

## **Do Trust and Commitment Matter in Service Relationships?**

### **Abstract**

This study compares the relationship marketing perspective with the service quality perspective in explaining the roles of trust and quality on loyalty. Both perspectives have some support in the study's data. It is argued that marketing researchers need to have a better understanding of the nature of the focal constructs in order to make more definitive statements of the relations among the constructs.

### **Introduction:**

Trust is increasingly being viewed as a critical construct in the marketing literature (Doney and Cannon, 1997; Smith and Barclay, 1997). In particular the emerging relationship marketing paradigm holds trust as a central construct (Morgan and Hunt, 1994). On the other hand, the service quality literature seems to view trust as less central (Parasurman, Zeithaml and Berry, 1988). There is a need to resolve these differences about the perceived role of trust in services marketing relationships. The paper will attempt to compare two competing hypotheses about the relationship between service quality, trust commitment and loyalty. These hypotheses stem from two schools of thought, which have received significant attention in the discipline in the last few years; the relationship marketing perspective and the service quality perspective.

### **The Relationship Marketing Perspective:**

Morgan and Hunt (1994) establish that trust and commitment entirely mediate the relationship between relationship benefits and consumer intentions regarding the relationship. In this theory, service quality would be viewed as a benefit that consumers seek from their relationship with service providers. Service quality exists as an antecedent of trust. In this relationship marketing paradigm, trust and commitment would be the prime drivers of consumer loyalty to the service provider. This being said, in order to appreciate this theory it is necessary to have an understanding of the nature of the trust and commitment constructs.

Although trust has received considerable attention in the field, it has been viewed in a number of ways. Morgan and Hunt (1994) argue that reliability and integrity lie at the foundation of the trust construct. Moorman, Zaltman and Deshpande (1992:315) define trust as the "willingness to rely on an exchange partner in whom one has confidence". Trust has also been defined as the "...perceived benevolence and credibility of the target of the trust" (Doney and Cannon, 1997:36).

Credibility relates to the extent to which a partner in exchange can be relied upon make and meet commitments and promises (Bitner, 1995). Credibility in a relationship is a function of the extent that the partners have mutual expectations about the behavior of each other. Thus, we trust a partner when we feel that it will behave in a predictable way.

Benevolence is “the extent to which one partner is genuinely interested in the other partner’s welfare...” (Doney and Cannon, 1997, p.36). Benevolence is similar to the concept of relational exchange norms which are “based on the expectation of mutuality of interest, essentially prescribing stewardship behavior, and are designed to enhance the well being of the relationship as a whole” (Heide and John, 1992, p. 34). Benevolence and trust would seem to be negatively related to opportunism in that benevolent partners do not act in an opportunistic manner (Morgan and Hunt, 1994). There is benevolence-based trust in a relationship when one partner feels that the other partner will serve mutual interests.

Commitment is also a complex construct. In marketing thought, commitment has been defined as an “implicit or explicit pledge of continuity between relational partners” (Dwyer, Schurr and Oh, 1987:19). It has also been defined as “...mutuality, loyalty and forsaking of alternatives, variables which are at the core of the meaning of relationalism” (Gundlach, Achrol and Mentzer, 1995: 79). Others have defined commitment as “...an enduring desire to maintain a valuable relationship” (Moorman, Zaltman and Deshpande, 1992). Morgan and Hunt (1994) agree with this definition of commitment. Recently, commitment has been defined as a “resistance to change” (Pritchard, Havitz and Howard, 1999). All of these views about the nature of commitment are consistent with Fishbein and Ajzen’s (1980) position that an attitude as a learned predisposition to behave in a consistent manner toward an object. Thus commitment could be viewed as a general attitude toward the act of engaging in various relational behaviors.

Overall, the position of the relationship marketing school is that building trust and fostering commitment should be the main foci of organizations. Committed and trusting customers/members/clients will act as advocates for the organizations, engage in less switching and be more willing to expand the relationship. Clearly, these are positive outcomes for the organization.

H1: Trust and commitment mediate the relationship between consumer evaluations of service quality and loyalty intentions.

## **The Service Quality Perspective**

Over the past 15 years there has been a dramatic increase in the body of knowledge in services marketing (Iacobucci, 1998). In this time, the most widely researched issues have been the nature and measurement of service quality (Fisk, Brown and Bitner, 1993; Iacobucci, 1998). The field has seen a significant debate over whether service quality is a multi-dimensional or uni-dimensional (Cronin and Taylor, 1992; 1994; Parasuraman, Zeithaml and Berry, 1988; 1991; 1994; Spreng and Singh, 1993; Teas, 1993). More recently, the literature has seen increased attention to the behavioral consequences of service quality (Zeithaml, Berry and Parasuraman, 1996). Repurchase and “loyalty” are the most investigated consequences of service quality (Rust, Zahorik and Keiningham, 1995; Zeithaml, Berry and Parasuraman, 1996). Loyalty can be viewed as a complex construct which may include advocacy and repurchase intentions (Zeithaml, Berry and Parasuraman, 1996).

The debate about the dimensionality of the service quality construct is unresolved, although an emerging position is that concepts such as reliability, tangibles, assurance, responsiveness and empathy may exist as antecedents of an overall service quality construct rather than dimensions of service quality. This is an important point because issues relating to reliability and assurance in services may well tightly overlap with the trust construct developed by researchers in relationship marketing. Benevolence (Doney and Cannon, 1997) is tightly intertwined with the assurance and responsiveness dimensions of service quality given that all three constructs involve the customer perceiving that their service provider has the customer’s interest at heart. Similarly, credibility (Doney and Cannon, 1997) as an aspect of trust has significant overlap with the reliability dimension of service quality. Both constructs relate to the consistency of service delivery.

Under the service quality perspective, quality is the prime driver of consumer loyalty. The conceptual foundation for this view lies in the assumption that service quality is like an attitude, which drives behavioral intention. This is not to say that trust is unimportant in service relationships, but activities which build trust in a relationship also create service quality. In this mediating model, service quality explains consumer loyalty better than trust.

H2: Service quality entirely mediates the effects of trust on loyalty intentions

## **Methodology and Measures**

The data for this paper was drawn from two pilot studies on customer commitment, conducted in September 1998 and February 1999. Participants were asked to complete a 60-item questionnaire, which included measures of service quality, satisfaction, loyalty and switching intentions. Participants were asked to reflect upon their relationship with their current provider of financial services (September, 1998) and hairstyling services and auto repair services (February, 1999). Participants were drawn from a small community in Ontario, employees of a high technology company in Ontario and undergraduate and graduate students at a large university in Ontario. Overall, 172 complete data points were available for this study (91 financial services, 52 hair-styling, 29, auto repair).

Service quality was measured with 3 items previously employed by Taylor and Baker (1994). Trust was measured with 3 items adapted from Doney and Cannon, (1997). Commitment was measured with 3 items adapted from the Allen and Meyer (1990) affective commitment scale. Loyalty intentions were measured with 5 items, developed by Zeithaml, Berry and

Parasuraman (1996). Table 1 provides the measures employed in this study along with the scale reliabilities. All scales show acceptable reliabilities. All items were measured on a 7 point likert scale.

<b>Table 1.</b>	
Measures and Reliabilities for Service Quality, Trust, Commitment and Loyalty	
Service Quality: ( $\alpha=.88$ )	I believe the general quality of X's services is low (RC) Overall, I consider X's service to be excellent The quality of X's service is: (1= poor; 7= excellent)
Trust ( $\alpha=.82$ )	X keeps its promises X is genuinely concerned with my needs X is trustworthy
Commitment ( $\alpha=.93$ )	I feel emotionally attached to X X has a great deal of personal meaning for me I feel a strong sense of identification with X
Loyalty: ( $\alpha=.89$ )	Say positive things about X to other people Recommend X to someone who seeks your advice Encourage friends and relatives to do business with X Consider X your first choice for Y services Do more business with X in the next year

The data were subjected to a confirmatory factor analysis using AMOS 3.6 (Arbuckle, 1996) structural equation modeling software. The confirmatory factor analysis was completed with maximum likelihood factor extraction. This four factor solution offered an acceptable fit to the data ( $\chi^2=107.7$ , df, 71; p.00; AGFI= .88; CFI=.98; RMSEA= .05). Three of the constructs were highly correlated (Quality and Trust  $r= .80$ ; Trust and Loyalty,  $r= .71$ ; Quality and Loyalty,  $r= .75$ ). Despite these high correlations, the hypothesized four-construct model offered the best fit to the data. The hypotheses were tested employing the one-step approach where the measurement and structural models are tested simultaneously (Bollen, 1989).

## Results

Figure 1 shows the structural model developed to test H1. Overall, this model offers a good fit to the data ( $\chi^2=107.$ , df, 71; p.00; AGFI= .88; CFI=.98; RMSEA= .05).. However, the model also shows that trust and commitment do not completely mediate the effect of service quality on loyalty intentions as the service quality construct is positively and significantly related to loyalty intentions. At best the model provides support for the view that trust and commitment serve as partial mediators of the service quality-loyalty relationship. While the model also demonstrates that commitment is positively and significantly related to loyalty intentions, quality seems to be a major determinant of loyalty. This stands in contrast to the position of the relationship marketing school where Morgan and Hunt (1994) found that trust and commitment completely mediated the effect of relationship benefits on their dependent variables. Thus, H1 would seem to have little support in this study.

Figure 1

The Relationship Marketing Perspective

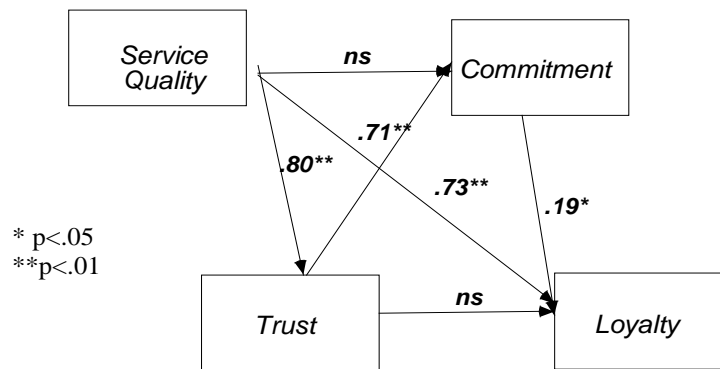
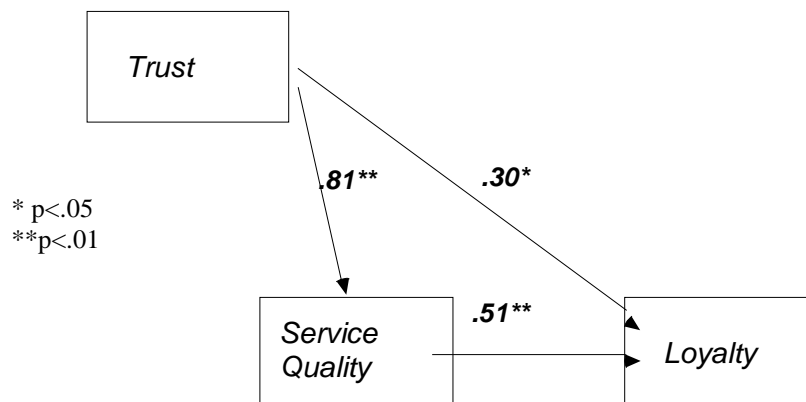


Figure 2. shows the structural model developed to test H2. This model offers a good fit to the data ( $\chi^2=48.6$ , df, 41,  $p=.19$ ; AGFI= .92; CFI=.99; RMSEA= .03).. It also demonstrates that quality does not completely mediate the relationship between trust and loyalty intentions, although trust would seem to have a weaker effect on loyalty than service quality. This may suggest that trust is an antecedent of service quality that has an independent effect on the consequences of service quality, such as loyalty intentions. Thus, the study offers partial support for H2. Overall, the results would suggest that the service quality perspective offers a better fit to the data, but not appreciably better than the relationship marketing perspective, which is a more complex model. Since these are not nested models, it is not possible to employ a  $\chi^2$ -difference test.

Figure 2

The Service Quality Perspective



## Discussion

This paper has highlighted the complex relationship among service quality, trust, commitment and loyalty. While there is conceptual and empirical evidence in the marketing literature that these are distinct constructs, they may well be highly correlated. This position is supported by the findings in this study where neither of the theoretical models put forward significantly outperforms the other. The models indicate that service quality and commitment are both extremely important in service marketing relationships. The models also indicate that trust may play a lesser role in that it as an antecedent of service quality and commitment.

These are important constructs for marketing researchers in the academic community and practitioners. It is somewhat disappointing that we have not been able to tease out a more telling relationship among these important constructs. In our literature review, we noted that marketing scholars have defined commitment and trust in many different ways. Similarly, others have pointed out that loyalty is also an ill-defined construct (Dick and Basu, 1994). It may well be that weak distinction between the models stems from the discipline's poor conceptual understanding of the focal constructs. In particular, marketing scholars need to give clear thought as to the nature of the commitment construct if it is to continue to be a focal construct for marketing practitioners. We may want to borrow from the work of researchers in organizational behavior where commitment has a lengthy tradition of research (Mathieu and Zajac, 1990).

Even though the service quality and relationship marketing literatures continue to evolve, it may be time to investigate the trust-quality-commitment-loyalty relationship using other approaches and methods. Recently, the critical incident method has been used to investigate a number of services phenomena (Bitner, 1990; Keveaney, 1995) and advocated as a technique for other services areas where experimental and correlational methodologies have been unable to sort out the relationships between constructs (Taylor and Fullerton, 1999). Similarly, phenomenological approaches have been used to raise our understanding of the nature of consumer relationships with products and brands (Fournier, 1998; Fournier, Dobscha and Mick, 1998). The use of these methods may eliminate weaknesses in our understanding of service relationship constructs and causal relations among these constructs.

The most significant conceptual weakness of the service quality perspective is that it rests upon the assumption that service quality is an attitude. This assumption has not been subjected to much rigorous conceptual debate in the discipline. An alternate perspective on the nature of service quality is that it more of a cognitive evaluation of a service provider's level of performance. If service quality is not an attitude then it is likely that an attitudinal construct would mediate the relationship between a set of beliefs (service quality) and loyalty intentions.

The most significant conceptual weakness in the relationship marketing perspective is that commitment has been defined in a large number of ways in the discipline. While there is agreement that commitment is an important construct, there is little agreement on the nature of the construct. If commitment is a general attitude toward the act of engaging in relational behaviors then it stands to reason that it would mediate the relationship between service quality and loyalty intentions. Researchers in marketing may want to continue to borrow from the discipline of organizational behaviour, where commitment has a lengthy tradition of research.

Overall, the analysis of these conceptual models suggests that there are some missing pieces to the puzzle of service relationships. The study demonstrates that service quality evaluations play a significant role in determining consumer intentions to remain loyal to a service provider. The study suggests that trust may well play a less important role in determining loyalty intentions. Finally, the study suggests that commitment may play a role in mediating the effects of service quality on loyalty intentions. However, as we continue to refine our understanding of the nature of commitment, we may well expect that a greater role of the construct in the services marketing research.

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