiority. BAW inspires relationship superiority by having unswerving relationship with relationship approval. The core motive BAW was suggested as an originator for the reason that development in buyer alleged superiority will upsurge buyer approval, allegiance and viability (Gummesson, 1998). In this study, both magnitudes of product and service of BAW are combined into the context, to acclimatize the exact want of manufacturing industry.

Brand equity denotes to the discrepancy result of brand information on customer reaction to the marketing of a brand (Keller, 1993). Brand equity is motivated by brand alertness, brand appearance, and business principles. All of these fundamentals work to develop the buyer's view of the brand and upturn fascination and maintenance rates. Relationship fairness includes the distinct relationship fundamentals that tie the buyer to the brand and assist to bolster the relationship beyond the worth and brand equity. Relationship fairness signifies the buyer's opinion of the power of the relationship between him/her and a specific company or firm to maneuver retaining platforms (Sublaban and Aranha, 2008). This kind of equity is essential to creating enduring relationships. It has been acknowledged that for a buyer to be loyal to a company, there is necessity for brand

equity and relationship superiority between the customers and such a company, thereby increasing conviction, approval and pledge. These relationships allow the company to be more open to customers and turn out to be extra-inventive, which upturn customer approval, conviction and eventually the level of pledge.

LITERATURE REVIEW

Relationship quality highlights the establishment, development, and maintenance of long-term exchanges. Such relationships are thought to be more profitable than short term relationships as a result of exchange efficiencies. This is particularly true of business-customer relationships (Myhal et al., 2008). Further, relationship quality is based on generating a foundation of shared interests, in which firms and customers commit to each other. Firms strive to use interactions with customers to generate commitment, which includes trust, customer satisfaction to maintain a valued relationship, and readiness to rely on an exchange partner. Some marketing scholars advocate firms formally defining and managing the value of their customers. The concept of customer equity is useful in that regard. In the light of resource investment, commitment of both parties is the chief sign of relational quality. According to the view of Henning-Thurau and Klee (1997), relationship quality refers to the relationship between customers and companies to meet specific customer needs on the appropriate level. As an intermediate indicator to motivate customer behaviors, relationship quality is a multidimensional concept. On the study of sale and-service, analyzed credence and degree of satisfaction, as the two key dimensions in relationship quality, while some other people examined relationship quality on the basis of customer satisfaction and brand fidelity.

Business identified two factors that might influence relationship satisfaction namely: instrumental factors and interpersonal factors (Abdul-Muhmin, 2005). Between these two factors, interpersonal factors are the most influential factor compared to instrumental factors in influencing relationship satisfaction. The author argues that instrumental factors work as a basis for developing or starting the relationship. Instrumental factors develop the foundation of relationship, whereas interpersonal factors help to cement the relationship. Good interpersonal relationship helps to strengthen the relationship between the customer and service employee, and develop trust between them (Auh, 2005). However, interpersonal relationships are not being developed in one day; it needs time and effort to do that. Interpersonal interactions lead to identification of variables like trust, fairness, shared values, relational social norms and communication as determinant of relationship in business context or in service sectors.

All of these three levels contribute to overall satisfaction. Most of the previous researchers believed that one of the

important factors influencing the success of RQ is the relationship between the customers and first-line employees or service employees. For instance, Gummesson (1998) and Abdul-Muhmin (2005) argue that interpersonal or social interactions are important in developing good relationship with the customers. Service employees form close relationship with customers because employees and customers often work together in the creation of many services (Moira, 1997). This is because service is produced by employees and consumed by customer simultaneously (Lovelock, 1981). In addition, the intangibility of services make it difficult for customers to evaluate the service they receive, and since such an evaluation often seem desirable, customers would tend to evaluate what they can sense (Gronross, 1983) and sometimes, customers often rely on employees' behaviour in forming opinion about the service offering (Gronroos, 1983; Shostack, 1977). Because of these two functions, employees actually become part of the service in the customer's eyes (Lovelock, 1981). There is no clear consensus in the literature on the set of dimensions that comprise the construct of 'relationship quality'. RQ is determined from various perspectives and differs from many definitions found in prior literature (Gronross, 1983). Lacking specific attempts to fully develop a relationship quality construct and a practical measure, researchers have used this term inconsistently to generally describe relational constructs based on the empirical context under investigation (Julie, 2006).

The importance of relationship satisfaction, trust and commitment can be linked together as an overall indicator of the higher-order construct of relationship quality. It is assumed that better relationship quality is accompanied by greater satisfaction, trust, and commitment, although these three attitudinal dimensions are distinct; as such consumers tend to view and evaluate them as a group together (Nelson, 2007; Julie, 2006; Rauyruen and Miller, 2007). Therefore, trust, satisfaction, and commitment are intimately interconnected in the conceptualization of relationship quality. According to the principles of relationship marketing, successful business relationships enhance customer satisfaction and thus enhance the performance of firms. In the past, relationship satisfaction has been conceptualized as a prerequisite for relationship quality. Three levels of relationship satisfaction are identified:

- (a) Interactions with personnel.
- (b) Core service/product.
- (c) The organization (supplier).

with the relationship. In a business context, relationship satisfaction has been defined as a positive affective state resulting from a firm's appraisal of all aspects of its working relationship with another firm (Hennig-Thurau and Klee, 1997).

It has been acknowledged that relationship marketing has positive impact on client; however the understanding of why customers become loyal is still one of the most crucial (Althanasopoulou 2009). The literature mentions different relationship quality dimensions, however no agreement regarding these has been achieved. The literature review of relationship quality dimensions that positively relate to client loyalty is provided further. Henning-Thurau and Klee (1997) developed the model of customer satisfaction and relationship quality on customer retention but it did not examine the mediating effect. Previous customer retention related studies have explored satisfaction as a key determinant in customers purchasing decisions (Parsons, 2002). Customer satisfaction is the consumer's fulfillment response and the degree to which the performances meet their expectations (Parsons, 2002; Wilson, 1995). In addition, Athanasopoulou (2009) suggested that further RQ related research should focus more on different types of firms to test the RQ model. Atmosphere is also the main quality element of food service industry. Therefore, the relationship quality in this study has been defined as commitment, trust and atmosphere. The customer satisfaction was drawn from the relationship quality and separately became individual relationship marketing variable in the proposal model.

In addition, recent literature examines brand image as another driver of customer loyalty. Existence of customer loyalty is a good supporting evidence of brand images' importance in consumer evaluation of products and services (Lee and Ganesh, 1999). As a result of weakening brand equity/loyalty, little differentiation, and intense price competition, some consumers are no longer intensely loyal and will not switch companies to get a particular brand (Davis-Sramek et al., 2009). Kwon and Lennon (2009) explain that brand equity, in turn, affects various attitudinal and behavioural responses of the consumers towards the company such as customer loyalty that may create a strong company patronage intention, great willingness to pay a price premium, and a strong feeling of affiliation or liking. In the context of relationship quality, consumers' perceived image of a brand can potentially affect consumers' loyalty towards the telecom company.

In previous studies of RQ, some researchers link their study on relationship with loyalty, which act as dependent variable. The purpose of doing so is to demonstrate that a good RQ will contribute to customer loyalty. Yet, the conceptualization of loyalty varies among researchers. For example, some of the researchers see loyalty in terms of behavioral loyalty or attitudinal loyalty (mental state) or both, that is, in the sense that customers can express their loyalty in many ways, for example, repeat purchase, willing to recommend, increase usage, etc. Moreover, loyalty is the final output of good RQ between customer and service provider in either credence services or experience services. According to Morgan

and Hunt (1994), commitment and trust together encourage marketers:

1. To work towards preserving relationship investments by cooperating with exchange partners.
2. To resist attractive short-term alternatives in favor of the long-term expected benefits of staying with existing partners.
3. To view potentially high-risk actions more favorably because they believe that their partners will not act opportunistically.

Sharma and Patterson (1999) state that communication efficiency increases commitment in respect to relationship. This justified Morgan and Hunt's (1994) proposition that ensuring easy communication flow is an important feature of strong relationship. Therefore, efficient communication between institution and clients determine better relationship and client loyalty (Ndubisi, 2007). Zineldin and Jonsson (2000) advocated that the high levels of trust characteristics of relationship exchange enable parties to focus on the long-term benefits of the relationship and willingness not to try to exploit the new relationship at the expense of long term cooperation. A cooperative business relationship grows over time as trust and commitment between business-partners develop. Each partner's ability to provide positive outcomes to the other determines commitment to the relationship. Creating long-term relationships with customers is the key to the survival and growth of service operations. Therefore, firms should get the benefits from a better understanding of what makes customer loyal to one service provider. In line with that, firms try to build a good relationship with the customers because they believe that, at the end, good relationship will lead to customer loyalty.

Relationship commitment is the third key element of relationship quality construct. Commitment exists when a partner believes the relationship is important enough to warrant maximum efforts at maintaining that relationship in the long term. Zineldin and Jonsson (2000: 249) defines relationship commitment as: "An exchange partner believes that an ongoing collaborative relationship with another partner is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely". Commitment is positively related to loyalty and repeated purchase, because relationship performance is critical to repurchase decisions in a relational exchange, hence business loyalty is similar to relationship commitment (Morgan and Hunt, 1994). Business loyalty is described as "a deeply held commitment to re-buy or repurchase a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-set purchasing, despite situational influences and marketing efforts which have the potential to cause switching behavior". Importantly, commitment from both parties is

crucial in business relationship, without which the relationship will not sustain, and finally relationship should contribute to the satisfaction of involved parties. Commitment was widely studied in the interaction between the buyer and the seller. Relationship commitment exists when the exchange partner believes that an ongoing relationship with another partner is so important as to warrant maximum effort to maintain it. The committed party believes that the relationships are worth working on to ensure that it endures indefinitely (Morgan and Hunt, 1994). Thus, the listed hypotheses are available for testing:

H₀: Brand equity has a negative impact on relationship quality.

H₁: Brand equity has a positive impact on relationship quality.

H₀: Brand equity has a positive impact on customer commitment.

H₂: Brand equity has a negative impact on customer commitment.

H₀: Relationship quality has a positive impact on relationship value.

H₃: Relationship quality has a positive impact on customer loyalty.

stated that commitment is a customer's long-term ongoing orientation toward a relationship grounded on both emotional bond to the relationship (affective aspect) and on the conviction that the remaining in the relationship will yield net benefits than terminating it (cognitive aspect). A high level of commitment is achieved if both a relational bond (net benefits) and an affective bond (emotional tie) exist in the relationship. For example, found the importance of commitment in relationship (Morgan and Hunt, 1994), and the importance of commitment will increase in future when the firms realize the importance of relationship marketing in their daily marketing activities as opposed to marketing mix (Gronroos, 1983). defined "satisfaction as the consumer's fulfillment response. It is a judgment to a product or service feature, or the product or service itself, which provides (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment". Satisfaction with delivered products or services has been suggested and empirically proven to influence the buyer's decision to continue the relationship. Importantly, satisfaction was also found to have a significant impact on both trust and continuity of the relationship (Selnes, 1998) (**Figure 1**).

METHODOLOGY

A survey research was the research method used in this study of which Telecom service providers in Africa were chosen as the case study. This study is based on a sample of 86 telecom service providers from the service

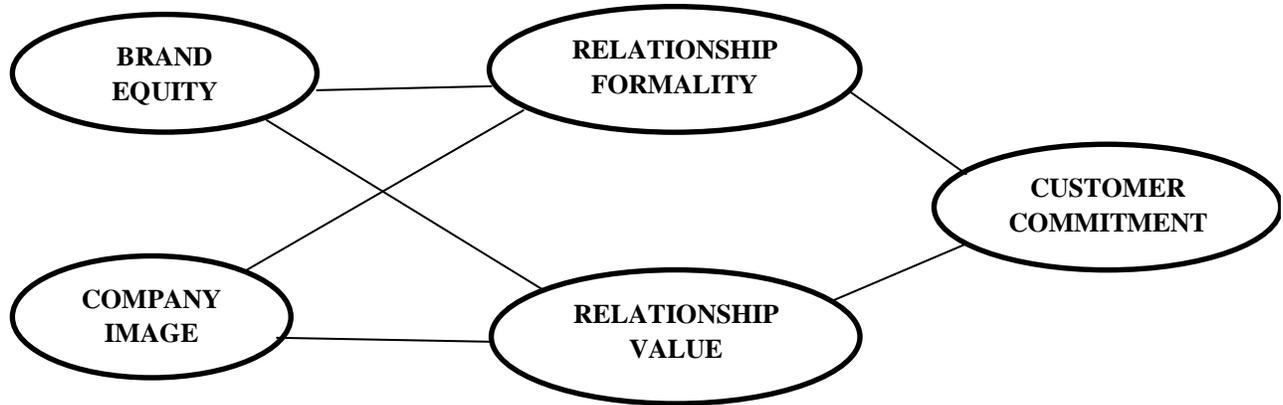


Figure 1. Brand equity and relationship quality conceptual model (Source: Pacioli, 2007).

Table 1. Sampling distribution of brand equity pattern and customer size.

	20-99	100-299	300-499	500-999	1000-1499	>5000	Total
Relationship satisfaction	39	8	8	6	0	0	61
Relationship trust	42	14	4	6	3	2	71
Relationship commitment	74	13	6	14	12	2	121
Total	155	35	18	26	15	4	253

industry. Research hypotheses were tested with linear regression models. The rationale behind the selection of telecom service providers results from the view that trust can be acquired through relationship quality with committed customer which is significant for the company.

The sampling frame was stratified according to company size and industry type. The population size includes 86 telecom service companies in Africa while the sample size for the study includes 43 managers from the telecom service company and 43 customers. Primary data were the data type used in this study, as data were directly collected from the managers and customers of the service industry. A five-point likert scale questionnaire was the research instrument used in this research, which was sent to managers of different service firms in Abeokuta.

This research made use of linear regression model to test and make a decision about the impact of brand equity and relationship quality on customer commitment (Tables 1 and 2). A 5-point likert scale was also used to generate the questionnaire which ranges from strongly agree, agree, undecided, disagree and strongly disagree.

RESULTS, CONCLUSION AND IMPLICATION FOR MANAGEMENT

The results of the linear regression model provide us with an acceptable fit for H₁ which implies that there is a positive impact between brand equity and relationship quality. Commitment, satisfaction and trust are the three

main dimensions of relationship quality that have been used in most investigations and verified in different concepts. There is a strong positive correlation between customer satisfaction, trust, commitment and customer loyalty, thus the major dimensions of relationship quality influence customer loyalty. Most of the researchers found that satisfied customers are not always loyal customers. Consequently, small increase of customer satisfaction leads to customer loyalty dramatically. This implies that if the customers are satisfied then they will become loyal. Company managers should pay attention to the complete customer satisfaction. Retention of existing customers is much cheaper than acquiring new customers, therefore keeping loyal customers is a crucial issue for companies. According to this literature review, the majority of researches are experimental and the domain is very extensive. Loyalty is divided into three main parts, including: attitudinal, behavioral and composite. Finally, consumers have a central role to play in relationship quality.

LIMITATIONS AND FUTURE RESEARCH DIRECTION

While embarking on this research study, some challenges were faced which affect the reliability and validity of the study. First among them was the fact that this study did not focus on brand equity, relationship quality and customer commitment, but also fails to consider the brand product. Furthermore, this study was restricted only to customer commitment, thereby not

Table 2. Measure reliabilities for construct (n=253).

Measure	Construct reliability (Joreskog Rho)	Average variance extracted
Relationship quality	0.78	0.54
Customer satisfaction and loyalty	0.88	0.78
Customer linking	0.91	0.84
Adaptation	0.93	0.82
Cooperation	0.75	0.60
Organizational trust	0.92	0.79
Normative commitment	0.81	0.69
Behavioral loyalty	0.90	0.82

specifying whether there are existing customers or new customers. Finally, time constraint contributed to the low reliability of the research study to a very comprehensive level.

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