Customer Commitment vs Relationship Quality: 
Effect of Proper Conflict Handling and Rapport

1Siti Haryati Shaikh Ali and 2Hanafi Talib

1Faculty of Business and Management, 
Universiti Teknologi MARA Terengganu, 23000 Dungun, Terengganu, Malaysia
2Petronas Carigali Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia

Abstract: This paper aims to examine the role of proper conflict handling and rapport on customer commitment and relationship quality. Based on the existing stream of literature, this research aims to provide the insights into the underpinning of customer commitment and relationship quality. Specifically, it is trying to determine the effect of rapport and conflict handling on both commitment and relationship quality. A total of 1126 responses from questionnaire survey were collected from banking and healthcare clinics in Terengganu and Kuala Lumpur. Many new discoveries were made in the analysis. Firstly, is the fact that conflict handling is divided into two; namely engaged and disengaged conflict handling. The division has also led to further understanding of the effect of rapport and conflict handling towards relationship quality and commitment. The finding is in deed beneficial for future service business growth and development in the country.

Key words:

INTRODUCTION

The role of service sector is undeniably very important. Service sector has played an outstanding role in the growth and development process of the Malaysian economy. The greater presence of the service sectors in the Malaysia economy is in line with the growth transformation that has taken place in many other developed economies. By the end of 2020, the service sector in Malaysia is expected to contribute to 60% of GDP (Ninth Malaysia Plan). Being a multi racial country like Malaysia the whole economic journey is not as easy as it may sound. Malaysia possesses a mixed population of many ethnic groups of Malays, Chinese and Indians and also foreigners. Even though they come from various cultural background and diversities, they seem to display a high level of tolerance and harmony by living and working together.

Despite the growth in service sector added with stiff competition, many services in Malaysia continue to face criticism and are viewed as inefficient. They are also facing pressure to improve their service delivery [1]. Service companies need to find ways to retain their customers and thus compete better with their rivals. With more focused effort in leveraging customer commitment with customers by enhancing relational quality functions, it is expected that the growth in service sector can be accelerated as well as the improved quality of services. As confirms by research done by Reichheld [2, 3], stating that by building and enhancing long-term relationships with customers generates positive returns to organizations. A better understanding of customer relationship properties like commitment is a key towards that success.

Customer commitment has garnered much interest since Morgan and Hunt’s [4] seminal work on trust-commitment theory of relationship marketing. One way of developing customer commitment and improve the quality relationships with customers is to be able to handle conflict effectively and establish rapport with them. Therefore, this research is proposing an in depth analysis of proper conflict handling and rapport building among customers of services businesses in Malaysia.

Literature Review and Hypotheses

Commitment: Commitment to relationship involves both a psychological (for example a binding force or a dedication) state and a motivational phenomenon (for example in maintaining a relationship or to repurchase) [5]. Customer commitment is just like any
other commitment and argued to be driven as a result of expected outcomes. Commitment can be defined as the sacrifices made by the customer and service provider in order to maintain a relationship. Moorman et al. [6] regard commitment as an enduring desire to maintain valued attitude or desire for a particular brand or firm. It is a sustained experience, emotional belonging and quest for continues identification with a brand or service provided. Berry and Parasuraman [7] indicate that commitment is central in relationship marketing theory. Wilson [8] observed that commitment was found to be the most common dependent variable used in customer – seller relationships. Commitment helps organizations identify and distinguish potentially effectively reward genuine customer loyalty [9]. The extent of literature has described it as a very useful construct for measuring of customer loyalty as well as forecasting customer purchase intentions [10]. Mutual commitment is very essential to build a long term relationship. Another strong definition of commitment emphasizes on the willingness to rely on an exchange partner on whom another has confidence [11].

**Relationship Quality:** Relationship quality has been originally termed as a bundle of intangible value that augments products or services and result in an expected interchange between buyers and sellers [12]. Relationship quality is a higher order construct depicting the value customers attach to their relationship with the service provider [13]. It refers to customers’ perceptions and evaluations of individual service employee’s communication and behaviour which involves inducing feeling and emotional states [14, 15]. Previous studies have indicated relationship quality as a multidimensional construct that captures many different facets of an exchange relationship [14, 16, 17]. Components or dimensions of relationship quality proposed in the past research include cooperative norms [18], opportunism [13], customer orientation [13, 19] and conflict, willingness to invest and expectation to continue [20]. For Athnasopoulou [21], relationship quality should be related to three major dimensions that include the behaviour of the providers and customers and the interactions between both of them. The relationship between service provider and customer should be cemented by quality interactions between them. This includes having direct, honest, polite and friendly manner relationship [21], which supports earlier perception of relationship quality as a customer’s perception of how well the relationship fulfils the expectations, predictions, goals and desires of the customers [22, 23]. As a result, relationship quality itself should convey the customers’ impression of the whole relationship [24] and it is expected to be influenced by interpersonal dimensions such as conflict handling and rapport.

**Conflict-Handling:** Conflict handling is the ability to solve disputes and dissatisfaction effectively in an organization. Conflict handling is included as one of the interpersonal dimensions under study as previous researches and practitioners agree that for individuals, groups, organizations and other social entities to function successfully, they must manage conflict effectively [25]. Conflict handling can be defined as one’s ability to handle the “overall level of disagreement in working relationships.” [26]. The lack of understanding between individuals with different management styles may sometimes lead to misunderstanding and personal disagreements. Some of the incidents of conflict behavior are tension, frustration, verbal abuse, annoyance, interference and rivalry. For the purpose of this study, conflict handling is defined as the ability to handle disagreements in building good relationship between customers and service providers.

Rahim [27] differentiates the styles of handling interpersonal conflict on two basic dimensions: concern for self and concern for others. Rahim introduces his five styles of conflict-handling strategies which include integrating, accommodating, compromising, forcing and avoiding. Integrating conflict-handling strategy will demonstrate a high concern both for self and for others. This strategy is also known as win-win, collaborative, cooperative and positive sum. This strategy is considered to be the best strategy [28]. High-frequency integrators have significantly led to less conflict than low-frequency integrators [29, 30]. The first strategy involves collaboration and problem solving in which both parties share information and look for ways to satisfy each other [31]. The second strategy is accommodating, which demonstrates a low concern for self and a high concern for others. This strategy is also known as obliging, non-confrontation, yielding and lose-win. The strategy signals a willingness to accept the perspectives of others [32]. The central goal of this strategy is to meet the needs of the other party. Thirdly, is compromising strategy, which demonstrates moderate concern for both self and others. This strategy is also known as mixed motive in game theory. It entails splitting issues down the middle to resolve conflict [31]. It may involve splitting the
difference, exchanging concession, or seeking a quick, middle-ground position [25]. Next, is forcing strategy which demonstrates a high concern for self and low concern for others. It entails a person forcing issues to get his or her needs at the expense of another [27]. It is also being known as dominating, competition, control, win-lose or zero sum. Last, is avoiding strategy which demonstrates low concern for both self and others. This strategy is also known as ignoring, withdrawal or “see no evil, hear no evil, speak no evil” action. In this approach, as mentioned, often involves simple evasion of the responsibility for conflict resolution. In other word, it entails an individual suppressing or withdrawing from the conflict [25]. Further, Morgan and Hunt [4] note that, in any inter-organizational environment, customers’ commitment is always positively correlated with service providers’ or sellers’ co-operation.

Rapport-Building: Rapport is originally a French word means harmonious, sympathetic relationship or connection with people. Merriam-Webster-Dictionary [33] defines it as relation marked by harmony, conformity, accord or affinity. Different people from different backgrounds give various meaning to rapport. Brooks [34] defines rapport as a harmonious, empathetic or sympathetic relation or connection to another person. According to Bruno [35], rapport is a quality possessed by a relationship when two or more individuals have a harmony thought or feelings or a set of common understanding. According to Weitz et al. [36], rapport is a close, harmonious relationship founded on a mutual trust. Gremler and Gwinner [37] conceptualize rapport as a higher construct consisting of at least two important and highly related components: personal connection and enjoyable interactions. The personal connection component of rapport captures the bond between two parties, representing a strong feeling of affiliation. While the enjoyable interaction component is an affective assessment of the actual interaction between the two parties and captures what some have described as “positivity” [38].

Considering all definitions, this paper will adopt the one suggested by Gremler and Gwinner [37]. The definition states that rapport should consist of two dimensions that is personal connection and enjoyable interactions. This is so as we analyze all definitions, it is noticed that there is a consistency usage of quality of personal interaction between customer and service provider. The quality personal interaction signals a relationship that is exemplified by agreement, by alignment, or by likeness or similarity. This depicts to the extent that one is in agreement or understanding where other people are coming from, appreciating their point of view and seeking to develop and maintain a connection with them. In maintaining those connections, it is essential to include harmonic situations and focus on the building of self-esteem in oneself and others by creating warm, honest and sincere human relationships. It also shares some common themes with other definitions of rapport in the marketing literature (for instance the definition given by Wirtz et al. [36]).

Research Methodology: The population of this study is customers of dental clinics and banks in Kuala Terengganu (east coast of Malaysia) and Kuala Lumpur (central and capital city of Malaysia). Altogether, 16 dental clinics were approached to participate in the survey. Out of 16, ten clinics (five in Kuala Terengganu and another five in Kuala Lumpur) and 10 commercial banks accepted the invitation and participated in the study. Participation by the customers of these clinics and banks was purely voluntary. Structured questionnaire was used as a mean for data collection. Therefore, the need for data collector was obvious. University students were recruited and trained to serve as data collectors. They were chosen on the basis of some background experience in research and data collection. This technique has proven to be successfully used in a variety of service marketing researches [39, 40].

Data was collected using a structured questionnaire with questions in prearranged order. The questionnaire items were adapted from different sources to suit the study. Items for respect and rapport building were adapted from Dillon [41], Dickert and Kass [42], Gremler and Gwinner [37]. Modelling rapport together with respect gives a holistic picture than studying the two constructs separately. In this sense, the study adds value to the present knowledge in the area. Items for relationship quality were adapted from Hennig-Thurau et al. [43] and Ndubisi [22]. All items were measured on a seven-point Likert scale ranging from 1 “strongly disagree” to 7 “strongly agree”. The exercise was conducted over a period of three weeks, five-days-a-week between 10.00 am until 4.00 pm and continued from 8.00 until 10.00 pm. The time was designed to suit the time the clinics open and close to customers. A total of 2400 questionnaires were distributed and 1246 (52 percent) were returned. Some questionnaire had more than 25% of the items unanswered and were rejected resulting in an effective sample of 1126 usable completed questionnaire.
Table 1: Respondent’s Demographic Profile

<table>
<thead>
<tr>
<th>No</th>
<th>Profile</th>
<th>Description</th>
<th>Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Type of service</td>
<td>Banks</td>
<td>563</td>
<td>50.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dental clinics</td>
<td>563</td>
<td>50.0</td>
</tr>
<tr>
<td>2</td>
<td>Location</td>
<td>Kuala Terengganu</td>
<td>579</td>
<td>51.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kuala Lumpur</td>
<td>547</td>
<td>48.6</td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td>Male</td>
<td>463</td>
<td>41.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>663</td>
<td>58.9</td>
</tr>
<tr>
<td>3</td>
<td>Age</td>
<td>18 – 28 years</td>
<td>559</td>
<td>49.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>29 – 42 years</td>
<td>388</td>
<td>34.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>43 – 60 years</td>
<td>160</td>
<td>14.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 60</td>
<td>19</td>
<td>1.7</td>
</tr>
<tr>
<td>4</td>
<td>Ethnicity</td>
<td>Malay</td>
<td>751</td>
<td>66.7</td>
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<tr>
<td></td>
<td></td>
<td>Chinese</td>
<td>230</td>
<td>20.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indian</td>
<td>113</td>
<td>10.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td>32</td>
<td>2.8</td>
</tr>
<tr>
<td>5</td>
<td>Education level</td>
<td>High School</td>
<td>303</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HSC/ Diploma</td>
<td>323</td>
<td>28.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Degree / Professional</td>
<td>445</td>
<td>39.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post Graduate</td>
<td>55</td>
<td>4.9</td>
</tr>
<tr>
<td>7</td>
<td>Employer</td>
<td>Private</td>
<td>391</td>
<td>34.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government Servant</td>
<td>289</td>
<td>25.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-employed</td>
<td>149</td>
<td>13.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unemployed</td>
<td>297</td>
<td>26.4</td>
</tr>
</tbody>
</table>

RESULTS

The summary of the demographic compositions of the respondents is as shown in Table I.

The participants in this study were predominantly females (57.5 percent), majority (68.7 percent) of the respondents were Malay. Ages of between 18 - 28 years old (49.9 percent) were in majority. Most possessed a bachelor degree (37.5 percent) and work in the private sector (30.4 percent). Full details are shown in Table 1.

**Factor Analysis:** Factor analysis was performed on all questionnaire items to establish their suitability for performing the subsequent multivariate analysis. The results presented are based on parsimonious sets of variables, guided by conceptual and practical considerations with loadings of 0.50 and above [44] and cross loadings below 0.20. The varimax factor rotation was employed for the analysis. High communality values were recorded for all the variables, indicating that the total amount of variance an original variable shares with all other variables included in the analysis is high. Overall, the results show that the construct measures are valid. Finally, the remaining 35 items loaded well on five dimensions with scores over 0.50 [44]. Thus, the validity of measures was established, confirming that the individual items are measuring the same construct and thus are highly inter-correlated [45]. The Kaiser-Meyer-Olkin measure of sampling adequacy gives a high total of 0.954 and Bartlett’s Test of sphericity value is significant (p = 0.000).

From factor analysis, it is interesting to note how conflict handling is now being divided into two different categories; namely engaged and disengaged conflict handling. The five conflict handling styles discussed above is categorized based on their degree of customer engagement in conflict resolution. Clearly integrating, accommodating and compromising styles tend to show more concern for customers and engage them in the process of conflict handling whereas, forcing and avoiding styles tend to disengage them. Customer’s engagement in conflict management is important as it will help the service provider in reaching a more satisfactory outcome. It can also help in identifying and adopting a less stressful process for the customer as it tends to consider the customer’s perspective in the conflict.

Forcing and avoiding tend to focus on the perspective of the service provider and little or no concern for the customers. Disengaging conflict handling strategies can intensify the conflict and may create a feeling of anger, frustration and unfavourable perception of relationship quality. Rahim [25] believes that, if the conflict becomes intense, the parties move away from congenial and trusting relationship.
The division between engaged and disengaged conflict handling not only has led to the introduction of new framework, as shown in Figure 1. The division has opened up to the role of commitment as a mediating variable between rapport, engaged and disengaged conflict handling and relationship quality.

The new development has also led to the introduction of new hypotheses:

**H1a-c:** There is a significant relationship between engaged conflict handling, disengaged conflict handling and rapport with customers’ commitment

**H2a-c:** There is a significant relationship between engaged conflict handling, disengaged conflict handling and rapport with relationship quality.

**H3 a-c:** Relationship quality mediates the relationship between engaged conflict handling disengaged conflict handling and rapport with commitment

**Correlation among Variables:** Pearson correlation was used to test for association. Two rounds of analysis were conducted to test for variables association with relationship quality and commitment respectively. In the first round the Pearson correlation results (Table 2) supports the notion that there are significant positive correlations between commitment and all dimensions of rapport (enjoyable and personal connection). The result also shows significant positive correlations between commitment and four dimensions conflict handling (integrating, accommodating, compromising and forcing). The association between commitment and avoiding is not significant. In almost similar manner, the results in the second part also show significant positive correlations between commitment and all dimensions of rapport (enjoyable and personal connection). The result also shows significant positive correlations between commitment and three dimensions conflict handling (integrating, accommodating, compromising). It shows a positive correlation between commitment and avoiding at 0.05 significant level. The association between commitment and forcing is not significant.

**Regression:** We further investigate the scenario by using multiple regression analysis for all dimensions engaged and disengaged conflict handling and rapport building on commitment and relationship quality (Table 3 and 4 below). In the first part of regression analysis, multiple regressions were conducted between all the three dimensions with customers’ commitment. The results show that all factors (rapport, engaged conflict handling and disengaged conflict handling) contribute significantly to customers’ commitment with (F=282.891; p = 0.000). The combination of all the three factors predicts about 43 per cent of the variation in customers’ commitment.

### Table 2: Correlations among Variables

<table>
<thead>
<tr>
<th></th>
<th>Integr</th>
<th>Acom</th>
<th>Compr</th>
<th>Force</th>
<th>Avoid</th>
<th>Enjoy</th>
<th>Conc</th>
<th>COM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating (Intgr)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodating (Accom)</td>
<td>.667**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compromising (compr)</td>
<td>.723**</td>
<td>.701**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forcing (Force)</td>
<td>-.045</td>
<td>-.042</td>
<td>.000</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avoiding (Avoid)</td>
<td>-.017</td>
<td>0.13</td>
<td>.051</td>
<td>.766**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enjoyable (Enjoy)</td>
<td>.559**</td>
<td>.495**</td>
<td>.534**</td>
<td>.006</td>
<td>.048</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Connection</td>
<td>.506**</td>
<td>.476**</td>
<td>.501**</td>
<td>.056</td>
<td>.021</td>
<td>.780**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Commitment (COM)</td>
<td>.525**</td>
<td>.481**</td>
<td>.495**</td>
<td>-.112**</td>
<td>.050</td>
<td>.567**</td>
<td>.531**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2 tailed)**

* Correlation is significant at the 0.05 level (2 tailed)
The variation is quite high, gives an indication that, having good ‘bond’ with customers is very important in ensuring their commitment. Analyzing the three dimensions individually, the result in Table 4 indicates that all the three dimensions (rapport, engaged and disengaged conflict handling) are significantly related to commitment with \( \beta = 0.425, 0.294 \) and \(-0.088\) accordingly) and \( \rho = 0.000 \). The result supports hypotheses 1 (a – c) which predict the significant relationship between engaged conflict handling, disengaged conflict handling and rapport with customers’ commitment.

In the second part of regression analysis, all the dimensions (rapport, engaged conflict handling and disengaged conflict handling) contribute significantly to relationship quality with \( F = 246.915; p = 0.000 \). The combination of all the three factors predicts about 40 per cent of the variation in relationship quality, which is slightly lower as compared to the previous result. Analyzing the three dimensions individually, the result in Table 5 indicates that all two dimensions (rapport and engaged conflict handling) are significantly related to relationship quality with \( \beta = 0.433 \) and \( 0.216 \) accordingly) and \( \rho = 0.000 \). That gives an indication that hypotheses 2a and 2c is supported. However, disengaged conflict handling is not significantly related to relationship quality \( (\beta = 0.038 \) and \( \rho = 0.100 \)) and hypothesis 2b is not supported.

**Role of Mediating Variable:** Next, we would like to know the important role of commitment in this whole relationship. In doing so, we will further extend the study to learn the mediation effect of customer commitment between engaged relationship and relationship quality. For that purpose, data were analyzed using hierarchical regression model. In stage one, all independent variable were included in the analysis and in stage two, emotional influence was introduced into model. From the earlier analysis of the regression shows that (without customers commitment) explain only about 44 percent of the variance in relationship quality.

After customer commitment has been included in the analysis as a mediating factor, the model as a whole explains about 58 per cent of the variance. \( R^2 \) change gives a value of 0.583 which means customers’
commitment explains an additional 4 per cent of the variance in the relationship quality pattern. Significant F change (0.000) denotes that customer commitment gives a significant contribution to the whole model. From stage 1 to stage 2 (as shown in Table 5 below) recorded a significant reduction in the beta coefficients observed in both engaged conflict handling and rapport among customers. The decrease in beta estimates indicate the existence of partial mediating effect of customer commitment in the association of the variables (between engaged conflict handling and rapport) in the model. Customer commitment do mediates the whole relationship in the process of determining and securing quality relationship with customers.

CONCLUSION AND DISCUSSIONS

Effort to retain customers for any businesses demands efforts and sacrifices. This paper attempted to provide efforts that can be adopted by companies in having good relationship with their customers. Perhaps through good quality relationship with customers will attract them to come back and stay committed to the same service provider. Several important points are noted from the study. Firstly, all the factors (engaged conflict handling, disengaged conflict handling and rapport) have significant relationship with commitment. However, the relationship between disengaged conflict handling and commitment is negative. In this country, one should avoid embarrassment and maintain harmony. This study has shown a high preference for integrating, compromising and obliging and low preference for dominating and forcing. That preference has somehow reflected the influence of Malaysian values and way of life on the conflict handling behavior. In analyzing factors affecting relationship quality, the results reveal that engaging conflict handling techniques have significant positive impacts on relationship quality; whereas disengaging styles have non-significant effect or negative relationship with relationship quality. The finding is parallel to an earlier study which suggested that customers in Malaysia rely more on harmonious relationships and concern for face saving of the other party [46]. This is a plausible explanation for the robust positive influence of respect, engaged conflict handling and rapport on relationship quality. Abdullah further adds that Malaysians disliked aggressive behaviour, brashness and insensitivity. For that reason, Malaysians tend to use ‘verbal seduction’ where the assertiveness involved being indirect, or soft and gentle. Therefore it is of no surprise that disengaged conflict handling (namely forcing and avoiding) is not accepted as factors affecting relationship quality. The results revealed that relationship between engaged conflict handling and rapport were significantly mediated by relationship quality. The finding proved that in the environment characterized by risk and uncertainty, the perceived importance of long-term relationships may strengthen the role and commitment to the relationship [47]. That is actually the situation described in the study. When there is a close interaction between service provider and a customer, the manner in which the service is performed is often more important than what is actually delivered. The performance of service provider is critical for the success / failure of the service rendered and thus influences customers’ perception of the quality for that service offering. As a result, the whole process of interaction will become the basis for customer commitment. The findings is similar and agrees to the research by Shamdasani and Balakrishnan’s [48] which suggest that if service providers can enhance the level of relationship quality experienced, they can ensure their customers’ loyalty.

REFERENCES

4. Missing
13. Missing  
14. Missing  
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24. Missing  
27. Missing  
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