# **Empirical Study of Relationship Quality in a Service Setting of an Emerging Economy: The Nigerian Experience**

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# ABSTRACT

This paper examined the behaviour of a relationship quality (hereafter referred to as RQ) model within the service context of an emerging economy. Specifically, the purpose of this paper was two-fold. First was to examine the determinants of RQ and second, to ascertain the impact of those determinants on word-of-mouth behaviour through RQ. A quantitative approach was used to sample 384 customers of telecom services. SEM-PLS analysis was used to ascertain the structural behaviour and, by implication, the research hypotheses. Findings showed support for all the hypothesized relationships. Specifically, service communication and perceived value were found to be positively significant to RQ and RQ. on the other hand, is a significant predictor of word-of-mouth behaviour. The model explains

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over 40 percent of variance on word-of-mouth behaviour which was attributed by the combined efforts of other predictors. Thus, the research model is modest. Implications and future research agenda were outlined.

## **KEYWORDS**

Nigeria, Telecom Sector, Emerging Economy, Relationship Quality, Word-Of-Mouth

# **1. INTRODUCTION**

In today's rapidly changing business environment, service firms are now compelled to search for innovative means of either coping with the changes of the environment or manoeuvring the effects of such changes (Chen et al. 2008; Ndubisi 2006). One of the environmental challenges that has continuously posed as a threat to service firms is competition, which is arguably one of the greatest repercussions of capitalism (Wells and Graafland 2012; Meyer and Kirby 2012). Fierce competition among service organizations has meant that even the most innovative service package or technology procured by a service provider is duplicated by a rival, as such denying such providers the opportunity to maintain sustainable competitive advantage. This is worsened by the fact that competition aims to reduce the number of customers firms can target (Anderson and Simester 2013; Rai and Medha 2013). Many service firms have responded to this challenge by focusing on Relationship Marketing (RM) (see e.g. Rajaobelina and Bergeron 2009; Morgan and Hunt 1994; Gronroos 1990). Accordingly, the essence of relationship has been brought into question. RM is generally a business strategy that focuses on providing service through attracting, maintaining and enhancing relationships with customers (Berry 1983). Berry believes that the real focus of marketing is for service firms to master ways and means of not only retaining customers, but also ensuring that these customers are made to feel a sense of loyalty to their brands. This becomes more critical in services that are complex and involve diverse customers (Crosby et al. 1990). Thus, the quality of the relationship is paramount.

Relationship quality is a term that has been found to be at the centre of maintaining a sound and healthy relationship between service firms and the customers (Oraedu 2017; Chen et al. 2008; Crosby et al. 1990). Scholars argued that a close relationship with a customer is

an asset that would help a firm gain a prominent place in the heart of the customer. Moreover, it will help the firm to gain privilege information that would not have been available in just transactional dealings (Ndubisi et al. 2011), and also contribute to the firm's sustainable market plan. This explains why extensive studies have been made in this area. As a matter of fact, what influences RQ has generated resounding debate across contexts ranging from retail settings with mixed goods and services; insurance, financial, restaurant, airline, health care, banking, hair salon, mobile services and so on (see, Rajaobelina and Bergeron 2009; Chen et al. 2008; Moliner 2009; Rafiq et al. 2013; Sharma and Patterson 1999; Wray et al. 1994; Crosby et al. 1990). Although research output on this area is quite extensive, findings differ according to context and there is no general consensus on RQ model. Studies (see, e.g. Athanasopoulou 2009; Chen et al. 2008; Wray et al. 1994; Crosby et al. 1990) underscored the possibility of different drivers of RQ existing in different markets and potential for disparities in market responses to RQ building efforts of firms. This of course makes it impossible to generalize findings without undertaking a context-specific research study. Based on this, further investigations remain open across contexts and countries (Al-alak 2014) and validating existing output are potential void future studies (such as this) should bridge (Athanasopoulou 2009). Aside Izogo et al. (2017)'s study that considered the Nigerian retail bank customers, most of the research output on this area emerged from either North American or European markets, and it would be misleading for service firms operating within an emerging market such as Nigeria to formulate their RQ strategies on the basis of existing western norms and findings; because there exist discrepancies both in economic and sociocultural settings between developed and emerging economies (Izogo et al. 2017; Oraedu 2017; Ndubisi et al. 2011). All these factors make the research on this area more crucial.

We conducted this study in a Nigerian setting, focusing on the Nigerian telecom market. First, Nigerians are culturally collectivist in their relationship inclinations (Izogo 2016). More often than not, social factors play a significant role in shaping their exchange behaviour (Oraedu 2017). Second, the telecom market is almost saturated because of intensive competitions between service providers. Given the deregulation reform that was carried out about seventeen years ago, the outcome of that reform has prompted tremendous growth in the industry. As a matter of fact, it has recorded exponential growth both in terms of subscriber base and market share with teledensity of over 114.66 and total active subscriptions at over 160 million as at April, 2018 (Nigerian Communication Commission 2018). With this rapid growth, coupled with a few notable recent changes, such as the Mobile Number Portability (MNP) policy which allows customers to port (switch) from one service provider to another, the wide gap that initially existed between market leaders, challengers and followers is gradually closing-up (Oraedu 2017). Competition for increased subscriber-base, loyalty and customer retention has intensified (Tella et al. 2009), as firms compete to outsmart each other in a bid to take control of the market and increase their loyal customer-base. On this note, operators have resorted to "price and promo war" at the expense of customers' core demands.

All these make customer retention quite critical. It is evident that building an unparalleled competitive edge is beyond structuring a service package or procuring new technology. Athanasopoulou (2009) argued the need to focus on intangible aspects which are not easily duplicable. So, since only a limited number of empirical studies of RQ have been conducted within the Nigerian telecom context, this study further bridged the gap by incorporating the RM theory into the analysis of consumer behaviour. The purpose of the study was to empirically test a parsimonious RQ model. Specifically, we proposed and tested a model that captures two antecedents: service communication and perceived value on RQ, which in turn leads to behavioural outcome in form of word-of-mouth behaviour.

#### **2. LITERATURE REVIEW**

#### 2.1 Conceptual and Theoretical Background

#### Relationship Marketing theory, RQ and its components

RM theory is generally conceived as all activities targeted towards fostering and maintaining successful relational exchange (Morgan and Hunt 1994). RM is more concerned with customers' lifetime value (CLTV) rather than the value of a single transaction (Al-alak 2014). Hence, it places attention on getting closer to customers in order to accurately and adequately discern possible needs and indicators of customers' satisfaction and strong relational factors (Ndubisi and Wah 2005). The emphasis on RM stemmed from the fact that customers' needs are diverse and can only be uncovered through mutual disclosure (Ndubisi

2007). Mutual disclosure on the other hand can only exist when a healthy relationship is established. Therefore RM helps service firms to advance understanding on the series of marketing activities that could help them develop and foster mutual disclosure in a long term exchange interaction (Morgan and Hunt 1994; Berry 1983). It is worthy to note that these series of marketing activities comes in different forms or strategies. Morgan and Hunt (1994) outlined and distinguished ten forms of RM. However, "the long-term exchanges between firms and ultimate customers, as particularly recommended in the services marketing area" (p. 21) is considered the most suitable for our purpose in this study. Drawing on this line of thought, RM is a business strategy which aims to form a long term bond between telecom providers and customers.

RQ describes the healthiness of a relationship and how appropriate a relationship is (Johnson 1999). The attention is always on the good condition of a relationship, hence, Garbarino and Johnson (1999) argues that RQ is the sum total of the strength of a relationship [...] and the significant values the interacting parties attach to each other (Tsai and Cheng 2012; Ndubisi 2007). From the customers' point of view, RQ highlights the suitability of the whole relationship and how it helps in fulfilling their needs, expectations, predictions, goals and desires (Jarvelin and Lehtinen 1996). This, in turn, influences the overall impression that a customer has about the service provider and the whole relationship. Previous studies argues that RQ helps to reduce customers' uncertainties (Izogo et al. 2017; Ndubisi et al. 2011), especially in service-dominated transactions. This can only happen if and when the salesperson is able to secure the customers' trust and confidence through repeated demonstration of great degree of truthfulness and moral uprightness (Chen et al. 2008; Crosby et al. 1990). The components of RQ tend to vary across studies. While previous studies have identified trust, satisfaction and commitment as components of RQ (see e.g. Rafiq et al. 2013; Chu and Wang 2012; Chung and Shin 2010), recent studies have argued otherwise. Ou et al. (2012) and De Canniere et al. (2010) are leading critics on this subject. They argued that commitment component should be omitted because it is a behavioural construct that should be rather treated as an outcome. Drawing on this argument, it is not surprising that more recent studies have shifted towards two-broad components: trust and satisfaction (see Izogo et al. 2017; Oraedu 2017; Al-alak 2014; Ramayah and Ai-Leen 2013). Additionally, there is need to

avoid redundant duplications. So the two-broad conceptualization clearly accommodates "the need to suppress redundant duplications" (see Izogo et al. 2017). In line with recent studies, we examined our RQ model as a disaggregated construct rather than a composite one.

## • Trust

Trust has been regarded as a central construct in the development of successful relationships (Berry 1995). Trust shows the belief that exchange parties will act in a manner that accommodates the interest of each other (Ulaga and Eggert 2006), but first demonstrated by showing willingness to rely on an exchange partner (Morgan and Hunt 1994). Therefore, it deals with confidence and open-mindedness. Parasuraman et al. (1985) reiterated the need for customers to feel safe in dealings with their service provider and be assured that their interactions are confidential. So, in a relationship sense, trust implies that the good intentions of partners are not questioned; promises made by the service provider do not generate uncertainties in the mind of the customers and that the communication between both parties is honest, open and frequent (Ndubisi et al. 2011; Gronroos 1990). When trust is found in a relationship, it could lead to harmony between partners, eliminate frictions and minimize the need for bureaucratic structures.

## Satisfaction

Customer satisfaction is attained when customers feel fulfilled with the performance of services received (Ulaga and Eggert 2006) – that is, when the offering is able to address customers' core need. Therefore, satisfaction shows customers' contentment with different categories/specific product/services consumed. Storbacka et al. (1994) argued that customers' evaluation of satisfaction is both cognitive and affective, that is to say, it is an assessment of both past and present experiences across all service episodes within the relationship. Studies have recognized two basic aspects of satisfaction: transaction-specific and cumulative satisfaction (Johnson et al. 2001; Johnson et al. 2002; Olsen and Johnson 2003). Whilst transaction-specific deals with customers' satisfaction experience with and reaction to specific product transaction, episode or service encounter, cumulative satisfaction reflects on the overall consumption experience over time (Olsen and Johnson 2003). Similarly, the field

of psychology contends that the abstraction of needs satisfaction proceeds in three ranking levels of experience spanning from episodic, contextual and general experience (Milyavskaya et al. 2013). It shows how customers' most recent experience (episodic), streams of interactions across time (contextual) and overall impression of both episodic and contextual experience (general) shape the customers' overall assessment of services received from the service provider. One of the benefits of evaluating customers' overall satisfaction is having access to insights that could be used to drive future predictions of customer behaviour (Crosby et al. 1990), because satisfying customers' needs is not just a critical activity but a challenging task that must be accomplished in order to stimulate future behavioural benefits such as positive word-of-mouth behaviour.

#### 2.2 Hypotheses development

## Antecedents and outcome of RQ

• Service communication

Communication has been identified as one factor that must be present for any relational exchange to occur regardless of culture (Ndubisi et al. 2011). Thus, in order to foster a longterm relationship, telecom providers must, through communication, convince the customer that the relationship will last (Dagger et al. 2011; Anderson and Weitz 1992). Service communication is the extent to which telecom providers and customers openly, sincerely and substantively share information with each other (Sharma and Patterson 1999; Anderson and Weitz 1992). In a relationship perspective, it is seen as the interactive discussion that occurs between exchange partners throughout the service episodes (Anderson and Narus 1990). Basically, one of the purposes of communication is to clear doubts that may arise during service transactions. And if used effectively, it educates and/or informs customers about changes that will occur or have occurred along the service continuum. For instance, communication helps inform a dissatisfied customer what the telecom provider is doing to rectify the cause of dissatisfaction (Ndubisi and Wah 2005). Also, service characteristics and attributes are communicated a priori in order to create less ambiguity and inform accurate customer expectation (Dagger et al. 2011). So, easy flow of information is an important attribute of a strong relationship (Morgan and Hunt 1994), and timely communication fosters

trust by assisting in resolving disputes and aligning perceptions and expectations. Chen et al. (2008), found effective communication to result to RQ in health care services in Hong Kong. Ndubisi (2007) found otherwise, stating that communication is a weak predictor of RQ in the Malaysian banking context. Even though the beta coefficient is positive, the relationship is not statistically significant. In a later study, Ndubisi et al. (2011) examined the bank customers of two cultural dissimilar nations: Malaysia and New Zealand and found that irrespective of cultural differences, communication is key to building RQ. Based on this evidence, we therefore hypothesized:

H1: In a service setting, service communication positively relates to customers' trustH2: In a service setting, service communication positively relates to customers' satisfaction

## Perceived Value

The value of a brand "is not only determined by the performance of product/service attributes during consumption" (Aurier and Lanauze 2011). It is the overall assessment and the integrated benefits received and sacrifices made during the purchase-consumption cycle (Oh and Jeong 2003; Cronin et al. 2000; Sheth et al. 1991). Thus, perceived value is generally understood as a measure of "get component" in comparison to "give component" (Johnson et al. 2006; Parasuraman and Grewal 2002). What constitutes value rather appears to be highly subjective and it varies across customers (Hu et al. 2009; Moliner 2009). As a result, it is better left to be determined by the customer rather than the organization (Oraedu 2017). Even at that, scholars have tried to unravel what should be considered as possible components /dimensions of value. There seems to be a fairly general consensus in functional and affective factors (see Sanchez et al. 2006; Sweeney and Soutar 2001). Although some scholars argued the need to incorporate cognitive variables (see Moliner et al. 2007; Oh and Jeong 2003), other studies have adopted a wider view, arguing that it offers better chances of predicting customer behavioural intentions (Chen and Chen 2010). Sheth et al. (1991) argued that a multiple dimension of value could influence customers' purchase decision, thus they considered functional, conditional, social, emotional and epistemic values. Moliner et al. (2007) polarized functional value into price (monetary and non monetary), quality and

professionalism. Similarly, Deng et al. (2010) in assessing mobile instant message services in China explored emotional (affective), social, functional and monetary value. Functional value was captured in terms of reliability, expectation and fitness to purpose, while monetary/ economic value indicated price and value for money. In this study, we undertook a multi-dimensional view capturing affective, quality, economic and non economic values. Studies have shown that positive perceived value results in customers' trust and satisfaction. For instance, Ulaga and Eggert (2006) revealed that relationship value highly influenced RQ, and value was found to display a stronger effect on satisfaction than on trust. Lin and Wang (2006) in the study of mobile commerce users in Taiwan found that perceived value has a strong and positive impact on customer satisfaction, while satisfaction plays an intervening role in the relationship between perceived value and customer trust. Also, Moliner et al. (2007) found the functional value of a tourism package to influence trust in and satisfaction with a travel agency and satisfaction with the tourism package. Based on these pieces of evidence, we therefore hypothesized as follows:

H3: In a service setting, perceived value positively relates to customers' trustH4: In a service setting, perceived value positively relates to customers' satisfaction

## • RQ and WOM behaviour

WOM is mostly seen as an informal transfer of positive or negative purchase and consumption-related experience which occur between consumers (Soderlund and Rosengren 2007). Basically, in a traditional business setting, WOM is often described as oral, person-to-person or face-to-face communication between a receiver and a communicator of information (Teo and Soutar 2012), and in most cases, it is usually between a consumer of a product and another or intending consumer of the same product. It involves sharing attitudes, opinions, experience or reactions about businesses, products, or services with other people (Tsao and Hsieh 2012; Enginkaya and Yilmaz 2014). Research studies indicate that many firms focus on building relationships with customers to enhance positive WOM. Rajaobelina and Bergeron (2009) in their study of Canadian financial advisors and clients found trust and satisfaction to be a strong predictor of customer WOM. Chen et al. (2008) in a study of health

care customers in Hong Kong found RQ to transmit to positive WOM behaviour. Wong et al. (2007) found that in the Hong Kong financial service sector, the two components of RQ exact strong force on customers' willingness to recommend their service provider to their friends. Similarly, Al-alak (2014) in the Malaysian banking context found RQ to be an important factor that shapes customers' attitude in terms of WOM behaviour. This means that when the quality of relationship is high, customers are more willing to recommend the service provider to colleagues and they are more likely to revisit. Therefore, maintaining a high-quality relationship with customers is key to cultivating positive WOM behaviour. Based on this wealth of experience, we hypothesized as follows:

- H5: In a service setting, trust in the relationship positively relates to customers' WOM behaviour.
- H6: In a service setting, satisfaction with the relationship positively relates to customers' WOM behaviour.

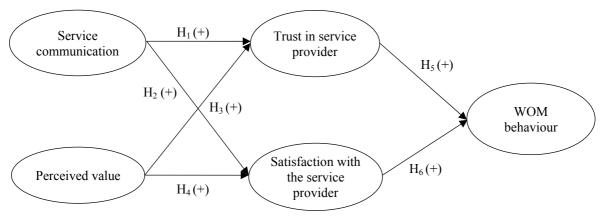


Figure 1. Research Model

## 4. METHODOLOGY

Measures

To test the proposed research model, the research variables were defined in measurable terms. Wrong measurements can defeat content validity (Saunders and Lewis 2012). So, to ensure content validity, the conceptualized research variables were operationalized based on already existing scale items in literatures. The adopted scale items were modified to suite

context-specific applications. The perceived value was adopted from Lin and Wang (2006) and Aurier and Lanauze (2011). Measurement on satisfaction was multi-scaled from Moliner et al. (2007), Sanzo et al. (2003) and De Canniere et al. (2010). Trust was adopted from Crosby et al. (1990) and Liu et al. (2011). Finally, items on WOM were all modified from Chung and Shin (2010) study. All measures were in a 7-point Likert scale format with anchor of "very strongly agree = 1" and "very strongly disagree = 7" at both extremes. Informants were restricted to a telecom provider that they use the most because most respondents maintain more than one account with several providers.

#### 4.1 Survey Administration and Sample Distribution

The study focused only on the four major telecom service providers (MTN, AIRTEL, ETISALAT and GLO). Respondents were conveniently and purposively approached in the capital city of Enugu state, South-eastern Nigeria. Efforts were made to ensure that selected respondents were those capable of answering the questionnaire items. So even though respondents were conveniently approached, not all the respondents contacted were actually given the questionnaires. All the respondents were active account holders with their respective telecom providers. In total, 384 informants participated. Of this number, 353 were completed and returned. A total of 36 responses were eliminated based on serious omissions in some of the scale components. Overall, the usable questionnaires yielded a valid response rate of 79%.

Table 1 shows the respondents' demographic profile. The profile shows that the female respondents were a few percentages higher (with 59.8%) than their male counterparts (40.2%). With respect to respondents' age, nearly all the respondents were within the youthful age. The marital status of the respondents shows that more than half of them (69%) were single, while over 28% were married. The remaining 2.5% maybe respondents who were either separated or in one form of pre-marital engagement. The quality of the responses obtained was not in doubt going by the percentage of literate participants within the database. In terms of occupation, over 50% of the respondents were engaged either with a government agency or private firm. Finally, the distribution of respondents' monthly income tends to skew towards the lower income earners since more than 50% were within the income bracket of

less than or equal to N50, 000. This result is as expected because most of the Nigerian population falls within the low income class due to poor distribution of wealth amongst the population. However, that does not exclude the fact that more than 65% of the participants have the financial strength to engage the services of a telecom provider. Prior to the main questionnaire distribution, the study first ascertained respondents' level of experience with a telecom provider. This was worded as "duration of use". The output revealed that more than 91% of the respondents had been engaged for up to three years and above with a provider (see, Table 2). Thus, we can infer that they are experienced and well grounded to give account of their telecom providers.

Indicator	Category	Count	Percentage (%)
Gender	Male	127	40.2
	Female	189	59.8
Age bracket	≤ 25	89	28.2
	26-35	176	55.7
	36-45	27	8.5
	46-55	21	6.6
	56+	3	0.9
Marital status	Single	218	69.0
	Married	90	28.5
	Other	8	2.5
Educational qualification	Secondary sch. Leavers (WAEC/SSCE)	28	8.9
	NCE/Diploma	51	16.1
	HND/BSc	207	65.5
	Postgraduate	30	9.5
Occupation	Self employed	80	25.3
	Employed by government	88	27.8
	Employed by private Organization	64	20.3
	Student	84	26.6
Monthly income	≤N50, 000	188	59.5
	N50, 001- N100, 000	103	32.6
	N100, 000-N150, 000	18	5.7
	N150, 001-N200, 000	2	0.6
	N200, 001+	5	1.6

Table 1. Respondents' Demographic Profile

**Note:** *total* = 316.

How long have you been using the services of your network provider?							
		Frequency	Percent	Valid Percent	Cumulative Percent		
Valid	Less than or equal to 2 years	28	8.9	8.9	8.9		
	3-6 years	110	34.8	34.8	43.7		
	7-10 years	122	38.6	38.6	82.3		
	11-14 years+	56	17.7	17.7	100.0		
	Total	316	100.0	100.0			

Table 2. Duration with the Telecom Provider

#### 4.2 Data Analysis

Prior to hypotheses testing, the data was subjected to series of diagnostic tests to ensure usability and that the measurements due indeed measured more of the theorized variables. This was done through a two-stage Partial Least Square Structural Equation Modelling (PLS-SEM) technique, and was completed with the aid of SmartPLS 2.0 software. In examining the usability of the measures, we focused on construct validity and reliability, then, the structural behaviour and by implication the research hypotheses. Justification for the choice of PLS-SEM technique is its suitability for evaluating the measurement of the latent constructs and simultaneously testing the relationship between constructs (Babin et al. 2008). In addition, PLS-SEM technique is preferred when a study models a causal-effect relationship and the emphasis is on making predictions especially with a non-normal data and small and medium sample sizes (Hair et al. 2014). So, since the data employed in this study falls within the medium threshold and our model captures the causal-effect relationship with interest on prediction rather than co-variation, PLS-SEM was considered the most appropriate for a stable model estimate.

#### **5. RESULTS**

#### Validity and reliability

The measurement model and the reflective indicators of the latent constructs were analyzed and interpreted in two stages using Hair et al. (2014)'s approach. First, the Cronbach's alpha and composite test was used to examine the reliability of the latent constructs. Thereafter, construct validity was confirmed. Table 3 shows the output of the reliability test of the latent constructs which measured far above the limit of 0.6 for cronbach alpha score (Hair et al. 2010) and 0.7 minimum composite measure (Bagozzi and Yi 1988). These clearly show that the instrument is internally consistent.

Latent variable	Indicator	Factor Loading	<i>t</i> -value	Cronbach alpha (α)	Composite reliability	AVE
Service communication	COMM1	0.728	18.745***	0.742	0.838	0.566
	COMM2	0.648	14.326***			
	COMM3	0.805	27.396***			
	COMM4	0.816	34.042***			
Satisfaction	SAT1	0.877	50.311***	0.848	0.908	0.767
	SAT2	0.877	48.562***			
	SAT3	0.874	49.548***			
Trust	TRU1	0.786	24.802***	0.807	0.886	0.723
	TRU2	0.892	51.651***			
	TRU3	0.869	48.292***			
Perceived value	PV1 PV2	0.627 0.771	13.075 <sup>***</sup> 21.149 <sup>***</sup>	0.781	0.852	0.537
	PV3 PV4	0.810 0.762	32.859 <sup>***</sup> 23.287 <sup>***</sup>			
	PV5	0.677	16.635***			
Word-of-Mouth	WOM1 WOM2	0.888 0.751	58.624 <sup>***</sup> 19.233 <sup>***</sup>	0.802	0.882	0.716
	WOM3	0.891	55.203			

Table 3. Items' Factor Loadings, t-statistics, Reliability and Unidimensionality

Notes: Significant levels are denoted as  $^{***}p > 0.001$ .

The study assessed validity by examining and confirming for convergent and discriminant validity. Bagozzi and Yi (1988) argued that convergent validity is met if an instrument's AVE is 0.5 or above and the measurement indicators load significantly (i.e. 1.96 and above). When this criterion is met, it shows that the reflective indicators measured their theorized factors rather than errors. Discriminant validity, on the other hand, is attained if each construct shares more variance with its assigned indicator than another construct (Fornell and

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Larcker 1981). Statistically speaking, the square root of AVE of each construct should be higher than its corresponding pair in the correlation matrix (Hair et al. 2014). As shown in Table 3, the AVEs ranged from 0.537-0.767, all significant at p < 0.001 level. Additionally, the square root of the AVEs of each construct is far above its corresponding pair in the correlation matrix (see Table 4). This evidence aligned with Fornell and Larcker (1981) and Bagozzi and Yi (1988)'s rule for convergence and discriminant in model measurement. Therefore, the research measurement model shows fulfilment of both convergent and discriminant validity tests.

Construct	Mean	Service communication	Perceived value	Satisfaction	Trust	WOM
Service communication	3.010	0.752				
Perceived value	3.294	0.559	0.733			
Satisfaction	3.372	0.525	0.659	0.876		
Trust	3.568	0.615	0.643	0.749	0.850	
WOM	3.218	0.492	0.581	0.598	0.633	0.846

Table 4. Construct Correlations and Square Roots of AVEs

Note: Square roots AVE are in bold italic print in the diagonal.

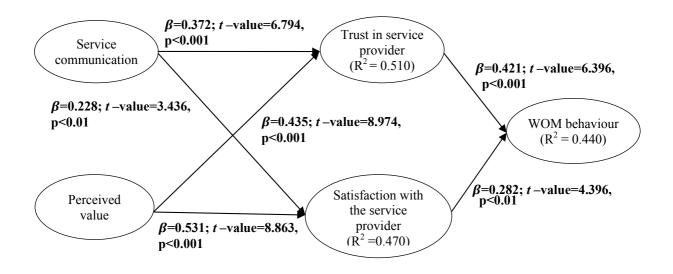
## Structural output

We tested our proposed model using PLS model. As recommended in the literature, the bootstrap re-sampling procedure of 5000 sub-samples (see Hair et al. 2014) was used to generate the significant value (i.e. t-value). By this way, the  $\beta$  coefficient was made statistically significant. The structural outputs support all hypothesized relationships as shown in Table 5. A positive linear effect was found to exist between service communication and trust ( $\beta = 0.372$ ; t = 6.794; p < 0.001). The relationship between service communication and satisfaction was also positive and significant ( $\beta = 0.228$ ; t = 3.436; p < 0.01). Further, perceived value is also related to trust ( $\beta = 0.435$ ; t = 8.974; p < 0.001) and satisfaction ( $\beta = 0.531$ ; t = 8.863; p < 0.001). Both trust ( $\beta = 0.421$ ; t = 6.394; p < 0.001) and satisfaction ( $\beta = 0.282$ ; t = 4.396; p < 0.01) (the two components of RQ) were also found to be significant predictors of WOM behaviour.

Parameter	Total effect	Path coefficient	Standard error	<i>t</i> -value	Result
$H_{l}$	Service comm. $\rightarrow$ Trust	0.372	0.055	6.794***	Supported
$H_2$	Service comm. $\rightarrow$ Satisfaction	0.228	0.066	3.436**	Supported
$H_3$	Perceived value $\rightarrow$ Trust	0.435	0.049	8.974***	Supported
$H_4$	Perceived value $\rightarrow$ Satisfaction	0.531	0.060	8.863***	Supported
$H_5$	Trust $\rightarrow$ WOM behaviour	0.421	0.065	6.396***	Supported
$H_6$	Satisfaction $\rightarrow$ WOM behaviour	0.282	0.064	4.396**	Supported

Table 5. Estimated Results Of The Structural Model And Hypotheses Test Output

**Notes**: Significant level is denoted as  $p^{**} < 0.01$ ; p < 0.001.



Overall, 51 and 47 percent of the variance in trust and satisfaction respectively were explained by the two antecedents: service communication and perceived value. Finally, the entire model explains 44 percent of the total variance in customer WOM behaviour. Meaning that over 40 percent of the variations in customers' WOM behaviour occurred as a result of the interactions of other predictors. Therefore, the explanatory power of our model is only modest.

## **5. DISCUSSIONS ON FINDINGS**

This study sets out to examine the behaviour of a RQ model in a service setting of an emerging economy. Specifically, the study tested a parsimonious model that captures two

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antecedents: service communication and perceived value, which we assumed to have a positive effect on RQ (trust and satisfaction) and in turn lead to positive behavioural outcome in form of WOM communication. Our findings indicated that there is a positive linear effect between service communication and RQ. This finding is consistent with Ndubisi et al. (2011) in their study of the Malaysian and New Zealand banking sector and Chen et al. (2008) in their study of the Hong Kong health care sector. It shows service communication to be an important factor in RQ building effort by service organisations. This result is as expected because when communication is poor, inadequate or lacking, customers are most likely to question the service provider's capability. Our findings show that in a service-dominated transaction, communication impacts more strongly on customers' trust than on satisfaction. This output is not surprising because of the nature of the industry under study. Bearing in mind the complexities associated with service transactions and the intangibility of services, this makes trust an important component especially if the plan is for long term behavioural interactions.

Furthermore, perceived value directly correlates with RQ, this of course lends credence to previous studies (see, e.g. Chen and Chen 2010; Moliner 2009; Moliner et al. 2007; Ulaga and Eggert 2006). From the reflective indicators of the construct, we found that customers' ranking of value was hinged more on the overall post-purchase value which was captured as: "generally, I feel that my network provider is worth the sacrifice I made towards subscribing to it". This was seconded by customers' assessment of the actual value received from the service providers. In this case, actual value was captured as a "good deal" and was evaluated based on cost/price element. This is because monetary and other economic values often influence customers' usage of services (Deng et al. 2010). Our findings therefore affirmed this assertion, but contradict Deng et al. (2010)'s study who found no significant effect between cost/monetary values on satisfaction in their study of mobile instant messenger in China. Unlike their finding, our study revealed that customers incorporate these elements when comparing benefits they get from their service providers, thus, justifying the "get and give" proposition of perceived value. The strength of perceived value to predict RQ was found more on satisfaction than on trust (also see, Ulaga and Eggert 2006). However, that does not preclude the fact that trust is not important, rather a more potent strategy should be

to focus on customer satisfaction, especially since value is subjectively determined by customers. This therefore signals to telecom companies that quality relationship and satisfaction can only be improved through added value. Since perceived value influences customers' satisfaction, higher perceived value would indirectly result in higher customer satisfaction. However, as much as superior value is very important, it is still insufficient to continuously maintain positive behavioural actions (see e.g. Hu et al. 2009; Ulaga and Eggert 2006; Lin and Wang 2006). Building trust along the line would help to cement the relationship (Oraedu et al. 2018) and consequently discourage switching behaviours.

With respect to the outcome of RQ, our result also concurs with those in the previous literature. That is, trust in and satisfaction with the service provider leads to positive WOM recommendations (see Al-alak 2014; Rajaobelina and Bergeron 2009; Chen et al. 2008). This means that customers will drum support for that service provider in whom they trust and have confidence in and whose services they are better satisfied with. This sends a signal to service providers on the need to focus their RQ building programmes on marketing activities that would build trust and improve customers' satisfaction. Another significant finding in this study is that trust in the service provider has a stronger impact than satisfaction has on customers' WOM behaviour. Again, this demonstrates the need for service firms to contrive strategies that would stimulate, build and maintain customers' trust. The feeling of trust makes the customer to reason that the service provider is different from a host of other competitors. As a result, they are obligated to recommend such service provider to friends, family, followers and so on. So, by strategically pursuing antecedents that will lead to relationship trust and satisfaction, service firms are better positioned to raise their RQ standard and consequently harness the benefits of a sound relationship network.

# 6. IMPLICATIONS AND CONCLUSION

The output of this study provides some important managerial implications for both marketing practitioners and academic researchers. First, in order to manage the ever changing customer behaviour especially within the relationship context in the service settings, there is need for service firms to develop a stable, rather than temporal relationship action point. To build a long-term relationship, service providers should explore RQ as an important indicator.

Although it can be quite challenging to build a sound RQ network and streamline customers' behaviour, if strategically handled, outcomes could be quite beneficial. As found in this empirical report, RQ can help a firm increase their customer base. How? By attracting new and retaining existing customers through positive WOM communication. However, for this to be effective, service firms must first contrive marketing activities that would stimulate positive WOM behaviour. A few of the key indicators noted in this study are the importance of structuring an effective communication system and innovatively developing superior service values. These strategies can help a firm build trust and increase the customer satisfaction level. Moreover, considering that the Nigerian telecom sector is almost at the saturation point and with service-switching now easier, service providers should rather focus more on customer retention.

We recommend that the output of this study be incorporated in the relationship building efforts of telecom service providers. And since the Nigerian telecom sector is constantly undergoing regulatory interferences, periodic review and update of RQ perception is also recommended to put operators in a fitting position to curb the effect of environmental changes. The limitation in this study is that a moderate number of customers was sampled, thus output cannot be generalized. In addition, the output of this study cannot be used to infer the possible behaviour of a RQ model in other service spheres unless further investigation is carried out. Conclusively, this study reinforces the call by scholars to subject RQ model into context-specific investigations and/or validate existing frameworks. Whilst this field of research endeavour has gathered extensive attention most especially in the western settings, the behaviour of RQ models has been grossly under-researched in African settings. It makes no managerial sense for marketing practitioners operating in African markets to formulate their RQ strategies based on western norms and findings because of differences in cultural and economic factors (Ndubisi et al. 2011). So we hope that this research output will further stimulate debates in the various sectors of the African market.

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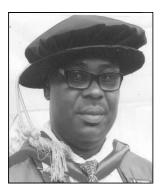


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