Customer commitment has many faces, differs globally

July 7 2015, by Jeff Falk

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Companies that want to increase customers' loyalty and get their repeat business would do well to understand the nuanced ways in which and reasons why a customer is committed to that company, according to a recent study by marketing experts at Rice University and Fordham University. The research provides a strategic blueprint for developing customer commitment.

The researchers tested a customer-commitment model that has five dimensions—affective, normative, economic, forced and habitual. They said previous research has used an "insufficient" three-dimensional commitment model that was lifted from employee-commitment studies and applied to customer-commitment research. They tested their commitment model using both a United States and global sample representing industries such as retail, pharmacy, hotel, Internet, game consoles, banking, automotive and mobile-service providers. In total, the researchers used qualitative and quantitative studies with data from 9,000 consumers and 10 countries. Consumers ranged in age from 18 to 55 and older; men and women were almost equally represented.

"The qualitative phase strongly suggests that people view commitment to a job differently than commitment to a brand," said Vikas Mittal, the J. Hugh Liedtke Professor of Marketing at Rice's Jones Graduate School of Business. He said it is important to develop a model for measuring brand commitment that is contextually appropriate and that companies should strive to optimize each dimension of commitment rather than simply maximize overall commitment. "While some commitment dimensions should be enhanced, other commitment dimensions may need to be reduced, and still other dimensions of commitment may need to be left unaltered," Mittal said.

Mittal co-authored the paper with Lerzan Aksoy, a professor of marketing at Fordham University's Gabelli School of Business; Alexander Buoye, an assistant professor of marketing at the Gabelli School; Carly Frennea, a Ph.D. alumna of the Jones School's marketing program; and Timothy Keiningham, a leading author and speaker on customer loyalty. It will be published in the *Journal of Service Research*.

The researchers said affective commitment is characterized by a customer's positive emotions toward a goods or service provider. Normative commitment is formed when a customer believes a company shares the customer's beliefs and values. Economic commitment is based on a consumer's perceived investments in a brand, such as when they earn reward points. Forced commitment occurs when consumers perceive an absence of alternatives. Habitual commitment arises partly through learning in settings when consumption behavior is performed repetitively and automatically.

The researchers found that how satisfied customers are with the performance of a company's product or service is the single largest contributor to customer loyalty. Beyond that affective commitment has the largest positive impact on customer loyalty, while forced commitment has the largest negative impact.

Habitual commitment is significantly associated with customer loyalty; with increased usage, customers develop habits and regimes that build commitment. This is a form of inertia among customers that ensures continued patronage, the researchers said.

The optimization of different commitment components may vary for goods versus services, different industries and categories and even customer groups, the researchers said. "To the extent that the antecedents and resources used to optimize each type of commitment are likely to vary, managers will need to have a differentiated and nuanced implementation strategy," Mittal said.

In comparing countries, the researchers found that in the U.S. sample, both affective and habitual commitment were more strongly associated with repurchasing goods than for services. They found that China tended to score highest on each commitment dimension, while France had the lowest affective, normative and economic commitment scores. Habitual commitment appeared to be similar in virtually all countries.

"The cost of cultivating different types of commitment among customers varies from country to country," Mittal said. "Thus, a more locally responsive customer-focus strategy is needed to optimize overall customer commitment."

More information: To download a copy of the study, "A Five-Component Customer Commitment Model Implications for Repurchase Intentions in Goods and Services Industries," go to ssrn.com/abstract=2593914

Provided by Rice University