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A FRAMEWORK FOR UNDERSTANDING THE EVOLUTION OF RELATIONSHIP QUALITY AND THE CUSTOMER RELATIONSHIP DEVELOPMENT PROCESS

1.0 Introduction

Increasingly, financial organizations are recognizing the importance of designing, developing and maintaining customer exchanges in order to maximize return on relationships (ROR) through careful management of the relationship development, value creation and maximization of relationship benefits. Today's financial organizations operate in an environment of intense competition, ambiguous market conditions, continuous deregulations and highly demanding customers. Hence, relationship marketing strategies are becoming pivotal for financial service providers as they can act as a competitive edge to organizations – an asset which is difficult to imitate by competitors. But how can any organization maximize its ROR?

Relationship quality has been frequently discussed among researchers as a means to enhance the relationship between an organization and its customers (Rajaobelina and Bergeron, 2009; Besheer and Ibrahim, 2010; Lee *et al*., 2011). It has been suggested that relationship quality can predict customers' future intentions (Camarero, 2007) and is an effective indicator of whether customers will decide to develop and maintain their relationship with the organization (Chiung-Ju Liang and Wen-Hung Wang, 2006; Autry and Golicic, 2010). It has also been suggested that consistent positive customer perception of the relationship's quality will result in improving customer satanisfaction and perception of the service provider as credible and honest, a "good partner for future transactions" (Su Qin et al., 2009, p.399).

Implicit in the foregoing discussion is the idea that relationships are ongoing rather than discrete static events. Thus, they evolve over time and are fundamentally dynamic (Palmatier et al., 2013). Several scholars have developed models which depict a time dependent nature of relationships (Dwyer et al., 1987; Jap and Ganesan, 2000), the implication being that the relationship between an organization and its customers is non static but can be viewed from a life-cycle perspective. However Grayson and Ambler (1999, p.139) conclude that "although it is clear that the length of the relationship changes the nature of the associations between relational constructs", the exact nature of these relational dynamics remain elusive. This is because, according to Palmatier et al. (2006), very few studies have specifically addressed the dynamic nature of the relationship and instead still examine relationships as a "static snapshot". This state of affairs constitutes a limitation to the body of knowledge about this important subject and forms the underlying basis for the

present research.

This research builds on developed theories of service marketing, relationship marketing and relationship dynamics with an aim to investigate the changing nature of relationship quality (RQ) dimensions across the relationship development phases. The researchers believe that the present study will help to better understand the changing nature of the perceived RQ as the relationship evolves.

2.0 Relationship Quality

Relationship quality (RQ) can be perceived as an outcome of relationship marketing strategies. It has been suggested that service firms must concentrate on building long term relationships with their customers through enhancing the intangible value of the relationship. Thus the role of RQ in developing and maintaining relationships is vital. The role of relationship building in the service sectors such as banking and finance cannot be overemphasized, given that services rely on delivering intangible value and perceived benefits.

Although the term relationship quality has been used intensively in marketing literature, there is no general consensus about its specific definition (Athanasopoulou, 2009). However a number of prominent definitions can be identified with a common understanding of RQ as being the sum of a relationship's assessment by a party in the relationship, developed over a period of time, and ongoing in the life of the relationship. According to Crosby et al. (1990) the concept of RQ represents an overall assessment of the relationship between the exchange parties on the basis of the history of successful and unsuccessful encounters and interactions between them, while Gummesson (1987) defined RQ as an "accumulated value" derived by customers from repeated service interaction - thus RQ is the continuous development of the quality value over time. RQ is commonly conceptualized as a higher-order, multidimensional construct (Naude and Buttle, 2000) and as a bundle of intangible values that results from an exchange between buyers and sellers (Levitt, 1981). It describes the overall impression that the customer perceives from evaluating his/her accumulated experience from the relationship.

Whilst it is evident from the literature that RQ is a multi-dimensional construct, there is little

agreement about what the dimensions are and how the construct should be modelled (Vieira et al., 2008). For example, conflict handling, willingness to invest in a relationship, expectation of continuity (Kumar et al., 1995), customer orientation (Dorsch et al., 1998), service quality (Hennig-Thurau et al., 2001; Roy and Eshghi, 2013) and minimal opportunism (Dwyer et al., 1987; Dorsch et al., 1998) have been proffered as relationship quality dimensions. However, Bove and Johnson (2001) argue that those dimensions are, *inter alia*, either antecedents or manifestations of customer satisfaction, trust and commitment. Accordingly they aver that these do not constitute independent exogenous effects on RQ, a position similar to that taken by Crosby et al. (1990) and Dwyer et al. (1987) who also considered customer satisfaction and trust to be dimensions of the higher order construct of RQ, and Morgan and Hunt (1994) who conceptualized RQ as constituting trust and commitment indicators. Several studies however also considered trust and satisfaction to be antecedents of a one-dimensional RQ construct (for example, Wong and Sohal, 2002; Hennig-Thurau and Klee, 1997; Storbacka et al., 1994; Moorman et al., 1992).

A review of the wider service marketing literature indicates that customer satisfaction, trust and commitment are frequently utilized concepts (*cf.* Roberts et al., 2003; Eggert et al., 2006; Vesel and Zabkar, 2010) and have been commonly cited as dimensions of, or relating to, RQ in financial service sector research (Su Qin et al., 2009; Rajaobelina and Bergeron, 2009). These variables, whether seen as effecting factors or dimensions, are regarded as the building blocks of the customer relationship concept (Crosby et al., 1990). In line with this precedence, these three concepts are adopted by the current study for operationalizing the relationship quality construct, with the proposition that RQ is underpinned by satisfaction, trust and commitment.

This research goes beyond identifying the dimensions of RQ by elaborating on the primary research question as follows: are the three adopted dimensions of RQ equal in importance in explaining the RQ construct? Do all three dimensions appear with simultaneous salience in customers' perception of relationship quality or is there a system of precedence in their development?

To attempt to answer these questions, there are two further aspects which should first be considered – these are the operational delineation of the RQ dimensions and a review of the relationship development process and its phases.

2.1 Operationalization of RQ Dimensions

Based on the review of literature as undertaken above, relationship quality is conceptualized in this research as constituted of three dimensions, namely, customer satisfaction, trust and commitment. These dimensions are further discussed and operationalized below.

Customer satisfaction is viewed as essential in maintaining a healthy relationship with the customer (Roberts et al., 2003). It constitutes one of the dimensions of relationship quality and has a central role in relationship development (Moliner et al., 2007; Gibbs et al., 2009; Besheer and Ibrahin, 2010). The more the customer perceives the relationship as satisfactory, the more they will be willing to develop and maintain the relationship (Dorsch et al., 1998; Beloucif et al., 2004). Thus several positive "experiences" of customer satisfaction evaluations will contribute to a high perception of relationship quality (Hennig-Thurau and Klee, 1997), and customers are motivated to continue the relationship when satisfied as they predict that they will experience positive future interaction with the service provider (Wong et al., 2007; Min-Hsin Huang, 2008; Hu et al., 2009).

Oliver (1999) suggests that customer satisfaction includes both affective and cognitive evaluations, with customers engaging in a cognitive process to evaluate the outcome of the interaction against their expectations - the resultant feeling of pleasure or displeasure constitutes the affective component. In the same vein, Ove and Albinsson (2004, p.41) defined customer satisfaction as "an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire". Levesque and McDougall (1996) consider satisfaction to be an "overall customer attitude towards a service provider" (p.14). Similarly, Min-Hsin Huang (2008) highlighted the "consumer's affective state resulting from an overall appraisal of his or her relationship with a service provider" (p.460).

In contrast to the conceptualization of customer satisfaction as an overall evaluation or affective state, Hennig-Thurau and Klee (1997) view satisfaction as a short term evaluation of each service/product related encounter. However as the current study is interested in the overall evaluation of the relationship between a customer and the financial services provider, the most appropriate conceptualization of customer satisfaction will be as an overall evaluation of the service experience rather than discreet events of comparisons between expectations and perceptions. Customer satisfaction is therefore operationalized here as the

customer's overall evaluation of their satisfaction with the relationship.

Trust according to Anderson and Narus (1990) is a vital dimension in building and enhancing long-term relationship with customers. This is because customers are motivated to continue in a relationship when they have trust and confidence in the abilities and integrity of the service provider (Min-Hsin Huang, 2008). When trust develops between buyers and service providers, there is a high probability to maintain the relationship and decrease the probability of switching to another service provider (Aurier and N'Goala, 2010) due to the high risk and uncertainty associated with this move.

Trust has been conceptualized in different ways in the marketing discipline. However, there is some consensus that trust is composed of two emotionally based dimensions, credibility and benevolence (Sekhon et al., 2013). Credibility is a belief that the partner will keep to his promise, is capable of doing so, and is committed to his obligation, while benevolence is the belief that the supplier cares about the customer's welfare and that both parties seek mutual goals based on a cordial relationship (Garbarino and Johnson, 1999; Moliner et al, 2007). This is why Morgan and Hunt (1994 p. 23) defined trust as "…when one party has confidence in an exchange partner's reliability and integrity" The definition emphasizes the importance of confidence towards the other party. Against this background, trust is viewed as a valuable relationship quality dimension thus included in the current conceptualization of relationship quality and operationalized as the level of confidence and belief that a customer has within the context of the relationship with the provider. In its conceptualisation as a dimension, trust should be clearly understood in the context of this research as different from trust in the form of a single indicator statement as discussed with respect to relationship development stages.

Commitment as a concept has been well established in relationship marketing literature as the cornerstone and building block of relationships (Morgan and Hunt, 1994; Theron et al., 2008). Commitment can be achieved by adopting long-term customer orientation strategies that are based on mutual relationship benefits (Morgan and Hunt, 1994). Accordingly, positive feelings will emerge from the consumers accompanied by a sense of belonging to the organization (Kumar et al., 1995).

Analogous with trust, commitment has several definitions in the marketing literature. Dwyer et al. (1987, p.19) suggests that commitment is "an implicit or explicit pledge of relational

continuity between exchange partners [that reflects] the highest level of relational bond." Similarly, Moorman et al. (1992) define commitment as an enduring desire to maintain a valued relationship, and Morgan and Hunt (1994, p.23) defined it as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it". Their definitions stress the importance of maintaining commitment throughout the relationship.

Some scholars (see Lacey and Morgan, 2007) view commitment as merely an emotional attachment that represents a feeling of attachment and enduring attitude or desire for a particular brand, service provider or firm. However, in the context of this research, the view of commitment as a multi-component concept (see Moorman et al., 1992; Gundlach et al., 1995) is relevant and can be aligned to conceptualize commitment as willingness, desire and actions by the customer to develop and maintain an attachment with the service provider.

2.2 Relationship Development Phases

Relationships develop, maintain and decline over time (Dwyer et al., 1987; Jap and Ganesan, 2000; Palmatier et al., 2013). Consistent with this perspective, Zineldin (1996) suggests that the relationship marketing approach that the firm adapts must vary throughout the life cycle of the business-customer relationship. Consequently, the interactions in the relationship should be in accordance to the customer expectation, which is expected to vary along the relationship development phases (RDP). In the same vein, Palmer and Bejou (1994, p.495) suggest from a time dependent perspective that "the elements that buyers perceive as being important in holding a relationship together are dependent on the duration to date of the relationship." However, few researchers investigating relationship quality have developed comprehensive and explicit explanations about how this might be affected by the relationship's life cycle stage or age (Palmatier et al., 2013).

Suggested placement Table 1

In this context, Table 1 summarizes extant literature that reflects models of relationship development phases. Although different authors have proposed different names for relationship stages, most of the models follow a general path from exploration, build-up, expansion, to decline. The current study adopts Jap and Ganesan's (2000) relationship

development process framework which is based on Dwyer et al. (1987). Jap and Ganesan's (2000) is a streamlined and parsimonious model, describing the relationship process as consisting of four-general phases: exploration, build-up, maturity and decline. Their description of these stages follows. The exploration phase is the so called "search and trial phase", which is characterized by attraction, communication and bargaining, norm development and expectations development, a combination of factors that suggests the importance of confirming expectations about each party's reliability and capacity, and developing the initial foundations of trust.

The build-up phase refers to continual increase in benefits obtained by exchange partners, resulting in the strengthening of the relationship roots formed at the initial stage. It is also at this stage that socialization develops, building on trust and satisfaction that encourages each party to increase risk taking through greater counter-reliance and dependence on the relationship. The maturity phase refers to an implicit and explicit pledge of relationship continuity between exchange partners, in which there is an expectation or assumed sense of commitment. And lastly, the decline phase refers to withdrawal or disengagement from the relationship. Although the researchers acknowledge the importance of understanding the decline phase more profoundly, given its nature, decline is considered a distinctive phase in the relationship and requires special considerations which are out with the scope of the present research.

2.3 The Link between RQ Dimensions and RDP

Evidently, some researchers have used phases to describe differences over time, while others argue that the relationship age perspective "uses age as a continuous proxy for progress through developmental stages" which "differs from the life cycle stage view by assuming that all relationships move through the developmental cycle at the same rate" (Palmatier et al., 2013, p.15). But neither of these paradigms – that is the time-bound view of relationship development, or the phase-based perspective – have given consideration to the potentially more important question of how relationship development stages might affect what customers perceive as the most important constituents of the relationship's quality. In line with the particular focus of the present research, it is expected that the relationship development phase perspective will provide an appropriate framework for evaluating the importance of relationship quality dimensions from the perspective of the customer. Different levels of importance will be attributed to different dimensions according to the

stage at which the customer is in the relationship development process. Hence, an initial hypothesis is:

H1. The relative importance of the relationship quality dimensions depends on the phase of the relationship development process.

The characteristics of the relationship development phases suggest that the importance of different elements that affect or are affected by the staged development is far from uniform. In fact it is obvious to see that whilst the formation of satisfaction may be the most important consideration at the initiation phase, building trust and attaining mutual commitment are clearly the factors that manifest most prominently at the second and third stages. As explained earlier, these factors are also the component dimensions of what relationship quality is, but although they are presumably present from the onset of the relationship and throughout its life-time, it is argued here that their relative contribution to the quality of the relationship changes over time, progressing from a higher level of importance for satisfaction at the initial stage, to a higher level of significance for commitment at the maturity stage.

Therefore a number of hypotheses can be proffered, relating the phase in which the relationship development is, and the salience with which the consumer considers the relevant relationship quality dimensions. According to the dominant trend in literature, customer satisfaction starts to develop as part of the early evolution of the relationship (Liang and Wang, 2006; Moliner et al., 2007; Aurier and N'Goala, 2010). Consequently, in the early phases of the relationship the customer will be more aligned with confirming expectations (that is, receiving satisfaction or fulfilment) (Hu et al., 2009), it can be argued that:

H2: In the exploration phase of the relationship development, the dimension of satisfaction is more prominent in the customer's evaluation of the relationship's quality than the other dimensions of trust and commitment.

The build up phase can be viewed as characterized by a continual increase in benefits obtained by exchange partners. Moreover, socialization develops, building on trust and satisfaction that encourages each party to increase risk taking (Dwyer et al., 1987). Thus, as the relationship develops, the customer should increasingly become dependent and reliant on the provider, so that a high degree of trust will develop and become characteristic of the

definition of the relationship quality (Casielles et al., 2005; Aurier and N'Goala, 2010). These conceptions of the build up phase lead to the following hypothesis:

H3: In the build-up phase of the relationship development, the dimension of trust is more prominent in the customer's evaluation of the relationship's quality than the other dimensions of satisfaction and commitment.

The maturity phase is described as an "implicit and explicit pledge of relationship continuity "(Jap and Ganesan, 2000 p.231) between exchange partners. According to Dwyer et al., (1987), it is regarded as the highest phase of relationship bonding. Typically, this is demonstrated by showing commitment and loyalty to the relationship and its long term maintenance and sustainability (Dwyer et al., 1987). Given the characteristics of this phase, it can be hypothesized as follows:

H4: In the maturity phase of the relationship development, the dimension of commitment is more prominent in the customer's evaluation of the relationship's quality than the other dimensions of satisfaction and trust.

It is worth mentioning that several scholars (*inter alia,* Jap and Ganesan, 2000; Palmatier et al., 2013) examining the changing nature of relationships within the business to consumer context have opted to use mutually exclusive statements that describe the different phases and require respondents to indicate the best statement that reflects their current relationship phase. One limitation of this approach is that the methodology adopted is to infer the relationship phase on the basis of a single statement (that is, one indicator). This approach does not account for potential error in the measurement and assumes that customers can clearly identify which relationship phase category they belong to.

Based on this, a methodological contribution to this study lies in the development of a multiple indicator scale that captures several facades of relationship phases' characteristics, thus providing more accurate results for the identification of the relationship phases. Drawing upon the literature of dimensions of relationship quality and expanding upon previously tested statements to develop measurement items for the relationship phase scale, a confirmatory approach was taken whereby the items were generated on the basis of theory-informed interviews and verified in a measurement model. Details of items and their treatment are given in the methodology.

3.0 The Research Model

The hypotheses generated above can be summarized in a research model to show the structural relations as presented in Figure 1.

Suggested placement Figure 1

Figure 1 shows that relationship quality (RQ) is composed of the three dimensions of customer satisfaction, trust and commitment. This fact has been established from the literature. The path dependency showing the sequence in which these dimensions develop is also based on insights from the literature as explained in the review. However, building upon those antecedents, it is expected that the relationship development phase will have an effect on RQ such that the coefficients for the relationships between RQ and its dimensions will vary according to the hypotheses. To test for this, the research model is re-specified as a measurement model and evaluated using group analysis, where customers are treated on the basis of distinct RDP groups. Details of this treatment are explained further in the results and discussion.

4.0 Field Study

An initial qualitative exploratory research was undertaken to estimate the extent to which customers were able to identify the relationship phase within which they belong. Also as a result of the paucity of empirical research on the relationship development process, the researchers wanted to be assured of the level to which clear differentiation could be established for the relationship development phases of exploration, build-up and maturity. This exercise was also conducted in order to validate and verify the choice of variable conceptualizations and measurements such as relationship quality dimensions and their indicators.

The sample size was determined by researcher judgment, availability of interviewees and precedence in the use of saturation sampling (Fossey et al., 2002). Thus, data were collected

through in-depth interviews, a method widely used in researching banking relationships with customers (O'Loughlin and Szmigin, 2006; Elsharnouby and Parsons, 2010) using 15 respondents, representing approximately 10% of the final research sample. Each interview was around 30 minutes and utilized semi-structured instruments where the respondents were encouraged to explain in detail their perception of the relationship with their bank. The interview guide that is used in the study was intended as a broad outline for the topics covered in the interview rather than as a rigid schedule, and was administered by the researchers accordingly.

Based on the outcomes of the interviews, some modifications were made to the wordings of the questionnaire items for measuring relationship phases in order to capture the full characteristics of the relationship phase, thus providing a more accurate identification of the current customers phase. The final outcome of the qualitative study was the generation of a 10 item quantitative instrument for measuring relationship development phases. This scale captures several facades of relationship phases' characteristics, thus providing more accurate results for the identification of the relationship phases. Table 2 shows the refined measurement items for RDP as adopted and utilized in the second (quantitative) part of the research.

Suggested placement Table 2

In the second part of the study, 320 customers of several banking organizations were intercepted at strategic locations in the Egyptian capital of Cairo and requested to participate in a survey. 150 useful responses were collected successfully, representing 47% achievement of targeted respondents. Although the sampling strategy was based on non-probabilistic convenience due to the difficulty associated with accessing official bank customer records in Egypt, several measures were adopted to ensure an acceptable level of data quality. For example, the data were collected over a period of ten days, with the collection days and time varying. There was also a deliberate effort made to randomize the selection of respondents and to maintain some demographic quotas. And finally, collection locations were varied to ensure as wide a spread in the demographics and localities as was practicable.

Respondents completed a multiple item questionnaire having selected to complete the English version or a previously translated Arabic version. Clear completion instructions

were given on the questionnaire but respondents also had the benefit of receiving guidance and clarification from trained surveyors. The questionnaire itself was designed to be easy and accessible, and contained items generated from the review of the literature as detailed in Table 3, as well as general demographic information and patronage information relating to banks in Egypt. The dimension of customer satisfaction was measured using Oliver's (1980) scale. This scale was chosen as it has been proven robust in previous studies in the banking sector and B2C service context (Aurier and N'Goala, 2010). Trust measures followed those developed by Ndubisi (2006) who used the scale for measuring trust in a study of RQ in the banking context. The commitment scale was based on Morgan and Hunt's (1994) as their definition of commitment and measurement instrument aligns with the multi-component view of commitment in the current research.

Suggested placement Table 3

4.1 Method of Analysis

The research model was re-specified to be suitable for utilizing structural equation modelling (SEM) techniques within the AMOS platform. This involved specifying the measurement model for relationship quality, its three dimensions, their 14 measurement indicators (M) and the error terms (e) for each measure. This method can be more specifically described as a confirmatory factor analysis. The model so specified was then estimated on the basis of a comparative estimation across the three relevant relationship phases of exploration, build-up and maturity. It is assumed here that the reader is familiar with the structural equation modelling method, including the specification of models and the interpretation of results. However a primer on the method and its techniques can be found in Atorough (2013).

5.0 Analysis

Descriptive analysis of the data showed that 29% of respondents visited their main bank regularly, at least once a week, and as many as 25% also visited an alternate bank more than once a month. Demographically, the highest percentage of respondents was male (73%), university graduate (78%) and earned more than $2,900 monthly (52%). In terms of age and

occupation, 65 % of respondents were in the 18 - 42 age category, and 73% employed or self-employed. The data is reflective of the socio-economic demography in Cairo, which can be described as a relatively educated, affluent and upwardly mobile young society.

Three categories (groups) of customers were identified from the developed relationship phase scale, using discriminant function analysis. This analysis identified 27% of respondents in the exploratory phase, 42% in the build-up phase and 31% in the maturity phase. Although the groups revealed unequal memberships due to the nature of non-purposive sampling adopted, this was not considered as problematic given that there was adequate sample size for each group to be compared. The smallest group contained forty members, therefore satisfying the grouping recommendation that the smallest group must be larger than the number of predictor variables (Bökeoğlu and Büyüköztürk, 2008).

Having established the viability of establishing group membership for relationship phases on the basis of a multi-item scale, the next stage in the analysis was to structurally evaluate the relationship between group membership and the relative importance of each relationship quality dimension. This was done using the confirmatory model, which was compared across groups to establish relative loading for each dimension on the construct of relationship quality. However reliability of each subscale was also tested using Cronbach's alpha (**α**), with the results showing no problematic scales as all items returned an **α of** .70 or above, the conventional minimal level for this test (see Santos et al., 2011).

5.1 Confirmatory Factor Analysis and Overall Model Fit

The first step in the main analysis was to undertake a confirmatory factor analysis to establish both item validity and loadings on the respective dimensions and the loading of dimensions on the high level relationship quality construct. Without first confirming factors and dimension loadings, any group analysis undertaken would be pointless (Raykov et al., 1991). Figure 2 represents the output of the estimated model. Here, the first point of interest is the loadings of items on their respective dimensions. Based on research precedence which recommends individual item loadings to be above .40 (cf. Santos et al., 2011), all measurement items can be said to be adequately measuring the dimensions specified. This indicates that at the item level the model is confirmed as having the appropriate factors. The second area of interest is the loading of dimensions on the high order construct.

As can be seen from the model, all dimensions load well on the relationship quality construct, with trust emerging as the strongest contributor to the customers' quality evaluation of the relationship with their banks, followed by commitment and then satisfaction (.85 and .65, respectively). Both outcomes (i.e. the confirmation of item loadings and dimension loadings) are not surprising and are consistent with conclusions reached elsewhere in the literature – that relationship quality is composed of these three dimensions which are in turn measurable by a number of clearly defined indicators. However an interesting finding is the relative importance of the trust dimensions, when compared to commitment and satisfaction, in the relationship quality construct.

Suggested placement Figure 2

The overall fit of the model is measured by a number of indices which are reported in Table 4. While the χ^2 (CMIN) for the model was expectedly significant (p = .000) given the large sample size, other indices showed a good model fit. The recommendations for model fit, given sample size of over 100 cases, is to consider alternative indices to χ^2 , with four commonly utilized alternatives and their preferred values being the CMIN/DF ratio (below 2.5), the GFI (above .8), the CFI (above .8) and the RMSEA (.5 or better) (see Raykov at al., 1991). The present model satisfied all criteria for acceptable model fit, and could therefore be considered as suitable for comparing across groups.

Suggested placement Table 4

5.2 Model Comparison across Groups

The next stage in the analysis involved the utilization of the research model to compare parameter estimates across the three relationship phase groups. The results of this step are discussed in conjunction with Table 5. The standardized regression weights were used as the comparison parameters for groups. The weight of each dimension's regression on the primary relationship quality construct is shown for the different groups and is helpful in determining the relative importance of each dimension according to the relationship development phase. For example, from Table 5 it can be established that for the relationship exploratory phase, customer satisfaction received the highest weighting (β = 1.298) followed by trust (β = .656) and commitment (β = .537). An exploratory relationship is fragile in the sense that trust and commitment are not yet fully developed as the relationship has just begun. Consequently, it would appear that obtaining satisfaction from the banking service is

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the most important dimension that customers consider in their relationship with the bank. In the buildup phase, the impact of satisfaction is reduced somewhat (β = .802) compared to the exploratory phase (β = 1.298) as customers begin to focus more on the elements of trust (β = .921) and commitment (β = 907). During the build-up phase, bank customers experience a continual increase in benefits and interdependence; as a result, at this stage, customers place more emphasis on trust and commitment than on satisfaction as the basis for their judgment of relationship quality with the provider. Finally, the maturity phase reveals a sharp decline in the importance of both satisfaction (β = .337) and trust (β = .454) in favor of commitment (β = 1.709). In the maturity stage, bank customers have made a promise to continue their relationship on a regular basis, with a high level of investment in the relationship.

Suggested placement Table 5

It is particularly important to further demonstrate the diminishing nature of the emphasis on satisfaction over the relationship life cycle. For the purpose of clarity and comprehension, these results are also visualized in Figure 3. This visualization is necessary to show the trend lines which indicate the positive movement that occurs as long as the relationship develops in the expected direction along the phase dimensions, in contrast to the three dimensions and their movement during the relationship development phases as measured by responses to each dimension's importance. In row one, it can be seen that although satisfaction remains an important factor overall, its importance diminishes for an increasing number of customers as they progress from exploratory to maturity. On the contrary, the importance of trust and commitment increases in relative importance to an increasing number of customers as they relationship phases change, with trust showing the strongest rating at build-up stage (row two) and commitment having the strongest impact at maturity (row three).

Suggested placement Figure 3

Discussion and Conclusion

The proposed RQ model with the inclusion of RDP adds dynamic aspects to the traditional interpretation of the RQ construct. The model is grounded in the assumption that the evaluation of RQ is closely related with the current phase of the customer's RDP. All four

hypotheses included in the proposed model were statistically significant. The results indicate clearly that there is a strong relationship between RDP and RQ confirming H1. H2 was also supported: hence satisfaction is the most important factor in early the relationship stage. However, H3 is only partially supported because it would appear that the two dimensions of trust and commitment are not strongly differentiated at the build-up stage. Hence, H3 is partially accepted. In the maturity phase, commitment becomes the most salient dimension, thus confirming H4. Indeed it would appear that at maturity, the commitment dimension subsumes trust and may perhaps become integral to the customer's understanding of trust within the relationship, as indicated by the waning importance of trust at this stage. It may be averred here that in the customer's mind, trust implies commitment and commitment implies trust.

The findings carry significant theoretical and managerial implications. Theoretically, this paper makes two contributions. First, it contributes to the literature by providing a better understanding of RQ dimensions and the manner in which they occur, as well as their importance to the RQ construct overall. Specifically the paper highlights the limited role of satisfaction in predicting the perceived relationship quality in a banking relationship. It is confirmed that RQ is affected by RDP as marketing theory has proposed (Dwyer et al., 1987; Zineldin, 1996; Palmatier et al., 2013). However the results obtained strongly suggest that customer satisfaction is the most important RQ dimension, but only for customers in the early phase of the relationship. Instead, there appears to exist what one might term relationship traffic lights – progression milestones in the course of the relationship development process which might signal (from the customer) the timing (from the provider) for seeking to advance the relationship beyond the satisfaction goal. This possibility requires further consideration given that the present research did not specifically investigate how transition between RDPs might be achieved.

Focusing further, it can be argued from the empirical results that customer satisfaction is necessary in the early stage because if it does not exist, customers will not continue in the relationship. However, because trust and commitment need time and nurture as suggested by Dwyer et al. (1987) it is not unusual to find that both trust and commitment are not fully developed in the early stages of the relationship. Nevertheless, the clear dominance of customer satisfaction is substituted in the build-up phase by trust and commitment having almost the same importance based on customers' perception. This addresses some of the

contradictions existing about the role of satisfaction, for example in those cases where it has been found that satisfaction did not adequately predict retention or customer loyalty. It appears that trust and commitment emerge at about the same time and may be more powerful in predicting retention and loyalty than satisfaction. Another possibility may be that the gap between build-up and maturity is tenuous and the later occurs almost as soon as the other is achieved. This could be a suggested area for future research to understand the specific dynamics between trust and commitment on one hand, and build-up and maturity phases on the other. However, commitment strongly dominates the maturity phase as expected (Dwyer et al., 1987; Jap and Ganesan, 2000).

Another theoretical contribution lies in the development of a multi-item tool for measuring RDP by using a multiple indicator scale as opposed to the traditional use of single statements that describe each phase (Jap and Ganesan , 2000; Palmatier et al., 2013). From a methodological point of view, a multiple-item scale for measuring an abstract variable may be considered an advance on the practice of utilising single items. The ten-item scale developed in this research was based on the comprehensive review of literature on relationship development phases and empirical interviews; it proved successful in helping establish the relationship development phases of the research participants. It is acknowledged that this is only but one instance of its application and the scale will require further confirmation through application in other research contexts.

Managerially, the bank-customer relationship could be perceived as a journey: getting to commitment is the destination but this should not be pushed on the customer before they are ready. Bank managers should attempt to understand the relationship phase which the customer is in; by establishing this through the RDP measures, for example, by observing the unforced and voluntary desire to access additional services and products. In this regard, commitment tools such as cross-selling should be carefully pitched at the right level of the relationship and should never be done before satisfaction and trust have been clearly established in the relationship. Also, it would be beneficial for managers to adopt proactive strategies that cultivate trust early on in the relationship with the aim of enhancing this attribute towards the goal of commitment. Trust, together with customer satisfaction can be used as tools to retain customers, as recent research in the area of customer satisfaction suggest that satisfaction alone does not guarantee customer retention or loyalty (Min-Hsin Huang, 2008). In line with this, another potential area for future research would be defining

and measuring relationship development velocity (rate and direction), from build-up to maturity. Similar propositions from Palmatier et al. (2013) may provide a basis for investigating more profoundly the movement across the stages which in turn could give better explanation of the changing nature of RQ dimensions as the relationship develops.

To conclude, this research has advanced a model of RQ in the banking sector based on understanding the dynamic nature of RQ dimensions during the relationship development journey. The proposed model suggested that RQ dimensions are not static and become prominent at different stages of the relationship development. To test this model successfully, two measures were developed, one to measure RQ and one to measure development phases. The propositions in the research were then subjected to empirical confirmation and analysis using structural equation modelling. The findings confirmed some of the positions held in existing literature, but also contributed new conceptual and methodological evidence that advances understanding of the true nature of RQ. Finally, the implications of these findings for theory and practice were highlighted.

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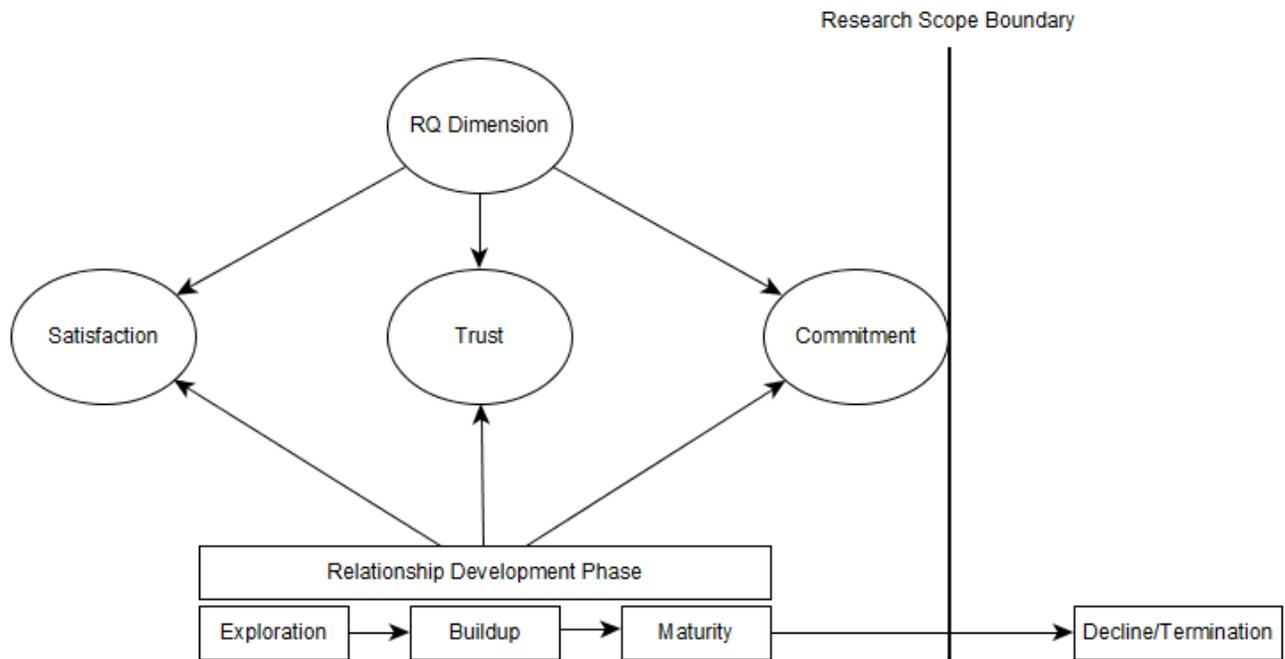**Figure 1: Research Model of RDP Influence on RQ Dimensions**
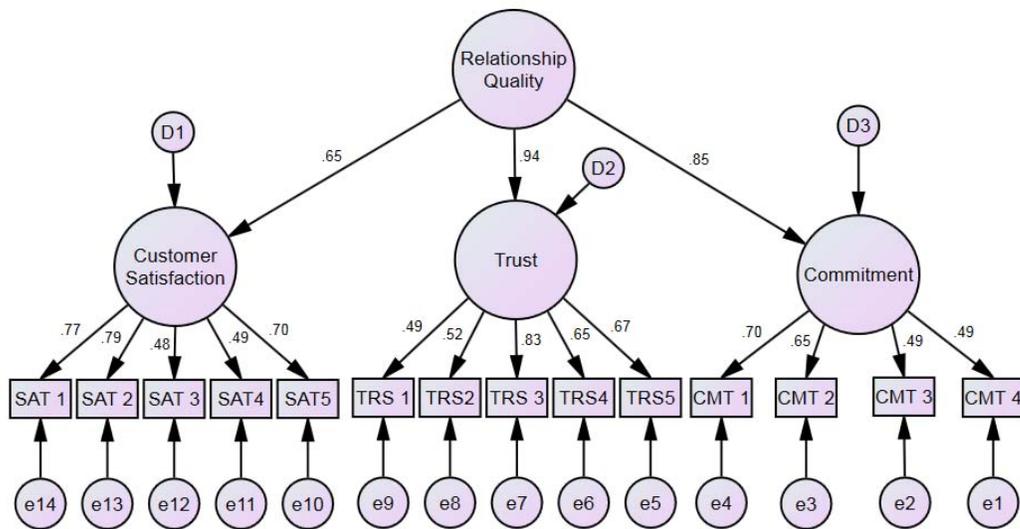
Figure 2: The Hypothesized Model with Parameter Estimates

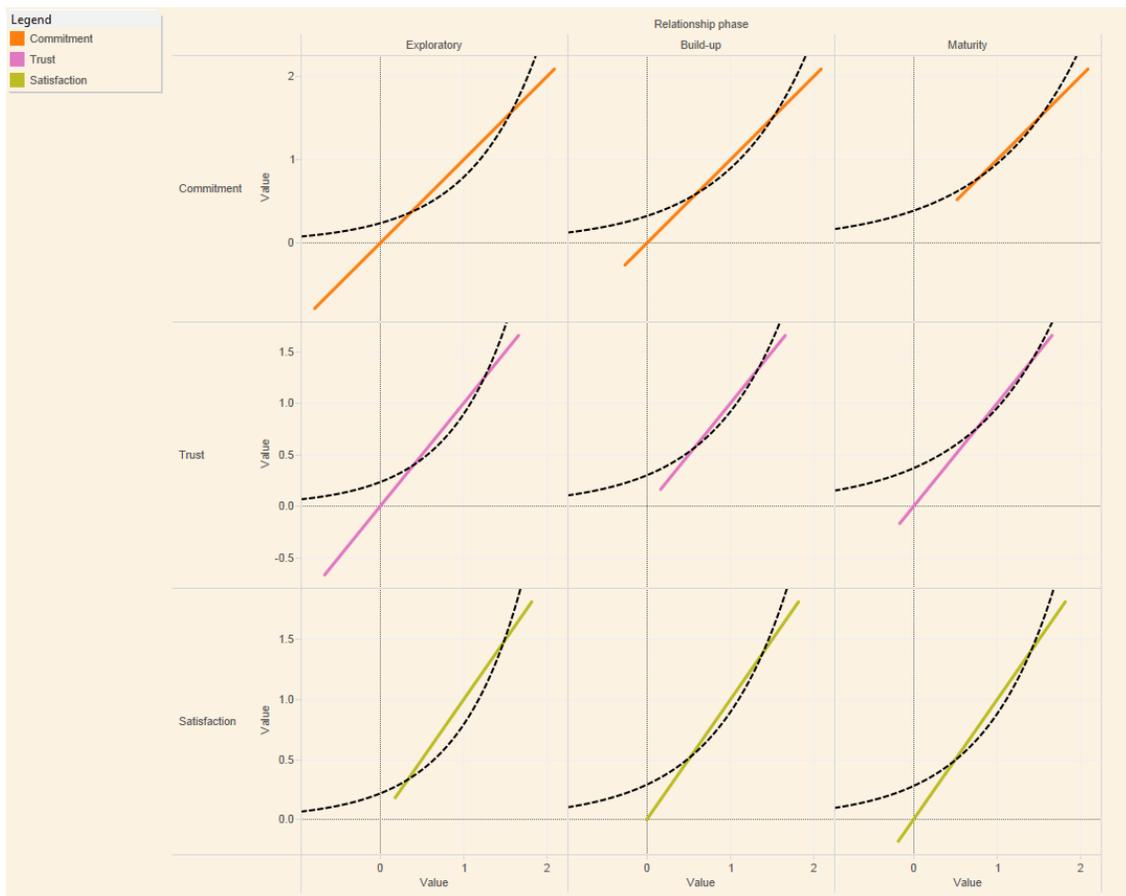**Figure 3: Visual profile of relationship quality dynamics across relationship phases**

Table 1: Models of relationship development phases

Author	Conceptualization of relationship development phases
Ford (1980)	Pre relationship – early development – long term final
Dwyer et al. (1987)	Awareness – exploration – expansion – commitment – dissolution
Wilson (1995)	Partner selection – defining purpose – settling relationships boundaries – creating relationship value – relationship maintenance
Beatty and Lee (1996)	Facilitating conditions – relationship formation – relationship enhancement – outcomes
Zineldin (1996)	Early – development – long term – final
Fournier (1998)	Initiation – growth – maintenance – deterioration – dissolution
Jap and Ganesan (2000)	Exploration – build up – maturity – decline
Scanlan and Mcphail (2000)	Identification – formation – enhancement
Beloucif et al. (2004)	Pre relationship – new business initiation – involvement – pre renewal

Table 2: Items generated to measure RDP

1. I consider the relationship with my bank to be at a very early stage

2. The relationship between me and my bank is just beginning

3. The relationship between me and my bank is developing

4. I am currently dealing with the bank more frequently

5. I feel that I am becoming more reliant on my bank

6. I feel that the level of trust I have in my bank is on the increase

7. The relationship with my bank is expanding and growing stronger.

8. I have the highest level of trust in my bank

9. I am very satisfied with the relationship between me and my bank

10. I consider the relationship between me and my bank to be highly beneficial

Table 3: Measurement items for relationship quality dimensions

Dimension	Measurement Items	Source
Satisfaction	1. I am satisfied with my decision to deal with the bank 2. My choice to deal with the bank was a wise one. 3. I feel bad about my decision to deal with the bank 4. I think that I did the right thing when I decided to deal with this bank 5. I am always delighted with this bank's service	Adapted from Oliver (1980), Aurier and N'Goala (2010)
Trust	1. The bank is not concerned about security for my transactions 2. My banks' words and promises are reliable 3. Employees of the bank show respect to customers 4. I am confident in my bank's ability to fulfill its obligations to customers 5. I don't have confidence in the banks' safeguards	Adapted from Ndubisi (2006)
Commitment	1. My relationship to this specific bank is something that I am very committed to 2. My relationship to this specific bank is very important to me 3. My relationship to this specific bank is something I really don't care about 4. My relationship to this specific bank deserves my maximum effort to maintain	Adapted from Morgan and Hunt (1994)

Table 4: Fit indices for proposed model

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	31	138.854	74	.000	1.876
Saturated model	105	.000	0		
Independence model	14	721.847	91	.000	7.932

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.045	.885	.837	.624
Saturated model	.000	1.000		
Independence model	.177	.430	.342	.372

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.808	.763	.900	.874	.897
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.077	.057	.096	.016
Independence model	.216	.201	.230	.000

Table 5: Standardized regression weights for groups

Dimension			Estimate Weight by Relationship Phase		
			Exploratory	Build-up	Maturity
Customer Satisfaction	<---	Relationship Quality	1.298	.802	.337
Trust	<---	Relationship Quality	.656	.921	.454
Commitment	<---	Relationship Quality	.537	.907	1.709