

A Review of the Conceptualization of Customer Commitment: Its Nature and Dimensionality

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Abstract: The purpose of this paper is to clarify the nature and dimensionality of customer commitment. Based on an extensive literature review, the paper concludes (1) that customer commitment is the customer's psychological state of maintaining a long-term exchange relationship *voluntarily*, and (2) that customer commitment is driven by the perceived cost of terminating the relationship, a desire and a sense of obligation to maintain the relationship, the three of which constitute three forms or dimensions of customer commitment. We suggest (1) that the three dimensions representing perceived cost, desire, and obligation be labeled "calculative commitment", "affective commitment", and "normative commitment" respectively to better reflect their real meaning, and (2) that a new measurement scale for "calculative commitment" be developed.

Keywords: commitment; customer commitment; nature of customer commitment; dimensionality of customer commitment

I. Introduction

Ever since relationship marketing emerged as a new marketing paradigm in the early 1980s, customer commitment has received increasing academic attention. In the services relationship marketing area, Berry and Parasuraman (1991) observed that "[r]elationships are built on the foundation of mutual commitment." Morgan and Hunt (1994) developed the commitment-trust theory of relationship marketing, arguing that successful relationship marketing requires relationship commitment and trust. Because of the critical role that customer commitment plays in retaining customers and fostering genuine customer loyalty, a large amount of theoretical research and a great many empirical investigations have been conducted on this subject, producing many insightful arguments and important conclusions.

A review of literature reveals that customer commitment research, as an outgrowth of commitment research, emerged 30 years later than research on commitment in general in social science and 20 years later than organizational commitment research. This scenario has caused customer commitment research to be substantially affected by commitment research in other fields, especially organizational commitment research, in terms of theoretical

framework. However, even in organizational commitment research, which has been most productive, confusion or disagreement as to the nature of commitment still exists.

This paper aims at clarifying the nature of customer commitment and exploring its dimensionality based on an extensive literature review. First, we review existing research on commitment in the fields of social science, especially organizational behavior, to provide a basis for understanding customer commitment. Second, we review existing research on customer commitment to gain an insight into its nature. Third, we continue to review existing research on customer commitment for a look at its dimensionality. Finally, we offer some suggestions concerning future research.

II. Nature of Commitment

The word "commitment" in a generic sense refers to engagement which restricts freedom of action (Oxford English Dictionary, 1969). But as an academic construct, it is assigned a special meaning. The earliest scholar investigating commitment as an academic construct was the American social scientist Becker, who expounded on commitment in the context of employee-organization relationship. He argued that "[c]ommitment comes into being when a person, by making a side bet, links extraneous interests with a consistent line of activity" (Becker, 1960). To him, commitment occurs when a person engages consistently in a course of action. Within the context of an organization, the reason an employee displays commitment by staying in the organization is the consideration of loss of embedded benefits accrued through prior work experiences if s/he leaves, including pension and promotion associated with tenure, firm-specific skills, and even relocation of his/her family. Thus, in the eyes of Becker, commitment refers to a consistent course of action driven by personal benefit-seeking.

Becker's pioneering work has activated an interest in examining the nature of commitment and its formation, yielding a variety of arguments. For example, Mowday et al. (1982) stressed the emotional nature of commitment, viewing organizational commitment as "the psychological identification that an individual feels toward his or her employing organization". Wiener (1982) posited that organizational commitment results from socio-cultural norms, depicting it as "the totality of normative pressures to

act in a way which meets organizational goals and interests”. Stimulated by rising interest in this subject, many researchers have examined commitment in professional areas, covering marital commitment (e.g., Adams and Jones, 1997), organizational commitment (e.g., Allen and Meyer, 1990; Mathieu and Zajac, 1990; Meyer and Allen, 1991; Mowday et al., 1982; O’Reilly and Chatman, 1986; Wiener, 1982), job commitment (e.g., Rusbult and Farrell, 1983), occupational/career commitment (e.g., Blau, 1985; Carson and Bedeian, 1994), goal commitment (e.g., Hollenbeck et al., 1989; Tubbs, 1993), and customer relationship commitment (e.g., Anderson and Weitz, 1992; Bansal et al., 2004; Lacey, 2007; Moorman et al., 1992; Morgan and Hunt, 1994), focusing on the nature (e.g., Anderson and Weitz, 1992; Becker, 1960; Mowday et al., 1982; Wiener, 1982), dimensionality (e.g., Allen and Meyer, 1990; Bansal et al., 2004; Gundlach et al., 1995; Meyer and Allen, 1991; Meyer and Herscovitch, 2001), objects (e.g., Becker, 1992; Raman, 2000; Reichers, 1985; Seabright et al., 1992), antecedents and consequences (e.g., Alonso, 2000; Bansal et al., 2004; Johnson et al., 2008; Lacey, 2007; Meyer and Allen, 1991; Meyer and Herscovitch, 2001; Morgan and Hunt, 1994) of commitment. Nevertheless, although consensus has been reached on many aspects of commitment, disagreement or confusion still exists as to the most basic issue—nature of commitment. A review of extant literature demonstrates two major points of disagreement or confusion: First, is commitment a behavioral or psychological phenomenon? Second, is it voluntarily or involuntarily based?

According to existing definitions of commitment, researchers have largely agreed on the core of commitment—relational continuity. But there is an area of controversy: Is commitment a psychological state or actual behavior of maintaining a relationship or a course of action? One of the early researchers viewing commitment as a behavioral phenomenon was Becker (1960), who, as mentioned earlier, posited commitment to be a consistent line of activity. Recently, Bar-Haim (2007) held a similar point of view, contending that commitment is “not a state of mind but a behavior of choice”. He suggested that commitment be defined merely in terms of actual behavior. Yet the majority of researchers have taken a psychological perspective, portraying commitment as “a psychological identification” (Mowday et al., 1982), “a psychological attachment” (Gonzalez and Guillen, 2008; O’Reilly and Chatman, 1986), or “a psychological state” (Allen and Meyer, 1990). Based on an extensive review of literature on workplace commitment, Meyer and Herscovitch (2001) defined commitment as “a force that binds an individual to a course of action of relevance to one or more targets”. Although this definition does not specify the nature of the “force”, the authors’ decomposition of commitment suggests that it is, in essence, a psychological force. Here the psychological nature of commitment is recognized in a conclusive manner.

Having clarified the psychological nature of commitment,

let’s look at the second question: Is commitment voluntarily or involuntarily based? To answer this question, it’s necessary to first look back at how the question arose. Allen and Meyer (Allen and Meyer, 1990; Meyer and Allen, 1987; Meyer and Allen, 1991) first offered a three-component conceptualization of organizational commitment, and developed a set of measurement scales for the three components. Later, the scales were widely used. However, some researchers (e.g., Hackett et al., 1994) found that the subscale for measuring “continuance commitment” was low in Cronbach’s α , which called this subscale’s reliability into question. To identify the cause, some researchers (e.g., Hackett, 1994) conducted a factor analysis on the subscale, only to find that the question items loaded on two separate factors: “high sacrifice” and “low alternatives”. Analysis of the factors reveals that the former is voluntarily based while the latter is involuntarily based. Obviously, the two factors are conflicting, which accounts for the low reliability of the subscale.

Then how to address this issue? Some researchers (e.g., Frutos et al., 1998) split continuance commitment into two parts, called “continuance commitment 1” and “continuance commitment 2”, thereby solving the problem of low reliability. Apparently, this approach only managed to settle the problem technically. But this technical approach cannot offer a fundamental solution—the key to the problem is deficiency in the conceptualization of commitment (Ko et al., 1997). Based on logical reasoning, Ko et al. (1997) pointed out that the low-alternatives factor was an antecedent of commitment, and suggested that this factor be deleted from the subscale. More recently, Gonzalez and Guillen (2008) addressed this problem by citing Aristotle’s framework. Aristotle believed that human beings pursue three objects or ends in a friendship relationship: “friendship for utility”, “friendship for pleasure”, and “friendship of good people”. Based on this belief, Aristotle reasoned that the goods pursued in any relationship could be classified into three types: “useful goods”, “pleasant goods”, and “moral goods”. Aristotle also stressed that the pursuit of the three types of goods reflects free human will. Based on Aristotle’s viewpoint, these two authors argued that as a psychological force that binds an individual to a relationship or a course of action, commitment embodies free will. Therefore, they strongly recommended that voluntariness be made explicit in the definition of commitment. To this end, they defined commitment as “a psychological attachment or bound [bond] that is the result of a personal voluntary decision”.

The above literature review indicates that the current mainstream perspective tends to view commitment as a psychological state that binds an individual to a relationship or a course of action. Commitment is essentially a psychological phenomenon; it is, by itself, not a behavior of keeping a relationship or a course of action, but rather a psychological force that leads to the maintenance of relationship or course of action. At the same time, commitment, as a psychological force, is believed to be

voluntarily based.

III. Nature of Customer Commitment

Customer commitment is another important construct in the marketing theory concerning how to retain customers, following customer satisfaction and customer loyalty. Dwyer et al. (1987) noted that “[c]ommitment represents the highest stage of relational bonding”. Customer satisfaction was a hot subject among Western marketing academics in the 1970s, when many scholars believed that satisfied customers typically would make repeat purchase, and thus argued that a major marketing management task was to create customer satisfaction. This perspective provided important guidance for marketing activities both then and afterwards. However, as the market environment changed, the reality was: merely satisfied customers did not necessarily make repeat purchase. A report issued by Bain & Company in the 1990s indicated that, of those customers claiming to be satisfied or very satisfied, between 65 and 85% would defect (Reichheld, 1996). In face of this situation, an increasing number of scholars began to appeal for a shift in research emphasis from customer satisfaction to customer loyalty.

However, customer loyalty had long been seen to be synonymous with repeat purchase (Oliver, 1999). Although some scholars classified customer loyalty into attitudinal psychological state in which a customer wishes to maintain a long-term exchange relationship, based on the perceived cost of terminating the relationship, a desire and an obligation of keeping the relationship.

These definitions or descriptions capture three features of customer commitment. First, the core of customer commitment is the desire to maintain an exchange relationship. Unlike customer satisfaction which does not necessarily lead to repeat purchase, customer commitment typically does. If customer satisfaction is a necessary condition of repeat purchase, then customer commitment is a sufficient as well as a necessary condition. Second, customer commitment is a psychological tendency or contract, rather than the actual behavior of repeat buying. So it differs from customer loyalty, which is considered to be synonymous with repeat purchase. Third, customer commitment is voluntarily based. Rather than being a “have-to” mindset, it reflects a personal willingness to maintain an exchange relationship, based on rational cost-benefit analysis, identification or emotional attachment, and a sense of obligation. A link to a relationship that is not voluntary cannot be described as commitment (Gonzalez and Guillen, 2008). If the force that binds an individual to a relationship is not internal, or is not wanted or freely decided by the person, the bond will cease as soon as the external pressure stops (Gonzalez and Guillen, 2008).

Customer commitment and customer loyalty are close but different concepts. According to the literature, the two are distinguished and connected in three major ways. First, customer commitment is a psychological phenomenon,

loyalty and behavioral loyalty (e.g., Dick and Basu, 1994), the ultimate measure of customer loyalty was repeat purchase: So long as a customer keeps buying a brand, s/he is considered to be loyal, regardless of whether this action is backed by positive attitude. Clearly, this sort of behavioral loyalty is very unreliable. When more attractive alternatives appear in the marketplace, the customer is likely to switch. To foster genuine customer loyalty characterized by both repeat purchase behavior and intention, researchers started casting their eyes onto customer commitment, in the belief that customer commitment is fundamental to true customer loyalty. It was against this backdrop that customer commitment research was launched.

Influenced by the mainstream perspective in organizational commitment research, the overwhelming majority of marketing researchers view customer commitment as an attitudinal construct. For example, Anderson and Weitz (1992) interpreted customer commitment as “a desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship, and a confidence in the stability of the relationship”. Moorman et al. (1992) defined it as “an enduring desire to maintain a valued relationship”. Drawing on Allen and Meyer’s (1990) point of view, Bansal et al. (2004) viewed customer commitment as a

whereas customer loyalty is, as noted earlier, typically seen as the behavior of repeat buying, although some researchers think that genuine customer loyalty contains an attitudinal component (e.g., Dick and Basu, 1994). Second, even if customer loyalty has an attitudinal component, it is different from customer commitment. In his interviews with consumers, Raman (2000) found that respondents deemed commitment to be a stronger tie than loyalty. They felt that commitment would make them less likely to consider alternatives. The respondents also highlighted three other major differences between commitment and loyalty: (a) commitment requires a history of association; (b) commitment involves reciprocity; (c) commitment results in forgiveness. Third, customer commitment generates genuine customer commitment. Dick and Basu (1994) classified loyalty into genuine loyalty (which contains both attitude and behavior) and spurious loyalty (which contains behavior alone). According to this classification, customer commitment is an antecedent of genuine customer loyalty. Jacoby and Chestnut (1978) noted that customer commitment provides the essential basis for distinguishing between genuine and spurious customer loyalty.

IV. Dimensionality of Customer Commitment

With respect to the dimensionality of commitment, researchers have experienced a shift from a unidimensional perspective to a multidimensional perspective. Early researchers largely viewed commitment as a unidimensional construct. Based on an integration of previous research

conclusions, Meyer and Allen (1991) noted that commitment is driven by desire, perceived cost, and sense of obligation, and accordingly it consists of three dimensions: affective commitment, continuance commitment, and normative commitment.

After reviewing almost all multidimensional frameworks of workplace commitment, Meyer and Herscovitch (2001) offered the following proposition: “The mind-set accompanying commitment can take varying forms including desire, perceived cost, or obligation to continue a course of action. These mind-sets reflect distinguishable components of the underlying commitment construct. The strength of each mind-set can be measured and, together, these measures reflect an employee’s ‘commitment profile’.” Here again, the three-component composition of commitment—*affective, continuance, and normative commitments*—is recognized.

Drawing on Aristotle’s distinction of human goods, Gonzalez and Guillen (2008) offered theoretical evidence to support the validity of the three-component conceptualization of commitment. They noted, “The three-dimensional concept of human goods in human relationships (friendship), described by Aristotle twenty five centuries ago, presents a clear parallelism to the modern three-component conceptualization of organizational commitment (Meyer and Allen, 1987).”

The majority of research in marketing has adopted a unidimensional conceptualization of commitment, most commonly operationalized as affective commitment (e.g., Garbarino and Johnson, 1999; Hennig-Thurau et al., 2002; Morgan and Hunt, 1994; Pritchard et al., 1999; Sharma and Patterson, 2000; White and Schneider, 2000). But in recent years, customer commitment research has displayed an obvious tendency to view commitment as a multidimensional concept. But disagreement exists over the specific components, and there is considerable difference in the labels for the dimensions.

Among the various customer commitment studies, Bansal et al.’s (2004) research is most consistent with mainstream organizational commitment research in terms of dimensional division and labeling. Based on its motivations, they decomposed customer commitment the following way: The customer is willing to maintain a long-term relationship with the supplier, probably because, through a process of rational cost-benefit analysis, s/he feels that keeping the current relationship within the existing market context can yield the greatest economic benefit (*continuance commitment*), probably because s/he has developed trust in or identification with the firm or the brand or the firm’s customer contact employees (*affective commitment*), probably because s/he realizes that terminating the relationship would violate social relationship norms (*normative commitment*).

It is noteworthy that extant customer commitment research has drawn heavily on Allen and Meyer’s (1990) measurement scale for organizational commitment. As noted

earlier, the subscale for “continuance commitment” was found to be low in internal reliability because it contains question items reflecting both voluntariness and involuntariness. In drawing on the subscale, customer commitment research has largely retained items related to involuntariness.

V. Conclusions and Suggestions

Based on an extensive literature review, the paper arrives at the following conclusions regarding the nature and dimensionality of customer commitment. First, customer commitment is a psychological state in which the customer is willing to maintain a long-term exchange relationship. It is essentially a psychological phenomenon that exerts an impact on continuous buying behavior. Also, customer commitment is voluntarily based. Relationship maintenance that results from any involuntary factor (say, lack of alternatives) cannot be counted as a sign of real commitment.

Second, customer commitment is driven by the perceived cost of ending the relationship, a desire and a sense of obligation to keep the relationship. These three drives constitute three forms or dimensions of commitment: *cost-based commitment, desire-based commitment, and obligation-based commitment*.

Based on the aforementioned conceptualization of customer commitment, we venture to offer the following suggestions. First, it is advisable that the prevailing label of “continuance commitment” for cost-based commitment be replaced by “*calculative commitment*”, because the term “continuance commitment” gives the impression of being a *behavior* of maintaining a relationship. If commitment is acknowledged to be a psychological state, this term would cause serious misunderstanding. The term “calculative commitment” seems to better reflect the real meaning of cost-based commitment—it embodies the willingness to maintain the relationship based on a rational calculation of the benefits associated with staying and the costs associated with leaving. Also, it is consistent with the intended meaning Meyer and Allen (1991), the creators of the three-component commitment model, assigned to “continuance commitment”—“an awareness of the costs associated with leaving the organization”. In fact, some organizational commitment researchers (e.g. Penley and Gould, 1988) have also used the term “calculative commitment”.

Second, future research needs to highlight the voluntariness of customer commitment, and a new measurement scale for “calculative commitment” needs to be developed for empirical research. As noted earlier, Gonzalez and Guillen (2008) analyzed the voluntariness of commitment, using Aristotle’s framework. Actually, relevant research on organizational citizenship behavior (OCB) provides additional evidence for this nature of commitment. Numerous OCB studies (e.g., Organ and Ryan, 1995; Schappe, 1998) found that organizational commitment is a

good predictor of OCB. This finding indirectly tells about the voluntariness of commitment, because OCB is “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988). A discretionary behavior is typically voluntarily based. Since most of existing scales for measuring “continuance commitment” contain question items reflecting involuntariness of commitment, a new measurement scale for “calculative commitment” is necessary.

References

Gladly provided upon request.

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