

The Influence of Trust and Commitment on Customer Relationship Management Performance in Mobile Phone Services

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Abstract. Customer relationship management performance (CRM) is to establish the relationship between customer and service providers. The tangible and intangible results of customer relationship management performance are repeat purchase, word of mouth, retention, brand loyalty and customer satisfaction. The increasing numbers of mobile phone users all over the world has influence the researchers to investigate the antecedent of Customer relationship management performance in this services industry. Field survey has been conducted whereby 1,000 set of questionnaires distributed to university student in Jordan. 850 questionnaires have returned, however, 488 were analyzed due to incomplete and missing data problem. Technology trust and commitment factors been tested as the main antecedent for customer relationship management performance, the result shown that both of them was positively significant towards customer relationship management performance. As a contribution this paper ends with discussion, conclusion and suggestion for the managers in improving their customer relationship management performance especially in mobile phone industry.

Keywords: Technology trust, commitment, customer relationship management performance, mobile phone services.

1.0 Introduction

The role of the information and communication technology ICT sector in enhancing sustainable development in Jordan has expanding considerably in the last few years, substantial steps have been taken in the legal and regulatory environment that will facilitate the realization of the Royal vision for the ICT sector and the economy as a whole. Dynamic changes in the development of

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the telecoms sector occurred recently. Since services were initially offered by Jordan telecom in these changes builds upon an established mandate for the reform of the sector.

According to Wang et al., (2004), customer relationship management performance refers to the success of the firms in retaining the customer, which result repurchase decision and word of mouth among the customer towards the services offered to them. Besides a tremendous amount of confusion regarding its domain and meaning, periodic assessment of results in customer relationship management is needed to evaluate if the programs are meeting expectations and if it is sustainable in the long run [2]. Wang et al., (2004) added that, there are two types of benefits to be captured from establishing and maintaining customer relationship; tangible benefits and intangible benefits. Tangibly, customer will figure out a positive relationship length, relationship depth and breadth behaviors as a result of a good management of customer relationship by the firm. Intangibly, customer will figure out a positive relationship quality behavior as one of the benefits of firm customer relationship activities. Therefore, the operational definition of CRM performance in this study is “the intention of customers to figure out their positive relationship length, depth, and breadth behavior and a positive relationship quality behavior along their contacts with the firms”. In other way behavior-based CRM performance means “the tangible and intangible benefit arises from the activities of maintaining and establishing customer relationship by a firm such as relationship length, relationship depth and breadth and relationship quality”. Little is known regarding the underlying factors that influence the CRM performance [3][1][2].

Evidently, Gummerus et al, (2004) mentioned that lack of trust has been one of the most significant reasons for customer not adopting online services involving financial exchanges. Researchers have suggested that online customers generally stay away from vendors whom they do not trust [5]. Researchers warn that a lack of trust may be the most significant long-term barrier for realizing the full potential of electronic commerce [6] [7][8]. Trust is a dynamic process that must be built over time. Since business-to-consumer electronic commerce is still in its infancy, trust in this new market is still relatively scarce. However, various approaches have been suggested to help accelerate the trust building process for the online consumer. Literatures have proven that trust is even more difficult to be built in an online environment [7]. However, we still lack of the understanding about the relationships between trust, its antecedents and consequents. Usually it is difficult to analyze trust as a phenomenon and sometime it is impossible to analyze trust in the context of electronic commerce because electronic commerce is a complex process. Trust can be considered as different but potentially coexisting mechanism for decreasing the uncertainty, anxiety and complexity of transactions and relationships in electronic markets.

Commitment has been defined as a resistance to change [9]. On the other hand, Morgan and Hunt (1994) defined commitment as an enduring desire to maintain a valued relationship. Commitment is a psychological state generated by an individual's perceptions, beliefs and emotions which provoke the willingness or intention of developing and maintaining a stable and durable relationship [11]. The starting point is one of the oldest and extended divisions of the components of commitment coming from the organizational literature which differentiates between attitudinal commitment and behavioral or manifest commitment [12]. The successful relationships between customers and companies or products are built on the base of mutual commitment between the parties involved. Extending the notion of commitment to the context of Internet commerce, commitment is an essential construct contributing to successful long-term relationships between customers and providers [10]. Customer commitment is a critical factor in electronic commerce and mobile phone service since committed customer helps company to deliver customer value and enhance performance. Therefore customer commitment is chosen as

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potential antecedents of electronic customer relationship management to be investigated in the present study.

3.0 Objective

The purposes of this research are to investigate the influence of technology trust and commitment on customer relationship management performance besides identifying the degree of each factor in the relationship.

4.0 Methodology

University students are selected as the respondent for this study. By using stratified sampling, 1000 questionnaires distributed to the students of three universities in Jordan. Out of 850 questionnaires have returned, however, 488 were analyzed due to incomplete and missing data problem. This brings the response rate at around 49 percent. Before the actual research, a pilot study was conducted to investigate the reliability and validity of the item which are mostly adopted from the previous research. The data was analyzed using SPSS which involved preliminary analysis such as normality test, outliers and reliability test. To validate the data the preliminary analysis has been taken for content validity, construct validity and criterion validity. Factor analyses have confirm the new items to measure the variables based on their loading in the factor.

When completing the factor analysis, the multiple regressions and other descriptive analysis has been done to investigate the relationship due to research objective. The entire dimension used in this research is adapted from the previous research. The details are explained in Table 1.

Table 1: Sources of the Items to Represent the Variables

Variables	Questionnaire design	Previous alpha value	Sources
Customer relationship management performance	Likert scale 1-5	0.84- 0.92	Wang et al. (2004)
Commitment	Likert scale 1-5	0.92	Pritchard, et al. 1999
Perceived trust	Likert scale 1-5	0.89 – 0.96	McKnight 2005

5.0 Finding

Table 2 provides a summary of the results from correlational analysis. The computation of the Pearson correlation coefficients was performed to obtain an understanding of the relationship between all the variables in the study. The values of the correlation coefficients (r) given in the table indicate the strength of the relationship between variables. As shown in Table 4.2, overall correlation values of the variables showed correlations coefficients with positive values above 0.35. These generally indicate strong associations between variables.

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Table 2: Correlation Analysis

	CRM Performance	Trust	Commitment
CRM Performance	1.000		
Trust	.567	1.000	
Commitment	.372	.325	1.000

Majority of the antecedents are statistically significantly correlated with customer relationship management performance within medium to large r scores that above 0.35

Table 3 provides evidence for the influence of antecedent factors on customer relationship management performance. Of all the variables included in the regression equation emerged as significant predictors of customer relationship management performance. Based on the beta values as the three significant variables, the predictor variables exercising the most influence on customer relationship management performance was technology trust ($\beta=.31$) and followed by commitment ($\beta=.12$)

Table 3: Multiple Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.650	.173		3.759	.000		
Trust	.301	.040	.314	7.524	.000	.648	1.544
Commitment	.108	.031	.127	3.460	.001	.831	1.204

a Dependent Variable: CRM Performance

6.0 Conclusion

The research proved that all the predict variable for customer relationship management performance has a positive relationship and four of the factors have a significant relationship with customer relationship management performance. The factors are perceived trust, and commitment. As a contribution for the industry, it is possible for them to revise their CRM strategies for the purpose of creating the value from mobile services offered. The failures of industry to create trust element of the services will end up with their customer intention to stay longer with their service providers. Beside that self commitment towards the service also played an important role in ensuring loyalty among mobile phone customers. Future research should look at the other variable such as privacy and security since both two factors also important in deciding e-commerce decisions.

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