

## Customer Commitment as a Moderator Between Customer Relationship Management and Service Quality Performance in Nigerian Commercial Banks

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### Abstract

Customer Relationship Management (CRM) has become a vital strategy for enhancing service quality performance in Nigerian commercial banks. However, the effectiveness of CRM in improving service quality is not solely dependent on its implementation; it is significantly influenced by customer commitment. Customer commitment—comprising affective, continuance, and normative commitment—moderates the relationship between CRM and service quality by strengthening customer involvement, engagement, this study explores how customer commitment which is anchored on trust and commitment theory enhances the impact of CRM on service quality performance. It highlights two key CRM dimensions—customer involvement, engagement, and discusses how customer commitment strengthens their influence on service quality. The study emphasizes the need for Nigerian commercial banks to prioritize customer commitment strategies such as personalized banking services, digital engagement, and long-term relationship-building initiatives. By integrating CRM with strong commitment-driven approaches, banks can enhance customer satisfaction, improve service quality perceptions, and sustain competitive advantage in an evolving financial landscape

**Keywords:** Customer Relationship Management (CRM), Customer Commitment, Customer involvement, Customer Engagement, Service Quality, Trust and Commitment Theory

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### 1. Introduction

In Nigeria's evolving banking landscape, service quality performance remains a critical factor in determining customer loyalty and satisfaction. With increasing competition and rising customer expectations, commercial banks must adopt Customer Relationship Management (CRM) strategies to enhance service delivery, improve customer experience, and foster long-term relationships.

The ability to continually deliver high quality services that maintain consumers' satisfaction is one of the most prominent issues facing service delivery enterprises (Gremler & Gwinner, 2023). The provision of consistently high-quality service is undoubtedly the most important aspect in establishing an organization's credibility and reputation among the general public (Zeithaml, Bitner, & Gremler, 2018). It is common knowledge that offering high-quality services improves the organization's bottom-line relationship with customers. In the Nigerian context, according to KPMG report 2023 Many commercial banks in Nigeria face challenges related to effectively engaging customers for enhanced service quality.

While CRM plays a fundamental role in shaping service quality, customer commitment acts as a crucial moderating factor that strengthens this relationship. Committed customers are not only more loyal but also more forgiving of service failures, ensuring a longer retention period and higher satisfaction levels. This article explores how customer commitment acts as a moderating factor in the relationship between CRM and service quality performance, highlighting its importance in fostering long-term banking relationships and improving service satisfaction in Nigerian commercial banks.

## **2. Understanding Customer Relationship Management (CRM) in Banking**

CRM is a strategic approach used by commercial banks to attract, engage, and retain customers while improving service delivery. The study identifies two key CRM dimensions that influence service quality in Nigerian banks

## **3. Customer Engagement**

Customer engagement is defined as the degree of a customer's emotional, cognitive and physical presence in association with a service organization (Kahn, 1990). Some define engagement as a psychological state involving specific relational drivers (e.g., Brodie et al., 2011; Vivek, Beatty & Morgan, 2014), while others explore engagement in terms of its behavioural manifestations (e.g., Kumar et al., 2010). The most widely-accepted definition of Customer engagement remains that by Brodie et al., (2011) who define engagement as: "The psychological state that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g., a brand) in focal service relationships. It occurs under a specific set of context dependent conditions generating differing customer engagement levels; and exists as a dynamic, iterative process within service relationships that co-create value. Customer engagement refers to the depth of emotional and behavioural connections between customers and banks.

## **4. Customer Involvement**

Good's (1990) defined customer involvement as "the amount of participation perceived by the consumer to be required to engage in a particular activity or service". Accordingly, Customer Involvement is depended on the type of service and the customer's needs and is determined by the role that customer desires to play within the service process (Bitner, Faranda, Hubbert, and Zeithaml, 1997; Good, 1990). According to Thomke and Hippie (2002) customer involvement is the key remedy towards business growth in the competitive edge since it assures service quality as well as commitment and engagement of the customers to the business. Customer involvement is the extent to which customers participate in shaping banking services (e.g., feedback, advisory panels, self-service banking).

## **5. The Moderating Role of Customer Commitment in CRM and Service Quality**

The concept of commitment has been playing an important role in services marketing to maintain relationships between firms and customers (Chai, Malhotra, & Dash, 2015; Fullerton, 2003; Garbarino & Johnson, 1999; Moorman., Zaltman, & Deshpande, 1992; Morgan & Hunt, 1994). It has become one of the most popular notions in business to-customer relationship studies. Commitment is defined as an exchange partner who has confidence that ongoing relationship with another is important to warrant maximum efforts at maintaining it. Moorman et al., (1992), defined commitment as a continuous desire to maintain valued relationships with

their clients. Meanwhile, Jones et al., (2008) described the commitment as a psychological motivation emphasizing an individual to remain in the relationship with a specific objective. This definition is also based on emotional bonds (Moorman et al., 1992; Morgan & Hunt, 1994),

Previous studies have emphasized that there are several different types of commitment in service relationships (Allen & Meyer, 1990, 1996; Andaleeb, Rashid, & Rahman, 2016; Fullerton, 2003; Moorman et al., 1992; Morgan and Hunt, 1994; Sharma, Tzokas, Saren, & Kyziridis, 1999, 2015; Verhoef Franses, & Hoekstra, 2002). These are expected to play a significant role in developing mutual relationships between firms and customers. In financial services industries, most of the scholars have conceptualized commitment expanding (Allen & Meyer, 1990) theory consisting of three constructs: affective, calculative and normative commitment (Bansal, Irving, & Taylor, 2004; Cater & Zabkar, 2009; Fullerton, 2011; Sumaedi. & Bakti, 2015; Verhoef et al., 2002).

The concept of this commitment is in line with the concept of long-term orientation concept, i.e. the concept describing the customer's desire to establish a long-term relationship with the company (Bloemer & Schroder, 2003). From the customer perspective, Hazra, & Srivastava. (2009) opined that Commitment, which is very important to build customer relationship is viewed as significant in the literature of buyer behaviour. If commitment is lacking, the relationship will soon come to the end.

Customer commitment as defined by Moorman, Zaltman, and Deshpandé, (1992), represents a long-term wish to maintain a valuable relationship". It openly illustrates the three ideas of Commitment, firstly commitment must be long term, so the customers and the organizations can make transaction other than current transaction (Dwyer, Schurr, & Oh, 1987). Secondly, commitment reveals the wish, so customers and organizations can build a relationship with the legal obligations. Thirdly customers must achieve high level of satisfaction through commitment. Both parties, customers and organizations will continue their relationship only when they belief, they are achieving maximum benefits from each other through this relationship (Dwyer et al., 1987; Morgan & Hunt, 1994).

Wang and Zhao, (2007). Opined that there was a negative relationship between customer involvement and service quality. as It is possible that the negative relationship is contingent on specific moderating factor (, customer knowledge and commitment)

Dhasan and Aryupong, (2019), Opined that there was a negative relationship between customer engagement and service quality. The paper suggests that while customer engagement is often viewed positively, it can also lead to negative perceptions if customers feel overwhelmed or if their expectations are not met. For instance, excessive engagement without corresponding service quality can result in frustration, reducing customer loyalty (Brodie et al., 2011)

To justify the potential role of customer commitment as a moderator, the proposition of earlier study (Rizomyliotis., Kastanakis, Giovanis, Konstantoulaki, & Kostopoulos, 2022) is invoked which Reveals that customer affective commitment moderates the relationship between customer experience and customer satisfaction Thus, Bozkurt, Gligor, and Gligor, (2022). Investigated the moderating role of customer commitment on the impact of physiological customer engagement and service-related behaviour, findings reveal that customer

commitment moderates the relationship between psychological engagement and service-related behaviour.

## **6. Trust and Commitment Theory**

In the C-T theory of relationship marketing, Morgan and Hunt (1994) draw attention to the nature, development, and outcomes of mutually beneficial relationships between a firm and its partners. Recognizing that a firm need to manage a variety of such relationships externally and internally they identify ten distinct relationships spanning four categories: in relevance to this research, we shall highlight only one which is buyer partnerships (i.e., with intermediate customers and ultimate customers). Morgan and Hunt (1994) theorize that relationship commitment and trust are central for fostering cooperative relationships and relationship marketing success.

Specifically, Morgan and Hunt (1994) define relationship commitment as “an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely” and trust as “existing when one party has confidence in an exchange partner's reliability and integrity”.

Thus, the fundamental assertion of the C-T theory of relationship marketing is that relationship commitment and trust are key mediating/moderating variables between relational antecedents and outcomes. In this regard, Morgan and Hunt (1994) posit that the prevalence of relationship commitment and trust in relationship foster greater levels of cooperation, acquiescence, and reduce tendency to leave and uncertainty. Correspondingly, they articulate that providing relational resources and benefits, shared values, effective communication, and lack of opportunistic behaviour as important factors leading to the development of relationship commitment and trust between a focal firm and its relationship partners

## **7. Conclusion**

As Nigerian commercial banks navigate an increasingly digital and customer-centric market, the integration of CRM strategies with customer commitment initiatives is essential for sustaining high service quality performance. While CRM provides structured mechanisms for managing customer interactions, customer commitment ensures that these interactions lead to long-term loyalty, trust, and advocacy.

This paper is conceptual in nature and does not involve empirical data collection or quantitative analysis. Rather than testing hypotheses through data-driven methods, the study synthesizes existing literature and theoretical frameworks particularly the Trust and Commitment Theory (Morgan & Hunt, 1994)—to construct a conceptual model illustrating the moderating role of customer commitment in the relationship between Customer Relationship Management (CRM) and service quality performance in Nigerian commercial banks.

The objective is to provide a theoretical foundation that can guide future empirical research and practical banking strategies. By integrating insights from relationship marketing, service quality literature, and customer psychology, the study presents a model that explains how different dimensions of customer commitment (affective, normative, and continuance) potentially influence the effectiveness of CRM practice

Future studies are encouraged to empirically test the proposed framework using robust methodologies such as Survey-based quantitative designs to measure the interactions among CRM practices, customer commitment, and perceived service quality. Structural Equation Modelling (SEM) to evaluate mediation and moderation effects. Longitudinal studies to assess how customer commitment evolves over time and impacts service quality in changing banking environments. Qualitative approaches (e.g., focus groups or interviews) to explore the lived experiences of bank customers and generate richer insights on the emotional and behavioural aspects of commitment.

Such empirical work would validate the conceptual assumptions made in this study, enhance generalizability, and support actionable recommendations for Nigerian commercial banks aiming to improve service outcomes through customer-centric strategies.

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